

**GOVERNMENT OF PAKISTAN
PLANNING COMMISSION**

**DETAILED
ANNUAL PLAN
1999-2000**

**Islamabad
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FOREWORD

A shorter document was released at the time of the presentation of budget in June, 1999 in which the Planning Commission projected macro-economic framework and main features of the Public Sector Development Programme for 1999-2000. The present document gives a detailed review of the financial and physical progress during 1998-99 and spells out the policies, programmes and projects for 1999-2000. Due account has been taken of the reform initiatives taken since October 12, 1999 and the changes made in the Public Sector Development Programme to make it an effective instrument of economic revival and poverty alleviation.

FAZLULLAH QURESHI
SECRETARY

PART-I
ECONOMIC FRAMEWORK

(1-2)

CHAPTER-1

ECONOMIC PERFORMANCE AND PROSPECTS

REVIEW OF ANNUAL PLAN 1998-99

1.1 Assuming normal behavior of the economy, the overall GDP growth target for 1998-99 was fixed at 6 percent, anticipating growth of 5.4 percent in agriculture, 7.2 percent in manufacturing and 5.7 percent in services sectors, the economy suffered a setback on account of economic sanctions imposed in June 1998. There was virtually complete suspension of external resources inflow, even including that from multi-lateral sources, accompanied by slowed down imports, investment and hence production, especially in large-scale manufacturing and harvest of wheat and cotton. This adversely affected the performance of the economy.

1.2 The real GDP (fc) grew only by 3.1 percent in 1998-99 against its target of 6.0 percent and actual performance of 4.3 percent in 1997-98. The deceleration occurred due to decline in the production of major crops by 0.6 percent, lower increase in the production of minor crops, livestock and fishing by 0.4 percent, 1.5 percent and 3.7 percent respectively, and depressed growth of 2.7 percent in output of large-scale manufacturing. Performance of services sector was estimated at 4.1 percent against the target of 5.7 percent mainly due to a slower growth in trade, public administration & defence sectors. Fixed investment marginally increased to Rs 400.5 billion as compared to last year's fixed investment of Rs 396.6 billion, whereas national savings as percentage of GDP (mp) declined from 14.1 percent in 1997-98 to 12.0 percent in 1998-99. Foreign direct investment almost halved amounting to \$ 376.0 million as compared to \$ 822.6 million last year. The real per capita income increased by only 1.3 percent over the last year. Inflation rate (in terms of CPI) nevertheless, decelerated to 5.7 percent compared to 7.8 percent in 1997-98.

1.3 **Agriculture:** The Agriculture sector was targeted to grow by 5.4 percent in 1998-99. In spite of increased agricultural credit disbursement of Rs 43 million against an allocation of Rs 40 million to enable farmers to purchase and apply the required inputs well in time, two out of four main contributing crops, i.e. wheat and cotton declined by 3.4 percent and 4.3 percent, respectively. The main reason for decrease in output of wheat was the long spell of dry season during the sowing period particularly in the raid fed (barani) areas. The reasons for lower production of cotton were (i) reduction in area under crop in the Punjab by 4.6 percent and in NWFP by 1.2 percent; (ii) heavy fog and abnormal high temperature during the maturing and harvesting period, and (iii) shortfall in production in Sindh due to heavy rains and attack of virus.

1.4 Rice production has been estimated at 4.67 million tonnes in 1998-99 as against 4.33 million tonnes in 1997-98 showing an increase of 7.9 percent (contributed by 17.0 % increase in Basmati and 3.3 percent in other varieties). The sugarcane production was estimated at 55.2 million tonnes in 1998-99 against the last year's production of 53.1 million tonnes. The improvement is attributed to increase in the area from 1056.2 thousand hectares to 1155.1 thousand hectares, despite reduction in yield from 50.3 tonnes per hectare to 47.8 tonnes per

hectare. The production of bajra, maize and jawar increased by 0.9 percent, 4.1 percent and 2.7 percent over last year's achievement respectively. In 1998-99 the production of barley, gram, rapeseed & mustard decreased, while, that of tobacco increased by 1.2 percent. The production of important minor crops like potatoes, onion and chillies was also higher as compared to the last year. Livestock sub-sector depicted a growth of 1.5 percent against the target of 5.4 percent. Over all growth rate of fisheries sector stood at 3.7 percent against the target of 6.4 percent.

1.5 **Mining and Quarrying:** In this sector, estimates for 1998-99 are based on eight months data (July 1998-February 1999) except for crude oil and natural gas which has been estimated on nine month basis. The key mineral items, which have more than 70 percent weight in overall sector, are coal, crude oil and natural gas. The output of coal and natural gas increased by 15.4 percent and 1.6 percent, respectively whereas that of crude oil declined by 1.4 percent over the last year's level. The production of rock salt is estimated 38.4 percent higher over the corresponding period of last year. On the whole mining and quarrying sector registered a growth of 4.5 percent for the year 1998-99.

1.6 **Manufacturing** sector has shown a growth rate of 4.7 percent against the target of 7.2 percent. Based on eight months data, the large-scale-manufacturing sector showed a growth rate of 2.7 percent. The growth has been mainly contributed by increase in production of vegetable ghee (12.7 %), beverages (28.7 %), cigarettes (6.9 %) and cotton cloth (10.2 %). This has been partly offset by, decline in the production of item like sugar (-0.9 percent), cotton ginning (-4.2 percent), cement (-1.9 percent), diesel engine (-13.2 percent), air conditioners (-0.9 percent), billets (-23.9 percent) and sewing machine (-17.2 percent). [On the basis of 12 months information which had become available, the growth of large-scale manufacturing sector works out to be 3.5 percent, which would be incorporated in the National Accounts estimates in its next revision].

1.7 **Electricity and Gas:** The Electricity and Gas sector is estimated to grow by 2.7 percent against the target of 9.0 percent. The installed capacity of power sector increased by 1797 MW, 33 MW in the public sector and 1764 MW in the private sector. However, due to retirement of 157 MW in the public sector, the net addition in the installed capacity of power sector amounts to 1640 MW. As a result, the installed capacity rose from 15,968 MW to 17,608 MW. Because of slack in demand resulting from slow down in economic activity, the total energy generation during 1998-99 was constrained to 65,099 GWh compared to 63,024 GWh in 1997-98. The generation was shared to the extent of 35,894 GWh by WAPDA, 10,692 GWh by KESC, 588 GWh by PASMIC / KANNUP and 18,513 GWh by private sector.

1.8 **Services:** Among the services, growth in trade sector was 1.3 percent against the target of 6.2 percent. The main factors causing deceleration in growth of trade sector include decline in imports and depressed growth in agriculture and Large Scale Manufacturing sector. Growth in transport and communication services was estimated at 5.3 percent. The finance and insurance is the only sector which surpassed its growth target. This sector grew by 9.4 percent against the target of 6.6 percent mainly due to about 58 percent increase in the operating surplus of scheduled banks, which account for around 50 percent of the financial sector. The services sector as a whole is assessed to register 4.1 percent growth against the target of 5.7 percent.

1.9 **Total Resources / Uses:** The Annual Plan of 1998-99 had projected total resources availability at Rs. 3191.2 billion of which 81.0 per cent were to be used for consumption and 19.0 percent for investment. The estimates for 1998-99 indicate the total resources 3.6 percent less than the target amounting to Rs 3075.6 billion. Out of these, 85.5 percent were used for consumption and only 15.5 percent for investment.

1.10 **Investment:** The Annual Plan 1998-99 envisaged a nominal growth of 33.0 percent in fixed investment in current prices. Imposition of sanctions and the rising cost of imported investment goods resulting from dual exchange rate policy, and the 30 percent margin requirements adversely affected the investment levels. Preliminary estimates suggest 1.0 percent growth of investment in current prices. At constant prices, investment actually fell by 2.3 percent. The nominal fixed investment marginally rose to Rs.400.5 billion compared to last year's fixed investment of Rs. 396.6 billion. The public sector investment stood at Rs.150.0 billion, showing an increase of 12.6 percent over last year's investment of Rs.134.0 billion. It however, remained lower than its target of Rs.190.8 billion. The private investment of Rs.249.6 billion, not only remained lower than its target of Rs.262.6 billion, but also decreased by 5.0 percent over the last year's level.

1.11 As a proportion of GDP, the fixed investment declined from 14.1 percent in 1997-98 to 13.2 percent in 1998-99 due mainly to a decline in private sector investment sector from 9.6 percent to 8.2 percent. The public investment, however, increased marginally to 5.0 percent of GDP from 4.9 percent last year.

1.12 **National savings** as percentage of GDP showed a declining trend in 1998-99 due mainly to fall in remittance from abroad and some restrictions on foreign currency accounts. They stood at 12.0 percent of GDP against the target of 15.8 percent and last year's actual performance of 14.1 percent. This meant a decline in the marginal rate of savings by 7.4 percent. Because of reduced capital inflows, national savings financed 81.4 percent of total investment while the remaining 18.6 percent was financed from foreign resources. As such dependence on external resources decreased from 3.0 percent of GDP to 2.8 percent in 1998-99.

1.13 **The Price Situation** showed moderation during 1998-99. The inflation as measured by the CPI, decelerated to 5.74 percent as against 8.0 percent anticipated in the beginning of the year.

1.14 **Foreign Private Investment** amounted to \$ 403.3 million (including \$ 27.3 million portfolio investment) in 1998-99 as compared to \$ 822.6 million (including \$ 221.3 million portfolio investment) in the corresponding period of 1997-98. The direct foreign investment declined by 51.0 percent and portfolio investment by 88.0 percent.

Prospects for 1999-2000

1.15 The policy measures, already put in place by the Government are expected to induce a gradual recovery. GDP growth in 1999-2000 projected of 5.0 percent.

This growth is premised on an anticipated growth of 4.3 percent each in agriculture and large-scale manufacturing, 5.0 percent in electricity & gas distribution, and 5.1 percent in services sector. The commodity producing sectors as a whole are projected to grow by 4.9 percent. The main growth targets of Annual Plan 1999-2000 are given in Table-1.1

TABLE-1.1
GDP GROWTH

Growth Rates (percent)	1996-97	1997-98	1998-99 (Provisional)	1999-2000 (Target)
GDP	1.9	4.3	3.1	5.0
Agriculture	0.12	3.82	0.35	4.30
Manufacturing	1.29	7.88	4.70	5.80
Large-scale Manufacturing	-2.14	7.60	2.70	4.30
Service	3.61	3.20	4.14	5.10

1.16 The **Agriculture** sector is forecast to grow by 4.3 percent. The output of major crops is projected to grow by 5.4 percent. The production of minor crops is forecast to increase by 4.5 percent, livestock by 3.0 percent, and fishing by 4.0 percent. For the development and promotion of agricultural sector, a comprehensive agriculture reform package has already been announced. The production targets of different crops are given at S.A. Table-1.1

1.17 The growth target for **mining and quarrying** sector is placed at 4.5 percent. The projected growth rate is mainly premised on 23.4 percent, 61.5 percent and 10.4 percent increase in the extraction of natural gas, coal and crude oil respectively.

1.18 In the **manufacturing** sector, 5.8 percent growth is envisaged, 4.3 percent in large-scale manufacturing and 8.4 percent in small-scale-manufacturing. Removal of constraints faced by the large-scale manufacturing sector last year will be ensured. Cotton ginning, cement, cotton yarn & cotton cloth, LCV's & cars, air conditioners, cigarettes, motor tyres and nitrogenous fertilizer would be the main growing industries. The targeted production of major industrial items is shown in S.A Table1.2

1.19 The services sector as a whole is projected to grow by 5.1 percent. The main contributors of value addition in this sector are transport & communications, trade and banking & insurance. The **transport and communications** sector account for 10.2 percent of GDP and is forecast to grow at the rate of 5.3 percent. Value addition in this sector would come from road transport and air services. The trade sector, having 15.3 percent share in GDP, depends on the value addition in the agriculture and manufacturing sectors and the imports. It is expected that the

trade sector would grow by 4.8 percent. Banking and insurance sector is projected to grow by 5.0 percent. The sectoral growth rates are given at S.A.Table-1.3.

1.20 **Macroeconomic framework** of the Annual Plan 1999-2000 shows an increase of 10.7 percent in total resources of Rs 3404.0 billion as against provisionally estimated resources of Rs 3075.6 billion for 1998-99. The consumption expenditure is projected at Rs 2796.3 billion and total investment at Rs 607.9 billion including fixed investment of Rs 556.2 billion and changes in stocks of Rs 51.6 billion. Plan envisages that additional incomes generated will largely flow into savings. Therefore, consumption is projected to grow by [just] 6.4 percent whereas total investment and fixed investment by 36.0 percent and 38.9 percent respectively during the year.

1.21 Selected Macro-economic indicators are presented in Table 1.3 below.

TABLE 1.3
SELECTED MACRO -ECONOMIC INDICATOR'S

	1997-98	1998-99		1999-2000
		(T)	(P)	(T)
<u>Percentage Change</u>				
GDP growth	4.3	6.0	3.1	5.0
Inflation (GDP deflator)	8.0	8.0	6.3	6.0
<u>As percent of total resources</u>				
Consumption	83.2	81.5	85.5	82.2
Total Investment	16.8	18.5	14.5	17.8
<u>As percent of GDP(mp)</u>				
Total Investment	17.1	18.7	14.8	18.0
National Saving	14.1	15.8	12.0	15.3
Foreign Saving	3.0	2.8	2.8	2.7
<u>Investment Financed by (percent)</u>				
National Saving	82.3	84.8	81.4	88.4
Foreign Saving	17.7	15.2	18.6	11.6

1.22 **Investment:** Total investment in 1999-2000 is projected at Rs 607.8 billion, which

is 36.0 percent higher over last year's provisional investment of Rs 446.9 billion. As a proportion of GDP, investment is targeted at 18.0 percent against 14.8 percent during 1998-99. Fixed investment is projected to grow by 38.9 percent to Rs 556.2 billion i.e. an increase from 13.2 percent of GDP in 1998-99 to 16.5 percent in 1999-2000. In line with the Government policy of encouraging private sector, about 63.0 per cent of fixed investment would be in the private sector. Thus, the private sector is targeted to reach Rs 350.4 billion where as public sector investment would amount to Rs 205.8 billion. As a proportion of GDP, the public and private investment shares are projected at 6.1 percent and 10.4 percent, respectively. The highest priority in the public sector would continue to be enjoyed by power, transport & communications, and social sectors. However, manufacturing, agriculture, energy and housing sectors will claim the major share of investment in private sector.

1.23 **National Savings** are expected to rise from 12.0 percent in 1998-99 to 15.9 percent of GDP and would finance 38.4 percent of total investment. External savings are targeted to decline from 2.8 percent to 2.1 percent in 1999-2000 and are projected to finance 11.6 percent of the total investment. For the promotion of investment and savings, efforts will be made to enforce fiscal discipline, enhance equity financing and improve the effectiveness of financial institutions. The projected savings imply a marginal rate of national saving of 49.6 percent as against a decline of 7.4 percent in 1998-99. The marginal rate of domestic savings is expected at 52.2 percent as against the decline of 8.5 percent in 1998-99. The details of the macro-economic framework showing total resources and their uses are presented at S.A. Table- 1.4.

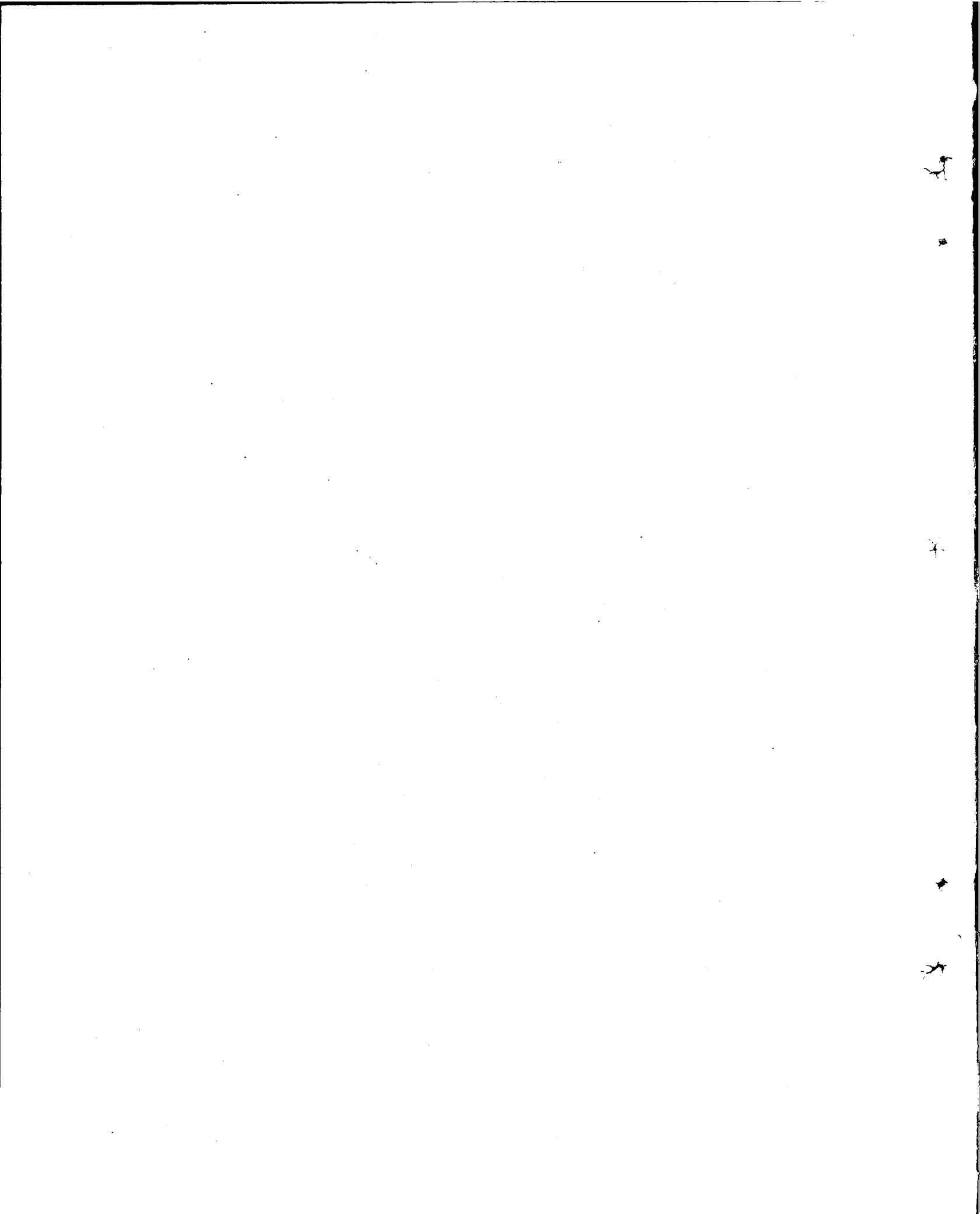
1.24 **Inflation:** Enlarged production of the commodity producing sectors, fiscal discipline and judicious demand management would moderate inflationary pressure. Timely imports, adjustment in the duty structure and administrative measures would also be adopted to stabilize prices. The rate of inflation for the year 1999-2000 is, therefore, targeted at 6.0 percent.

Recent Developments

1.25 The new Government which took office on 12th October, 1999 announced its economic priorities/policy guidelines for revival of the economy, on December 15, 1999.

- i) Rebuilding of investor's confidence through stability and consistency in economic policies and economic security. The objective is to encourage the local investors, overseas Pakistanis and foreign investors.
- ii) Increase domestic savings.
- iii) Turn around the state enterprises towards profitability.
- iv) Boost agriculture and revive industry. Measures initiated in this connection include increase in support price of wheat from Rs 245 to 300 per 40 kg, augmentation of agricultural credit and reforming the ADBP to reach the small farmers to help in achieving self-sufficiency in wheat and reduction in edible oil imports. Besides, there has been significant expansion of credit facilities for small and medium enterprises.

1.26 However, due to stringent financial position, the Public Sector Development Programme has been reduced from Rs 116 billion originally envisaged for 1999-2000 to Rs 102 billion, which may affect GDP growth.



CHAPTER-2

PUBLIC SECTOR DEVELOPMENT PROGRAMME

REVIEW OF PSDP 1998-99

2.1 The Public Sector Development Programme (PSDP) 1998-99 was formulated within the Policy framework) geared to: i) pursue the goal of structural and macro economic adjustment in order to bring stability in the economy, ii) to aim at accelerating development in production, Social, Human Resource Development and physical infrastructure Sectors so as to ensure sustained high growth, iii) wider dispersal of economic benefits amongst people at large and iv) remove regional disparities as far possible. For this purpose the Government gave special attention to these priority sectors and provided sufficient funds to them in PSDP 1998-99. Special emphasis was also layed on the implementation of Social Action Programme (SAP). Accordingly, Education, Health, Population Welfare and clean drinking water supply were the priority areas.

2.2 The total size of the budgetary PSDP 1998-99 was fixed at Rs.110.6 billion . A cut of Rs.12.5 billion on the development budget was made which reduced the size of PSDP 1998-99 to Rs.98.1 billion. Against this amount Rs.87.1 billion were likely to be utilized. Financial stringency, irregular releases of funds and delays in the procedural formalities were responsible for the shortfalls. Sector-wise details and other bifurcations are shown in S.A.Table-2.1. Agency-wise allocations and corresponding utilization is shown in Table-2.1.

TABLE-2.1
REVISED ESTIMATES OF BUDGETARY PSDP DURING 1998-99
(Billion Rs)

Sector	Allocation	Revised Estimates	%Utilization
1	2	3	4
Federal Programme	39.6	36.1	91.2
Provincial Programme	28.8	28.2 *	97.9
Budgetary Corporations Programme (WAPDA, OGDC, NHA)	29.7	22.8	76.8
(Total PSDP)	98.1	87.1	88.7

Federal Budgetary Programme

2.3 During 1998-99 an amount of Rs 39.6 billion was allocated to the development programme of Federal Ministries/ Divisions, Special Areas Programme(Azad Kashmir, Northern Areas, FATA and FATA-DC) and Special Programme(Tameer-e- Sindh Programme and Afghan Refugees Programme). Against this the revised estimates stood at Rs. 36.1 i.e. 91.2 per cent. The allocation and utilization is shown in Table-2.2.

TABLE-2.2
REVISED ESTIMATES OF FEDERAL BUDGETARY PSDP 1998-99
(Billion Rs)

Sector	Allocation	Revised Estimates	%Utilization
1	2	3	4
Federal Ministries/ Divisions, Programme	36.5	32.5	89.0
Tameer-e-Sindh Programme	0.5	1.0	200.0
Tameer-e-Watan Programme	2.5	2.5	100.0
Afghan Rehabilitation Programme	0.1	0.1	100.0
Total (Ministries)	39.6	36.1	91.2

Provincial Programme

2.4 During 1998-99, the actual development expenditure in the Provinces amounted to Rs 28.2 billion against an allocation of Rs 28.8 billion. In sectoral terms, Rural Development was accorded highest priority (Rs 6.8 billion) followed by Physical Planning and Housing (Rs 6.1 billion), Educating and Training (Rs 5.7 billion), Water (Rs.3.2 billion), Transport and Communication (Rs 2.6 billion), and Health (Rs 2.0 billion) respectively.

Corporations Programme

2.5 The Public Sector corporations (Budgetary and Non Budgetary) were allocated Rs 110.6 billion during 1998-99. The corresponding revised estimates amounted to Rs 86.1 billion (77.8%). The Corporation-wise details are given in S.A. Table 2.3.

PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP) 1999-2000

2.6 An amount of Rs 116.3 billion was allocated to the Budgetary Public Sector Development Programme 1999-2000 at the time of budget. However, due to resource constraints, Finance Division applied cut to the tune of Rs.14.3 billion to PSDP reducing it to Rs.102.0 billion. The share of Federal Ministries/Divisions amounts to Rs 40.5 billion. Provincial programme has been earmarked Rs 28.8 billion. The share of budgetary corporations amounts to Rs 32.7 billion. The sectoral details are given in the S.A. Table 2.2 and the agency-wise details are shown in Table 2.3.

TABLE-2.3
BUDGETARY PSDP 1999-2000

(Billion Rs)

Sector	Allocation 1998-99		Allocation 1999-2000	
	Total	F. Aid	Total	F. Aid
1	2	3	4	5
Federal Ministries/ Divisions, Programme	<u>39.6</u>	<u>14.4</u>	<u>40.5</u>	<u>14.1</u>
i) Ministries Prog	36.5	14.4	36.5	14.1
ii) Tameer-e-Sindh	0.5	0.0	0.1	0.0
iii) Afghan Refugees Programme	0.1	0.0	0.1	0.0
iv) Tameer-e-Watan Programme	2.5	0.0	0.3	0.0
v) Integrated Rural and Urban Dev. Programme	0.0	0.0	3.5	0.0
Provincial Programme	<u>28.8</u>	<u>13.0</u>	<u>28.8</u>	<u>13.0</u>
Corporations Budget Programme	<u>29.7</u>	<u>16.4</u>	<u>32.7</u>	<u>15.3</u>
Total (Budgetary PSDP)	98.1	43.8	102.0	42.4

* The size of the programme formulated by the provinces is larger than this amount. They will either mobilize additional resources or adjust it within this amount.

2.7 Sectoral allocations for budgetary PSDP 1999-2000 (National) which is an indication of inter-sectoral priority assigned, ranked highest for Transport and Communication sector followed by Water, Power, Rural Development, Physical Planning & Housing and Education sectors.

2.8 Federal PSDP for 1999-2000 excluding budgetary Corporations has been placed at Rs 69.3 billion out of which Rs 36.5 billion has been earmarked for Federal Ministries, Rs 3.5 billion for Integrated Rural and Urban Development Programme, Rs 0.1 billion for Tameer-e-Sindh Programme, Rs 0.1 billion for Afghan Refugees Programme and Rs.28.8 billion for Provincial Programme. Corporations Programme amounts to Rs 32.7 billion.

Provincial Programme

2.9 For 1999-2000, Rs 28.8 billion have been earmarked in Federal PSDP for Provincial SAP and non-SAP programme. Province-wise allocation/utilization during 1998-99 and allocation during 1999-2000 is shown in Table-2.4.

TABLE-2.4
REVISED ESTIMATES OF PROVINCIAL PSDP DURING 1998-99 AND ALLOCATION
FOR 1999-2000

(Billion Rs)

Province	Allocation for 1998-99	Revised estimates during 98-99	Allocation for 1999-2000
1	2	3	4
1. Punjab	12.3	15.4	12.3
2. Sindh	6.7	4.6	6.7
3. NWFP	4.9	4.6	4.9
4. Balochistan	4.9	3.6	4.9
			*
Total	28.8	28.2	28.8

* The size of the programme formulated by the provinces however amount to Rs 43.3 billion. Provincial Governments will mobilize resources to meet this additional expenditure or will adjust their programmes in line with the above allocations.

2.10 Sectoral allocation in the total Provincial Programme for 1999-2000 is the reflection of highest priority accorded to Rural Development, Water, Physical Planning & Housing, Education, Transport and Communication and Health sectors respectively.

Corporation Programme

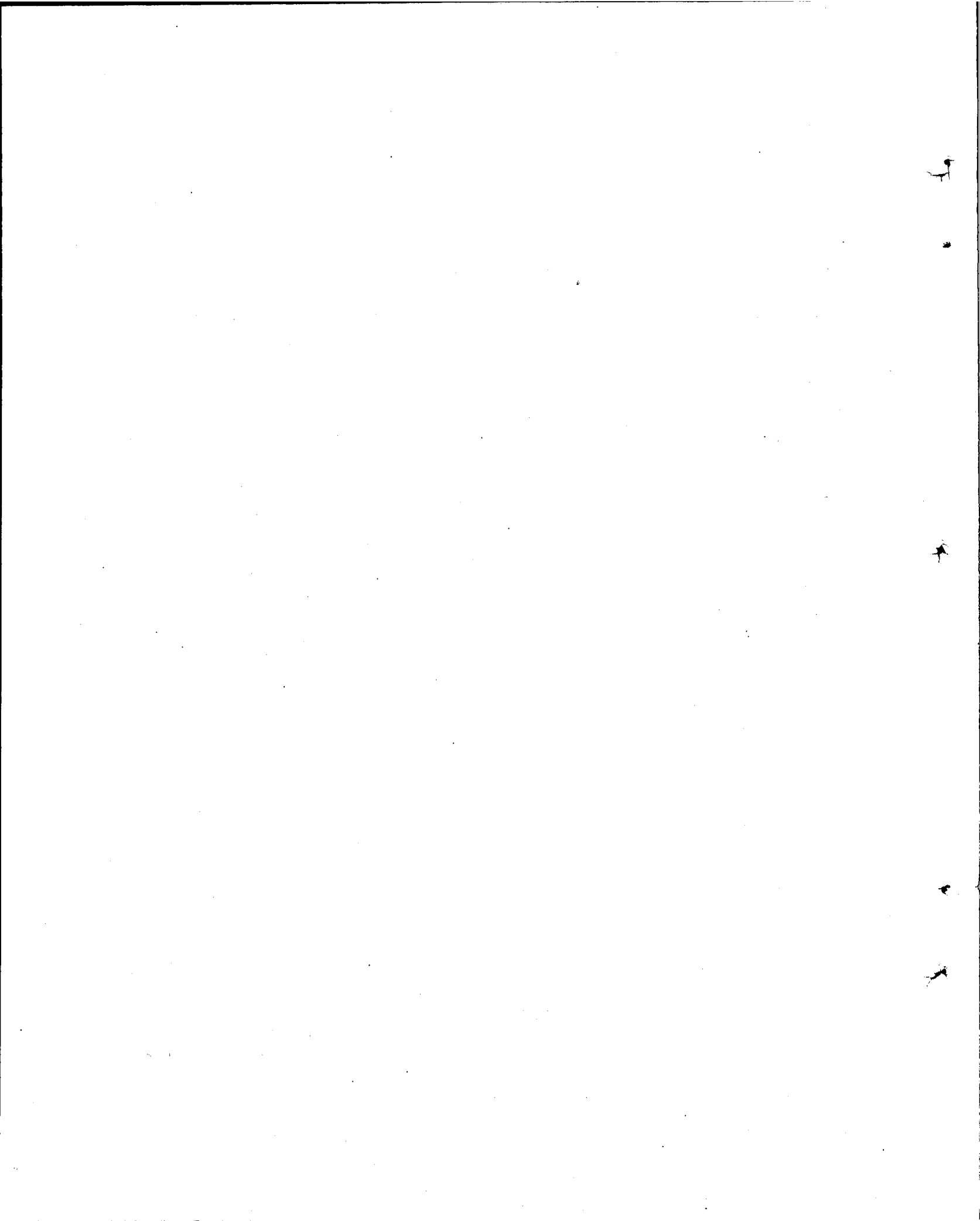
2.11 Public Sector Corporations programme 1999-2000 amount to Rs 107.5 billion compared to Rs 110.6 billion in 1998-99. Out of this Rs. 32.7 billion have been allocated to WAPDA, OGDC and NHA through budget and Rs. 16.9 billion outside the budget. An amount of Rs. 57.9 billion have been allocated to non-budgetary corporations. Whole of this amount will be arranged by the Corporations through self-financing/market loan/bank borrowing/foreign loan. Thus, the materialization of corporate programme will depend to a very large extent on the capability of the Corporations to generate financial surpluses and capacity to raise loan and equity. The Programme of the corporations for 1999-2000 is shown in S.A.Table-2.3.

Special Areas Programme

2.12 An allocation of Rs 4.2 billion has been made in Federal PSDP 1999-2000 for the Special Areas (AJ&K, NA, FATA & FATA Development Corporation). Allocation to these areas in 1998-99 was Rs 3.9 billion. The area-wise allocation and utilization is shown in Table 2.5.

TABLE-2.5
SPECIAL AREAS PROGRAMME FOR 1998-99 AND 1999-2000

(Million Rs)			
Agency	Allocation for 1998-99	Revised Estimates during 1998-99	Allocation for 1999-2000
1	2	3	4
Azad Kashmir	2034.719	1857.767	2213.719
Northern Areas	865.700	676.350	868.680
FATA	923.000	685.920	982.021
FATA-DC	124.600	116.754	124.580
Total	3948.019	3336.791	4189.000



CHAPTER-3

PUBLIC FINANCE

3.1 The Government recognizes that a sound budgetary position is essential for achieving long-term goal of sustainable economic growth and higher investment. Reduction in budget deficit through enlarging the tax base and containing the growth of wasteful government expenditure has been the critical element of the strategy for fiscal consolidation pursued by the Government.

3.2 The fiscal management in the 1990s suggests a number of areas of concern, which the fiscal policy has to address. First, public savings rates must increase substantially to finance the increase in public investment required for provision of adequate physical and social infrastructure and to contain the rising outstanding debt. Second, further reduction in non-interest current expenditure is likely to affect seriously great ability to maintain the existing inadequate physical and social infrastructure and to support the social infrastructure developed through Social Action Programme (SAP). Third, greater efforts are needed to reduce the multiplicity of taxes. Fourth, the provinces must intensify their resource mobilization efforts, particularly revenue potential of agricultural income tax and property tax. Finally, the tax administration must be strengthened on modern lines to meet the needs of a developing society.

3.3 In recent year the Government has introduced wide-ranging structural reforms and stabilization measures. On the revenue side, significant progress has been made in reforming the sales tax, income tax and import tariffs. The General Sales Tax (GST) has been expanded at the manufacturing and import stages by removing excise-like features. The GST has been extended to the retail stage and to some utilities (gas, electricity). The treatment to perquisites in cash and kind has been rationalized in the assessment of income tax, and certain deductions have been reduced. The maximum personal income tax rate has been reduced from 35 per cent to 20 per cent, while rates of corporate tax also have been reduced. The maximum tariff rate on imports has been lowered to 35 per cent and non-zero tariff slabs have been reduced to four. The government has increased and rationalized the rates of duty drawback for exports.

3.4. On the expenditure side, the Government has pursued tight expenditure policies and has attained impressive achievement in containing the growth of wasteful expenditure. Many low-priority development projects have been eliminated, while allocation to social sectors was protected and enhanced.

3.5 The tax and tariff reform measures as well as tight expenditure polices have yielded positive results and has reduced fiscal deficit from more than 6 percent of GDP in earlier 90s to 3.4 percent in 1998-99. Further, fiscal consolidation through the deepening of tax and tariff reform as well as rationalization of public spending is estimated and the target for fiscal deficit for 1999-2000 has been set at 3.3 per cent of GDP.

FISCAL DEVELOPMENTS 1998-99

3.6 The consolidated budget for 1998-99 aimed at further reducing the fiscal deficit from Rs. 153.5 billion in 1997-98 to Rs. 143.2 billion in 1998-99. The budget estimated that

government revenues to rise from Rs. 436.6 billion (16.0 per cent of GDP) in 1997-98 to Rs. 522.9 billion (16.7 per cent of GDP). The tax revenues were to grow by 15.8 per cent from Rs. 361.7 billion in 1997-98 to Rs. 418.8 billion in 1998-99. The non-tax receipts at Rs. 104.1 billion were estimated to increase by 39 per cent over the 1997-98 receipts of Rs. 74.9 billion.

3.7 The budget 1998-99 estimated that the Government expenditure at Rs. 666.1 billion was higher by 12.9 per cent compared to the 1997-98 expenditure of Rs. 590.1 billion. However, as a proportion of GDP, the Government expenditure was estimated to fall from 21.6 per cent in 1997-98 to 21.3 per cent in 1998-99. The current expenditure was estimated to rise by 11.9 per cent from Rs. 496.3 billion to Rs. 555.5 billion in 1998-99. A major portion of expenditure (38.5 per cent of current expenditure) was earmarked for interest payments estimated at Rs. 214.1 billion, as compared to Rs. 191.7 billion in 1997-98. The expenditure on Public Sector Development Programme (PSDP) financed from the budget at Rs. 110.6 billion was higher by 26.2 per cent over the 1997-98 PSDP of Rs. 87.6 billion.

3.8 The overall fiscal deficit of Rs. 143.2 billion was to be financed by 89.7 per cent and 10.3 per cent through domestic and external borrowing respectively. Of the internal financing of Rs. 128.5 billion, the bank borrowing was estimated at Rs. 39.2 billion and the non-bank borrowing at Rs. 89.3 billion.

3.9 The implementation of the budget 1998-99 shows that both Government revenues and Government expenditures have grown at a rate lower than the budget estimates. The Government collected Rs. 512.8 billion revenues in 1998-99 as against the target of Rs 522.9 billion, showing a short fall of Rs. 10.1 billion or 1.9 per cent. The shortfall in government revenue is mainly due to shortfall in tax collection by CBR. The shortfall in Government revenues has been off-set by reduction in government expenditure of Rs. 52 billion. The government expenditure in the revised estimates of 1998-99 at Rs. 614.1 billion has been lower by 7.8 per cent to the budget estimates of Rs. 666.1 billion. Both current and development expenditures have been below the budget estimates by Rs. 26.9 billion and Rs. 18.5 billion respectively.

3.10 The overall fiscal deficit at Rs. 101.3 billion has been significantly lower to the budget estimate of Rs. 143.2 billion. The financing of the budget deficit has, however, shown a significant deviation from the budget estimates, mainly because of rescheduling of foreign debt. Details are given in Table- 3.1 below and in S.A.Table-3.1.

TABLE - 3.1
CONSOLIDATED BUDGET 1997-98 and 1998-99

	<i>(Rs. Billion)</i>				
	1997-98 Provisional/ Actual	1998-99		% Growth Rate FY99/FY98	Performance in 1998-99 (Rev. - B.E)
		Budget Estimates	Revised Estimates		
Government Expenditure	590.1	666.1	614.1	4.1	-52.0
Current	496.3	555.5	528.6	6.5	-26.9
Development	87.6	110.6	92.1	5.1	-18.5
Net Lending to PSEs, etc.	6.2	0.0	-6.6	-206.5	-6.6
Government Revenues	436.6	522.9	512.8	17.5	-10.1
Tax	361.7	418.8	404.5	11.8	-14.3
Non-tax revenues	74.9	104.1	108.3	44.6	4.2
Fiscal Deficit	153.5	143.2	101.3	-34.0	-41.9
Primary deficit	-38.2	-70.9	-108.2	183.2	-37.3
Interest payments	191.7	214.1	209.5	9.3	-4.6
Financing:	153.6	143.2	101.0	-34.0	-41.9
Bank borrowing	48.5	39.2	-62.8	-229.5	-102.0
Non-bank borrowing	78.5	89.3	106.8	36.1	17.4
External borrowing (net)	26.6	14.7	57.4	115.8	42.7
GDP (MP)	2736.9	3134.3	3025.7	10.5	-109.3
Memorandum Items					
Share of GDP					
Government Expenditure	21.6	21.3	20.3		
Current	18.1	17.7	17.5		
Development	3.2	3.5	3.0		
Net Lending to PSEs, etc.	0.2	0.0	-0.2		
Government Revenues	16.0	16.7	17.0		
Tax	13.2	13.4	13.4		
Non-tax revenues	2.7	3.3	3.6		
Fiscal Deficit	5.6	4.6	3.0		
Primary deficit	-1.4	-2.3	-3.6		
Interest payments	7.0	6.8	6.9		
Financing:	5.6	4.6	3.0		
Bank borrowing	1.8	1.3	-2.1		
Non-bank borrowing	2.9	2.8	3.5		
External borrowing (net)	1.0	0.5	1.9		

Source: S.A. Table-3.1.

- Sales tax	2.0	2.3	2.4
- Surcharges	1.8	1.4	2.4
Petroleum	1.6	1.1	2.2
Natural Gas	0.2	0.2	0.2
- Other indirect taxes	0.6	0.6	0.6
Non-tax revenues	2.7	3.3	3.6

Source: S.A.Table-3.1

Government Expenditure

3.13 The government expenditure during 1998-99 reduced from 21.6 per cent of GDP in 1997-98 to 20.3 per cent in the revised estimates of 1998-99. The current expenditure has been reduced from 18.1 per cent of the GDP in 1997-98 to 17.5 per cent in 1998-99. Decline in current expenditure in 1998-99 has been mainly due to reduction of defense expenditure from the budget estimates of Rs. 145 billion to Rs. 128 billion in the revised estimates of 1998-99. Interest payments also witnessed a reduction of Rs. 4.6 billion from budget estimates of Rs. 214.1 billion to Rs. 209.5 billion. The development expenditure as a proportion of GDP has been further reduced from 3.2 per cent in 1997-98 to 3.0 per cent in 1998-99. Table- 3.3 and S.A.Table-3.2 give details of the government expenditure.

TABLE - 3.3
CONSOLIDATED BUDGET 1997-98 and 1998-99
(Composition of Expenditures)

	1997-98 Provisional/ Actual	1998-99		% Growth Rate FY99/FY98	Performance in 1998-99 (Rev. - B.E)
		Budget Estimates	Revised Estimates		
				(Rs. Billion)	
Government expenditure	590.1	666.1	614.1	4.1	-52.0
Current Expenditure	496.3	555.5	528.6	6.5	-26.9
General administration	61.4	66.7	63.5	3.4	-3.2
Defense	131.4	145.0	128.0	-2.6	-17.0
Community Services	13.0	15.1	14.0	7.7	-1.1
Social Services	61.3	73.5	62.8	2.4	-10.7
Economic Services	10.6	10.6	12.0	13.2	1.4
Subsidies	8.9	11.5	19.9	123.6	8.4
Interest Payments	191.7	214.1	209.5	9.3	-4.6
Domestic	162.0	171.7	170.7	5.4	-1.0
Foreign	29.7	42.4	38.8	30.6	-3.6
Grants to LBs	8.4	13.6	12.0	42.9	-1.6
Others	9.6	5.4	6.9	-28.1	1.5
Development Expenditure	87.6	110.6	92.1	5.1	-18.5
Net Lending to PSEs, etc.	6.2	0.0	-6.6	-206.5	-6.6
GDP (MP)	2736.9	3134.3	3025.7	10.5	-109.3
Memorandum Items: % Of GDP					
Government expenditure	21.6	21.3	20.3		

Current	18.1	17.7	17.5
General administration	2.2	2.1	2.1
Defense	4.8	4.6	4.2
Community Services	0.5	0.5	0.5
Social Services	2.2	2.3	2.1
Economic Services	0.4	0.3	0.4
Subsidies	0.3	0.4	0.7
Interest Payments	7.0	6.8	6.9
Domestic	5.9	5.5	5.6
Foreign	1.1	1.4	1.3
Grants to LBs	0.3	0.4	0.4
Others	0.4	0.2	0.2
Development	3.2	3.5	3.0

Source: S.A.Table-3.1

Fiscal Performance of the Federal Government: 1998-99

3.14 The Federal Budget 1998-99 estimated gross revenues of Rs 518.4 billion. This was based on tax revenue of Rs. 399.9 billion, of which direct taxes Rs. 123.0 billion and indirect taxes of Rs. 276.9 billion, including surcharges on petroleum and natural gas of Rs. 43.4 billion. The revised budget estimates for 1998-99 show a shortfall of Rs 16.5 billion or 3.2 per cent in gross revenues. Both, the direct and indirect taxes witnessed shortfall of Rs. 11.0 billion and Rs 5.7 billion respectively. Receipts from petroleum surcharges of Rs. 66.4 billion have been higher by Rs. 30.8 billion or 86.5 per cent over the budget estimate of Rs. 35.6 billion. The non-tax receipts of Rs. 118.7 billion in the revised budget estimates have been marginally up to the budget target of Rs. 118.5 billion.

3.15 The current expenditure of the federal government in the revised budget estimates 1998-99 at Rs. 406.6 billion has been below the budget estimates of Rs. 426.8 billion by Rs. 20.2 billion. The major decrease in the revised budget estimates has been in general administration of Rs 3.6 billion, defense of Rs 17.0 billion and interest payments Rs. 8.4 billion over the budget estimates of 1998-99. Table-3.4 below and S.A.Table-3.2 give details.

TABLE - 3.4
FEDERAL GOVERNMENT REVENUES AND EXPENDITURES (GROSS BASIS)

	1997-98 Provisional/ Actual	1998-99		% Growth Rate FY99/FY98	Performance In 1998-99 (Rev. - B.E)
		Budget Estimates	Revised Estimates		
		<i>(Rs. Billion)</i>			
Revenue Receipts (Gross)	433.6	518.4	501.9	15.8	-16.5
Tax	345.0	399.9	383.2	11.1	-16.7
Direct taxes	103.2	123.0	112.0	8.5	-11.0
Indirect taxes	241.8	276.9	271.2	12.2	-5.7
Non-tax revenues	88.6	118.5	118.7	34.0	0.2
Less Transfer to Provinces	114.4	114.4	121.5	6.2	7.1
Revenue Receipts (Net)	319.2	404.0	380.4	19.2	-23.6
Current Expenditure	388.5	426.8	406.6	4.7	-20.2

General administration	19.3	21.0	17.4	-9.8	-3.6
Law and Order	8.0	8.4	8.5	6.3	0.1
Defense	131.4	145.0	128.0	-2.6	-17.0
Community services	5.9	6.0	5.5	-6.8	-0.5
Social services	8.9	9.7	9.0	1.1	-0.7
Economic services	2.9	2.5	2.3	-20.7	-0.2
Subsidies	6.4	4.0	9.6	50.0	5.6
Debt Servicing	185.6	206.7	198.3	6.9	-8.4
Grants to Prov./Local Auth.	15.4	20.7	21.1	37.0	0.4
Other expenditures	4.8	2.8	6.9	43.8	4.1
GDP(MP)	2736.9	3134.3	3025.7	10.6	-108.6
% of GDP					
Government revenues (Gross)	15.8	18.9	16.6		
Tax	12.6	12.8	12.7		
Direct taxes	3.8	3.9	3.7		
Indirect taxes	8.8	8.8	9.0		
Non-tax revenues	3.2	3.8	3.9		
Less Transfer to Provinces	4.2	3.6	4.0		
Government Revenues(Net)	11.7	12.9	12.6		
Government Current Exp.	14.2	13.6	13.4		
General administration	0.7	0.7	0.6		
Law and Order	0.3	0.3	0.3		
Defense	4.8	4.6	4.2		
Community services	0.2	0.2	0.2		
Social services	0.3	0.3	0.3		
Economic services	0.1	0.1	0.1		
Subsidies	0.2	0.1	0.3		
Debt Servicing	6.8	6.6	6.6		

Source: S.A.Table-3.2

Fiscal Performance of the Provincial Governments: 1998-99

3.16 The Provincial budgets 1998-99 have estimated total revenues at Rs.165.8 billion. These estimates have been based on Rs.135.0 billion transfer from federal government and Rs.30.8 billion from provincial own revenues. The revised budget estimates 1998-99 show a shortfall of Rs. 13.5 billion in shared taxes transferred from the federal government. The provincial own revenue receipts in the revised budget estimates, however, have witnessed an increase of Rs. 5.6 billion compared to the budget estimates of Rs.30.8 billion. The tax receipts in the revised estimates have been higher by Rs. 2.5 billion and non-tax receipts by Rs. 3.1 billion. The share of tax revenues at Rs.21.3 billion in the revised budget estimates 1998-99 has been 58.5 per cent of the provincial own revenues and the non-tax receipts 41.5 per cent.

3.17 The current expenditure of the provincial governments in the revised budget estimates of 1998-99 has indicated a reduction of Rs.6.0 billion to the budget estimate of Rs.137.3 billion. In the revised estimates, community, economic and social services claimed

about 55 per cent of the current expenditure and government administration 16.2 per cent. Debt servicing (8.5 per cent) and subsidies (7.8 per cent) share the balance of the current expenditure Table - 3.5 below gives the details.

TABLE -3.5
PROVINCIAL GOVERNMENT REVENUES AND EXPENDITURES

	1997-98 Provisional/ Actual	1998-99		<i>(Rs. Billion)</i>	
		Budget Estimates	Revised Estimates	% Growth Rate FY99/FY98	Performance in 1998-99 (Rev. - B.E)
Total Resources	143.4	165.8	157.9	10.1	-7.9
a) Transfer From Fed.	114.4	135.0	121.5	6.2	-13.5
b) Provincial Govt. Own revenues	29.0	30.8	36.4	25.5	5.6
Tax	16.7	20.8	21.3	27.5	0.5
Direct taxes	4.9	5.9	5.9	20.4	0.0
Indirect taxes	11.8	14.9	15.4	30.5	0.5
Non-tax revenues	12.3	12.0	15.1	22.8	3.1
Current expenditure	115.3	137.3	131.3	13.9	-6.0
Revenue Surplus	28.1	28.5	26.6		
As % of GDP					
Total Resources	5.2	5.3	5.2		
a) Transfer From Fed.	4.2	4.3	4.0		
b) Provincial Govt. Own revenues	1.1	1.0	1.2		
Tax	0.6	0.7	0.7		
Direct taxes	0.2	0.2	0.2		
Indirect taxes	0.4	0.5	0.5		
Non-tax revenues	0.4	0.4	0.5		
Current expenditure	4.2	4.4	4.3		

Source: S.A. Table-3.3.

BUDGET 1999-2000 **CONSOLIDATED BUDGET**

3.18 The consolidated Budget for 1999-2000 reiterates Government commitment to intensify efforts to achieve fiscal consolidation. It aims to reduce further overall fiscal deficit to 3.3 % of GDP.

3.19 The government revenues in the Budget 1999-2000 have been estimated to increase from Rs. 512.8 billion to Rs. 571.0 billion, showing an increase of 11.3 per cent. As a proportional of GDP government revenues have been estimated to increase from 16.0 per cent in 1997-98 to 16.8 per cent in 1999-2000. The tax revenues are estimated to increase from Rs. 404.5 billion in 1998-99 to Rs. 443.4 billion in 1999-2000 or 9.6 per cent. The CBR collected taxes have been estimated to increase by 15.6 per cent from Rs 308.5 billion in

1998-99 to Rs 356.0 billion in 1999-2000. The major increase in government revenues has been estimated in sales tax, which are expected to increase by 32.7 per cent from Rs. 72.7 billion in 1998-99 to Rs. 96.5 billion in 1999-2000 and non-tax revenues showing an increase of about 17.8 per cent from Rs 108.3 billion in 1998-99 to Rs 127.6 billion.

3.20 The government expenditure in the 1999-2000 has been estimated to increase by 11.3 per cent from Rs 614.1 billion in 1998-99 to Rs 683.7 billion. As a proportion of GDP government expenditure is estimated to reduce from 21.6 per cent of GDP in 1997-98 to 20.2 per cent in 1999-2000. The current expenditure is estimated to grow by 9.3 per cent from Rs 528.6 billion in 1998-99 to Rs 577.7 billion. Expenditure on defense and debt servicing has been estimated to claim 61.5 per cent of current expenditure, community, social and economic services 19.7 per cent, and government administration 12.5 per cent. The balance of the current expenditure has been shared by subsidies and grants to local governments etc. Details are given in Table 3.6.

3.21 The overall fiscal deficit of Rs 112.7 billion is to be financed by Rs 53.3 billion (47.3%) by domestic borrowings. The external borrowings (net) at Rs 59.4 billion have been estimated to finance (52.7%) of the deficit. Details are given in Table-6 below and S.A.Table-3.1.

TABLE - 3.6
CONSOLIDATED BUDGET 1998-99 and 1999-2000

	(Rs Billion)			
	1998-99		1999-2000 Budget	% Growth Rate FY2000/FY99
	Budget Estimates	Revised Estimates		
Government Expenditure	666.1	614.1	683.7	11.3
Current	555.5	528.6	577.7	9.3
Development	110.6	92.1	116.3	26.3
Net Lending to PSEs, etc.	0.0	-6.6	-10.3	56.1
Government Revenues	522.9	512.8	571.0	11.3
Tax	418.8	404.5	443.4	9.6
Non-tax revenues	104.1	108.3	127.6	17.8
Fiscal Deficit	143.2	101.0	112.8	11.3
Primary deficit	-70.9	-108.2	-100.8	-6.8
Interest payments	214.1	209.5	213.5	1.9
Financing:	143.2	101.0	112.8	11.3
Bank borrowing	39.2	-62.8	-13.7	-78.2
Non-bank borrowing	89.3	106.7	67.0	-37.2
External borrowing (net)	14.7	57.4	59.4	3.5
GDP (MP)	3134.3	3025.7	3388.8	12.0
Memorandum Items				
% of GDP				
Government Expenditure	21.3	20.3	20.2	
Current	17.7	17.5	17.0	
Development	3.5	3.0	3.4	

Net Lending to PSEs, etc.	0.0	-0.2	-0.3
Government Revenues	16.7	17.0	16.8
Tax	13.4	13.4	13.1
Non-tax revenues	3.3	3.6	3.8
Fiscal Deficit	4.6	3.0	3.3
Primary deficit	-2.3	-3.6	-3.0
Interest payments	6.8	6.9	6.3
Financing:	4.6	3.0	3.3
Bank borrowing	1.3	-2.1	-0.4
Non-bank borrowing	2.8	3.5	2.0
External borrowing (net)	0.5	1.9	1.8

Source: S.A.Table-3.1.

FISCAL REFORM AGENDA

3.22 The present government recognizing the weak fiscal position has announced the following measures to improve the fiscal position.

a) Broadening the tax base:

- i. Income from agriculture sector will be taxed on the same lines as incomes from any other source. The Provincial Governments will design appropriate mechanism for this purpose.
- ii. On truthful disclosure of all tax evaded, a payment of a 10% tax will allow people to bring these assets to their books. The amnesty will be available until 31st March 2000.
- iii. GST will be applied at all stages. At each stage, the application will be simplified to and adapted to the needs of each sector.

b) Reducing the multiplicity of taxes:

- i. A number of taxes in force at present at the federal and provincial governments level will be phased out gradually.

c) Promotion of documentation of the economy.

d) Simplification and improvement in procedures.

- i. Tax refunds will be allowed by the CBR within a specified period.
- ii. Approved refunds due from the CBR will be eligible for offset against taxes payable.
- iii. 10% withholding tax on income from National Saving Schemes will be withdrawn and refunds will be made to those who have encashed their saving from September 1999.

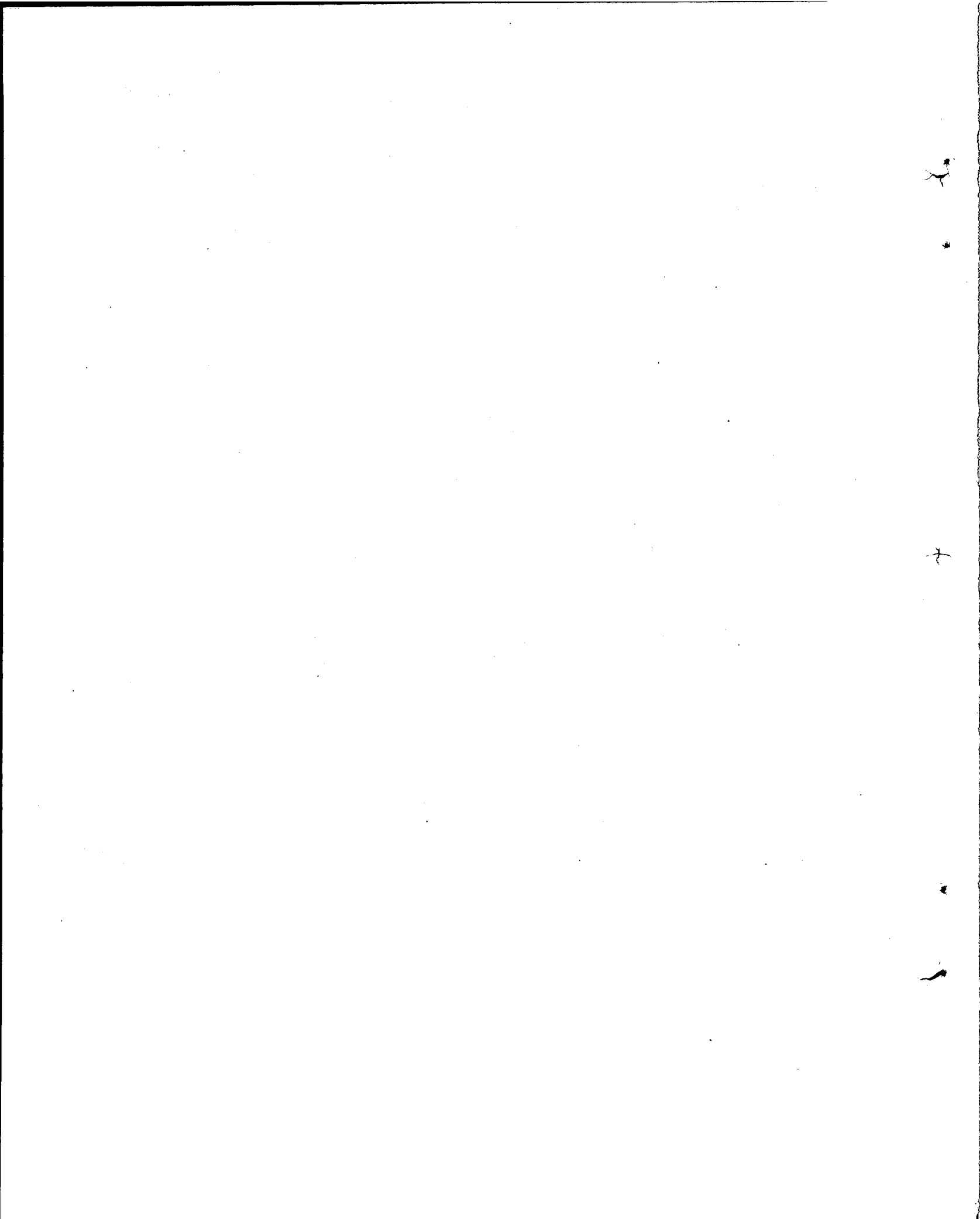
e) **Strengthening tax administration:**

- iv. A Tax Ombudsman will be appointed to hear and decide complaints against tax authorities.
- v. Revenue Benches will be established in the High Courts and Supreme Court to deal with tax disputes.

f) **Tariff reforms:**

- i. Strengthening National Tariff Commission. Tariff Commission will be made autonomous.
- ii. An Anti-smuggling campaign will be launched.

3.23 Details of federal budget and provincial budgets 1999-2000 are given in S.A.Table-3.2 and S.A.Table-3.3.



CHAPTER-4

PRIVATE INVESTMENT AND ITS FINANCING

REVIEW OF 1998-99

4.1 The Annual Plan 1998-99 envisaged private fixed investment target of Rs 347.8 billion against the actual investment of Rs 262.6 billion during 1997-98. The investment targets have not been fully achieved. However, investment exceeded the target only in transport and communications sector by 4.6 percent, while it fell short of targets in the case of manufacturing by 43.2 percent, agriculture by 41.2 percent, energy by 42 percent, services & others and ownership of dwellings by 30.3 and 6.7 percent respectively. On the whole, investment fell short of the target by 28 percent. Sector-wise achievements vis-a-vis targets for 1998-99 are given in Table-4.1.

TABLE-4.1

PRIVATE INVESTMENT DURING 1998-99

Sector	1997-98	1998-99		% increase over 1997-98	Estimates as % of targets
		Target	Estimates		
Agriculture	21.4	45.9	27.0	26.2	58.8
Manufacturing	66.2	113.1	64.3	-2.9	56.8
Large-scale	49.9	94.7	46.4	-7.0	49.0
Small-scale	16.3	18.4	17.9	9.8	97.3
Energy	40.4	26.2	15.2	-62.4	58.0
T & C	33.2	36.3	41.6	25.3	114.6
Ownership of Dwellings	49.2	57.0	53.2	8.1	93.3
Services/ Others	52.2	69.3	48.3	-7.5	69.7
Total:	262.6	347.8	249.6	-4.9	71.8

4.2 **Agriculture sector investment** was 26.2 percent higher than that in the last year. Major portion of investment in agriculture went to tractors, tubewells, threshers, harvesters, milking machines, incubators and grading machine etc. The target of tubewells (6,000) has been achieved in full, while only 27702 tractors were inducted against the target of 45000 tractors during 1998-99.

4.3 Agricultural investment has been financed predominantly from credit provided by the Agricultural Development Bank of Pakistan (ADBP). In aggregate terms, ADBP disbursed about Rs 30171 million in 1998-99 - 35 percent higher than Rs 22354 million disbursed in the preceding year. In the new Investment Policy, agriculture sector has also been opened for foreign investment. Under this policy there is no upper ceiling on land holding for registered agricultural companies and import tariff on agricultural machinery will be zero rated. The proposals related to foreign investment in agriculture sector are processed by the BOI in consultation with the respective provincial governments for approval by the competent forum. The land for agriculture purposes can be obtained on lease basis for long periods, initially up to 30 years, extendable for a further period of 20 years. Foreign company, allowed for investment in agriculture sector, is not allowed to transfer such land to any other foreign company unless specifically permitted by the federal and the concerned provincial government.

4.4 The manufacturing sector investment target of Rs 113.1 billion was not fully achieved. Compared to 1997-98, the investment was also 2.9 percent lower. Particularly, the investment in large scale manufacturing declined by 7 percent. Sanctions and disbursements of loans for fixed investment during 1998-99 amounted to Rs 13058 million and Rs 13177 million respectively. Agency-wise sanctions and disbursements in 1998-99 are given in Table-4.2.

TABLE-4.2

SANCTIONS AND DISBURSEMENTS
BY DFIS IN 1998-99

Agency	Sanctions	Disbursements	As % of Sanctions
NDFC	195	588	302
PICIC	—	324	—
BEL	16	171	1069
ICP	—	—	—
Pak Libya	241	221	92
Pak Kuwait	1402	1494	107
Saudi Pak	648	418	65
RDFC	—	—	—
SBFC	—	—	—
NDLC	721	914	127
IDBP	45	91	202
ADBP(Agro-based only)	—	4	—
NCBs	4936	3803	77
Privatized Banks	1514	1689	112
Pakistani Private Banks	1173	1293	110
Foreign Private Bank	2167	2167	100
<u>Total</u>	<u>13058</u>	<u>13177</u>	<u>101</u>

4.5 Industrial investment during 1998-99 as reflected by the disbursements of credit by the financial institutions remained concentrated in chemical pharmaceutical, fertilizer and textiles, food & beverages, petrochemicals, cement and services. Capital goods and high-tech industries claimed lower investment share indicating the size of the home market, the scale and level of technology and foreign competition. The manufacturing sector has passed through a disruptive period over the past twelve months as a result of post-May 1998 developments. The shocks inflicted by economic sanctions weakened the recovery in the manufacturing sector that had begun in 1997-98 as a result of the policy reforms of March, 1997. However, the government intensified its efforts to improve investment environment in the country through policy initiatives. It has further decided to boost the small and medium enterprises to attain a sustainable higher growth in the manufacturing sector. For this purpose Small and Medium Enterprises Development Authority (SMEDA) has been established.

4.6 Investment in energy sector at Rs 15.2 billion was 62 percent lower than that of last year. This is primarily a reflection of unusually high volume of private investment in previous years. Keeping in view the power requirement, the need for a new power policy was felt and it was announced in July 1998, with the main objective of (a) introducing competition to achieve the lowest possible tariff through a transparent bidding process and (b) exploring the potential of indigenous fuel and resources for power generation especially in coal and hydel. WAPDA has signed power purchase agreements with 18 power projects having a total capacity of 5,816 MW including KAPCO (1621 MW) and HUBCO (1292 MW). Among these projects, three projects are commissioned and are supplying electricity to the grid. The remaining projects are under different stages of completion and most of them will be completed during 1999-2000.

4.7 Investment in transport and communications sector at Rs 41.6 billion was 25 per cent higher than that of the last year. In this sector considerable progress has been made during the current fiscal year. Under road network Rs. 540 million were spent on Motorway from Lahore - Islamabad and Rs. 255 million in Motorway from Islamabad - Peshawar financed through foreign private sector loan alongwith restructuring and privatization of railways.

4.8 In transport and communications sector, an open access policy has been adopted by the government to allow private investment in railway to operate freight and passenger trains using rail track access by paying charges to Pakistan Railways. In air transport presently three private air lines i.e. Shaheen Airlines, Bhoja Air and Aero Asia are operating in the country and providing air travel services to the public.

4.9 The Housing Sector has been the second largest after the manufacturing sector with a share of about 21 percent of total private investment. The housing sector private investment target of Rs 53.2 billion was achieved to the extent of 93.3 percent. The achievement in this sector manifests the present government policies of providing shelter to the shelterless in the rural and urban areas through allotment of residential plots (7 & 5 marlas), awarding proprietary rights to the dwellers of Kachi abadis, liberalising of housing credit facilities through House Building Finance Corporation etc. Furthermore, steps have been taken for the implementation of the low cost housing projects for low income group of people in collaboration with the private sector. In the private sector three housing finance companies i.e. City Bank Housing Finance, Lahore, International Housing Finance Ltd. Karachi, and Inter-Fund Housing Finance Company, Islamabad have been granted permission to provide loans for

construction/purchase of houses besides HBFC.

4.10 The **direct foreign investment** amounted to \$ 403.3 million in 1998-99 including portfolio investment of \$ 27.3 million. As regards the source of supply, direct foreign investment (including portfolio) came from USA (43.5%) followed by Japan (14.2%) UK (12.7%), UAE (8%), Germany and Hong Kong (4.8% & 2.1% respectively). Other sources accounted for 14.7 percent.

4.11 **Privatization:** Out of 102 units so far offered for sale, 86 industrial units have been sold up to June, 1999. Number of industrial units still to be sold is 37.

ANNUAL PLAN 1999-2000

4.12 The investment policies for 1999-2000 has been conceived to attract both local and foreign investors in locations and areas of priority development. As in the past, the policies would continue to emphasise major reliance on private sector to serve as the main instrument of economic growth. Private investment of Rs 350.4 billion envisaged for 1999-2000 is 40.4 percent higher than the estimated investment of Rs 249.6 billion in 1998-99. Manufacturing sector has been accorded the highest priority with 33.2 percent share in total private investment, followed by 19.7 percent, 16.7 percent and 13.4 percent of services, ownership of dwellings and transport & communications sectors. This investment coupled with investment of Rs 205.8 billion in public sector is expected to yield GDP growth rate of 5 percent in 1999-2000. Sector wise details of private investment are given in Table-4.3.

TABLE-4.3

PRIVATE INVESTMENT DURING 1999-2000

(Rs Billion)

Sector	1998-99	1999-2000	
	Estimates	Projections	% change over 1998-99
Agriculture	27.0	39.7	47.0
Manufacturing	64.3	116.4	81.0
Large-scale	46.4	94.4	103.4
Small-scale	17.9	22.0	22.9
Energy	15.2	20.0	31.6
Transport & Comm.	41.6	47.0	13.0
Ownership of Dwellings	53.2	58.4	9.8
Services/Others	48.3	68.9	42.6
Total:	249.6	350.4	40.4

4.13
paragraphs:

The details of sectoral programme for 1999-2000 are given in the subsequent

- a) **Agriculture:** Investment in agriculture sector is projected to grow by 47 percent from Rs 27.0 billion in 1998-99 to Rs 39.7 billion in 1999-2000. Mechanized farming has gained momentum in the past years and is likely to play a significant role in the transformation of agriculture. As many as 45,000 tractors are targeted for the year. It is estimated that during the course of the year 5,000 tubewells would be sunk to augment the water supply position. A package for boosting agricultural sector was announced last year in which it was proposed to exempt the import of CKD kits of tractors, bulldozers, combined harvesters and agricultural implements from the customs duty and sales tax. The local production of such agricultural tractors, bulldozers, combined harvesters and agricultural implements shall also be exempt from sales tax while the competing imports shall pay customs duty of 25% and sales tax at standard rate. This will also encourage local production of such agricultural machinery. The private sector has also assumed a pivotal role in the development of agri-business, poultry, fish farming, livestock and storage capacity development. These projections are based on the assumptions that the private sector, will play a much greater role in the expansion and diversification of agricultural activities with the financial assistance of Development Financial Institutions.
- b) **Manufacturing:** The present Government is initiating necessary measures to revive the investors confidence to bring about marked improvement in the industrial climate of the country in order to ensure rapid growth of urban and rural industrialization. The private sector will be encouraged to play more dynamic role in the development of the economy. It is expected that the private initiative generated through the supportive policies of the government along with reduction in tariff rates will improve and encourage the relative profitability of investment in high- tech and export oriented industries. Many industries like engineering, cement and textiles are producing much below their capacity. Policies are being formulated to help better utilization of existing capacity. In this connection availability of credit, inputs and other facilities and reduction and cascading of tariff are worth mentioning. A provision of Rs 116.4 billion has been made (Rs 94.4 billion for large scale and Rs 22.0 billion for small scale industries), which is 81 percent higher than the revised estimates of Rs 64.3 billion in 1998-99. Major portion of investment is expected to take place in industries like transport vehicles and equipments, tractors, cement, textile, petroleum products, pharmaceuticals, metal products, beverages, food processing, electronics, sugar and other misc. industries. In addition, small scale and cottage industries is being encouraged through provincial and other agencies through the provision of credit, inputs, marketing and other facilities.
- c) **Energy:** The energy development strategy aims at expeditious exploitation and conservation of resources which could provide a promising basis to cope with future demand. The new Power Policy announced in July 1998 is based on setting a tariff as a result of a competitive process through which private sector entrepreneurs will be invited to offer the lowest tariff per kWh for delivering

energy. Previous private power policy frameworks have predominantly resulted in private investment in oil and gas fired power plants, mainly based on imports. The government will now play a proactive role in promoting the use of indigenous coal and hydroelectric resources in power generation under this new power policy. It is intended that the initial invitations to bid will only be for hydel and indigenous coal based projects. The previous power policy framework had provided almost blanket exemptions from all duties and taxes. This meant that Pakistan's fledgling engineering industry and equipment manufacturers for power plants could not compete with imports because of the duties paid on their inputs. The new power policy is eliminating this inequality. A Private Power and Infrastructure Board (PPIB) is already functioning as an autonomous organization to provide "One Window" interface to private investors. Efforts are being made to exploit the existing energy resources to build a strong indigenous exploration and production base. These efforts are directed at achieving cost effectiveness, reduction in import dependence, promotion of self-reliance through accelerated exploitation of energy resources and minimum environmental degradation. In addition, a number of far-reaching measures have been taken which include attracting private foreign investment, creating a qualitatively improved infrastructure in oil and gas industry, development of an efficient and transparent management, deregulation of downstream petroleum marketing sector and rationalization of prices and LPG allocation. Compared to an investment of Rs 15.2 billion in 1998-99 the energy sector is expected to attract an investment of Rs 20.0 billion in 1999-2000.

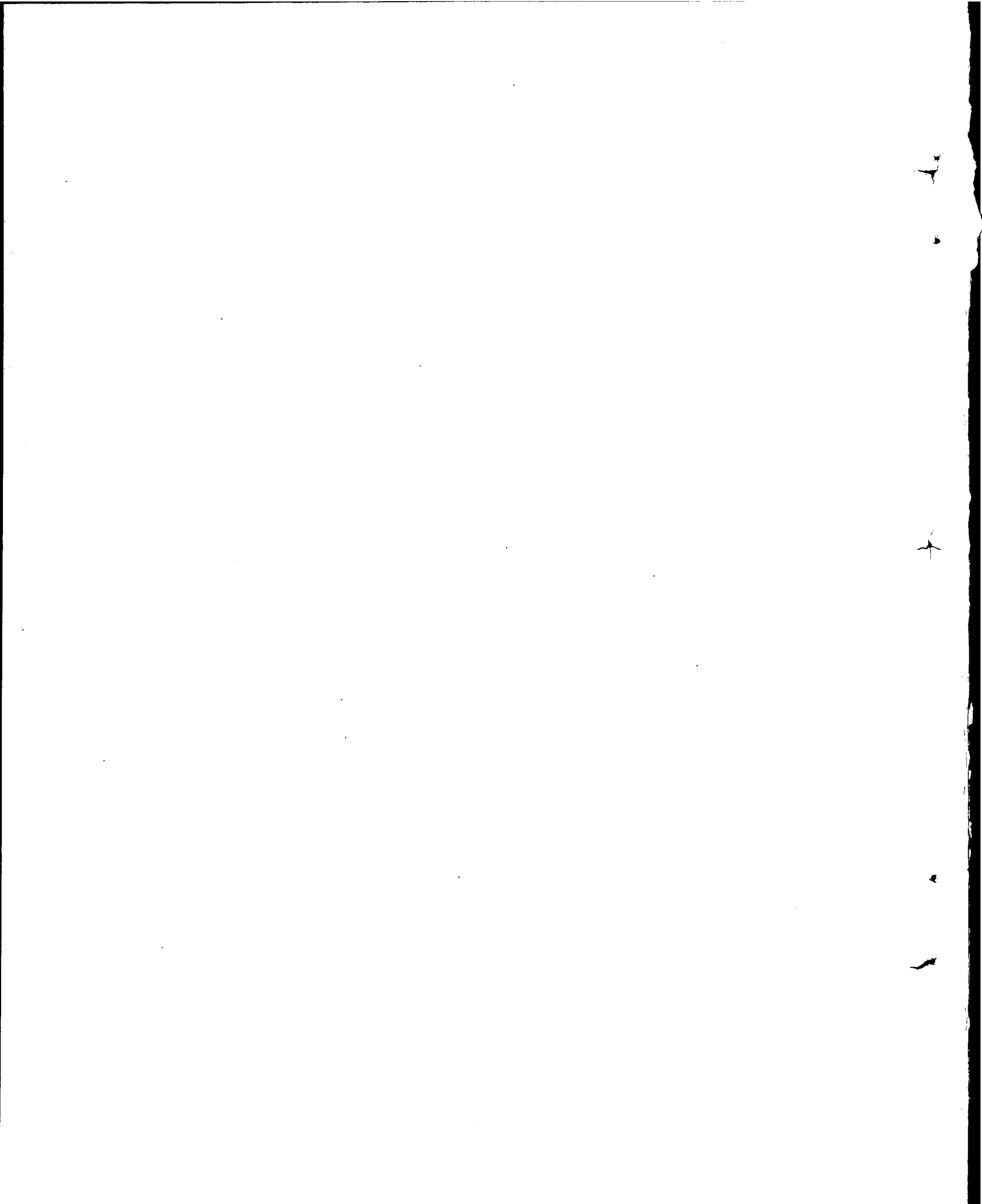
- d) **Transport & Communications:** Transport and Communications sector will share 13.4 percent of the total private sector investment during 1999-2000. This sector is expected to attract an investment of Rs 47.0 billion. Except the road transport services, the development, operation and maintenance of other modes of transportation, communication and physical infrastructure hitherto has been the monopoly of the public sector. The role of the private sector has mostly remained confined to road transport only. However, efforts have already been made to induct the private sector in areas like telephone exchanges, and the construction of roads, airport and shipping etc. It is expected that the participation of the private sector in areas other than motor vehicles would be much larger and diversified in 1999-2000.
- e) **Ownership of Dwellings:** Keeping in view the ever increasing demand for the construction of houses in the private sector, a sum of Rs 58.4 billion has been provided during 1999-2000. The proposed investment is 9.8 percent higher than the provisional estimates of Rs 53.2 billion during 1998-99. As in the past, the Government and House Building Finance Corporation and the banking sector are likely to play a dominant role in financing the private sector housing. These together with HBFC would add new dimensions to the housing finance system. The National Housing Policy envisaging construction of 775 thousand housing units per annum is already under implementation to eliminate the backlog and the incremental demand. The schemes of 3 marla and 7 marla plots in urban and rural areas will continue. The new housing scheme namely AMera Ghar@, recently announced by the Prime Minister in all the provinces aims at the construction of half a million housing units during the next three years. It is

being presented as one of the best receipts to revive the economy as well as to reduce the sizeable backlog of houses in the country. Under this scheme Houses will be constructed in all the major urban centres of the country. The focus of the project will be on low income and lower middle income groups. The project will provide employment to both skilled and unskilled people.

- f) **Services:** An investment of Rs 68.9 billion during 1999-2000 has been projected for the services sector. This includes investment provision for health services, educational facilities; religious institutions, entertainment facilities and welfare institutions. The policy framework is to encourage the private sector to set up hospitals, clinics and educational institutions as well as to help improve the efficiency of the informal sector. A number of special organizations (NGOs) are also engaged in the provision of such services. In view of the expanding role of such organizations, the private sector is expected to play a greater role in the promotion and development of services in general and health, education and social welfare in particular. Provision of utilities services and easy loan facility will be ensured to the organizations/individuals for the establishment of facilities in rural areas.

4.14

The private investment by sectors is shown in S.A. Table-4.1.



CHAPTER-5

MONETARY POLICY, CREDIT PLAN AND CAPITAL MARKET

Monetary Policy

5.1 Since the early 1990s, the monetary policy stance has helped the process of financial reforms so as to improve competition and efficiency in the financial sector and to stimulate real economic growth by efficient allocation of credit and maintain general price stability. The statutory stipulation of the State Bank of Pakistan Act 1956 (amended in 1997) has constrained the maximum to the borrowing from the banking system for budgetary support. Larger borrowing in the private sector has been supported by a number of policy measures, which ensured adequate liquidity in the system at a relatively lower cost. Prudential regulations were also effectively enforced.

5.2 The monetary and credit policy also helped to achieve relative price stability consistent with macroeconomic targets. To support productive economic activities, sufficient credit was made available for exports, agriculture, and working capital requirements of trade and industry and seasonal financing of major agriculture crops such as cotton and sugar cane.

Monetary and Credit Developments 1998-99

5.3 The monetary and credit policy during 1998-99 aimed at preserving monetary stability by taking into consideration the growth objectives, inflation and likely behavior in the external sector. Based on nominal GNP growth, expansion in domestic liquidity (M2) in the original Credit Plan for 1998-99 was estimated to increase by 13.64 per cent at Rs. 164.0 billion. The net foreign assets of the banking system were assumed to have a neutral impact on monetary expansion. As a consequence, domestic credit expansion was estimated at Rs. 164.0 billion (12.80 per cent). Of the government sector allocation of Rs. 56 billion, 76.8 per cent was provided for budgetary support. The private sector was provided Rs.98.5 billion or 60 per cent of the total credit expansion.

5.4 The 1998-99 Credit Plan has been revised twice in the wake of economic developments entailing nuclear detonation, restrictions imposed by multilateral institutions and other countries, and subsequent rescheduling of external debt agreed with the IMF and under the aegis of Paris Club. In the revised Credit Plan, monetary expansion (M2) was set at Rs. 93.3 billion (7.73 per cent). The domestic credit expansion was estimated at Rs. 83.4 billion (6.51 per cent). A target of net retirement of Rs. 58.1 billion was fixed for financing government's budgetary operations from the banking system compared with the original target of Rs. 43.0 billion and provision for commodity operations kept at the original Credit Plan level of Rs. 10.0 billion. Credit to the private sector was kept at Rs. 82.1 billion. Other items (net) were estimated to exert an expansionary impact of Rs. 29.4 billion. Net foreign assets of the banking system which were estimated to have a neutral impact on

domestic liquidity in the original Credit Plan, have been estimated to exert an expansionary impact of Rs. 9.9 billion.

5.5 The available information for the year 1998-99 indicates that as against the revised target of monetary expansion (M2) of Rs. 93.3 billion (7.73%) actual monetary expansion (M2) has been Rs. 75.63 billion (6.27%). Compared with the preceding year 1997-98 monetary expansion of Rs. 153.1 billion (14.53%), increase in domestic liquidity was substantially lower in 1998-99. Domestic credit during 1998-99 expanded by 3.6 per cent compared with 14.98 percent in last year and revised credit plan target of 6.51 per cent. Net foreign assets have increased by Rs. 29.53 billion compared with a contraction of Rs. 13.9 billion in 1997-98 and an increase of Rs. 9.9 billion projected by the credit plan 1998-99.

5.6 Bank borrowing for budgetary support contracted by Rs. 68.42 billion as against the target contraction Rs. 58.1 billion estimated by the credit plan. Compared with the government borrowing from the banking system for budgetary support in 1997-98 of Rs. 48.5 billion the government borrowing for budgetary support in 1998-99 contracted substantially. The net credit to private sector and PSCEs amounted to Rs. 95.1 billion as against Rs. 83.8 billion in last year. Details of the Credit Plan and monetary expansion during 1998-99 vis-à-vis last year are given in Table 5.1 below.

TABLE- 5.1
CREDIT PLAN FOR 1998-99

	Rs. Billion			
	Credit Plan 1998-99			
	Original	Revised	01.07.1998 To 30-06-1999	01-7-1997 To 30-6-1998
1	2	3	4	5
I. Government Sector (Net)	56.0	-48.1	-67.7	57.2
i. Budgetary Support (Net)	43.0	-58.1	-68.4	48.5
ii. Commodity Operations ⁰	10.0	10.0	3.6	10.6
iii. Others including Zakat etc.	3.0	0.0	-2.9	-1.9
II Non-Government Sector	108.0	102.1	107.7	82.9
i. Autonomous Bodies		20.0*	12.6	-0.9
ii. Private Sector & PSCEs	108.0	82.1	95.1	83.8
III. Other Items (Net)	0.0	29.4	6.0	26.9
IV. Domestic Credit Expansion	164.0	83.4	46.1	167.0

(I+II+III)	(12.80%)	(6.51%)	(3.60%)	14.98%
V. Foreign Assets (Net)	0.0	9.9	29.5	-13.9
VI. Monetary Expansion (IV+V)	<u>164.0</u>	<u>93.3</u>	<u>75.6</u>	<u>153.1</u>
	(13.64%)	(7.73%)	(6.27%)	(14.53%)

Note: Figures in parentheses are the respective growth rates.

* This includes an allocation of Rs.16.5 billion for the restructuring of WAPDA(Rs.5.0 billion) and KESCO (Rs.11.5 billion)

@ No adjustment has been made of an amount of Rs.28.5 billion Adhoc Treasury Bills created to offset the government losses due to the unification of exchange rate. If such an adjustment is made, the net borrowing would amount to Rs.39.9 billion.

Monetary Assets

5.7 The composition of monetary assets underwent changes during the year 1998-99. Up to 30th June 1999 money supply (M1), consisting of currency in circulation, demand deposits and other deposits, increased to Rs. 641.8 billion or 33.6 per cent, compared with Rs. 480.3 billion as of end June 1998. Major changes has occurred in Demand Deposits, which alone have increased to Rs. 351.0 billion, thereby indicating an increase of 75.1 per cent over the preceding year's stock of Rs. 201.0 billion. Currency in circulation during the year has increased to Rs. 287.7 billion or 5.4 per cent over last year. As on 30th June, 1999 money supply (M1) constituted 50.4 per cent of the total monetary assets (M2), time deposit constituted 40.3 per cent of M2 and the RFC deposits 9.4 per cent of M2 as compared to the corresponding period percentage of 39.8 per cent, 37.1 per cent and 23.1 per cent respectively. Table -5.2 below gives the details.

TABLE - 5.2
COMPONENTS OF MONETARY ASSETS (M2)
(Rs. in Billion)

	1996-97	1997-98	1998-99	Percentage Change	
				1997-98	1998-99
1. Currency in Circulation	244.1	272.9	287.7	11.8	5.4
2. Demand Deposits*	192.3	201.0	351.0	4.5	75.1
3. Other Deposits@	7.1	6.4	6.2	-10.1	-3.1
4. Money Supply(M1)	443.6	480.3	644.9	8.3	34.3
5. Time Deposits@	386.8	447.4	516.1	15.7	15.4
6. RFC Deposits	222.9	278.6	120.9	25.0	-56.6
7. Monetary Assets(M2)	1053.2	1206.3	1282.0	14.5	6.3
	As Percentage of M2				
Currency in Circulation	23.2	22.6	22.4		

Demand Deposits*	18.3	16.7	27.4
Other Deposits@	0.7	0.5	0.5
Money Supply(M1)	42.1	39.8	50.4
Time Deposits@	36.7	37.1	40.3
RFC Deposits	21.2	23.1	9.4

* Excluding Inter-Bank deposits and deposits of the Government Foreign Constituent.

@ Excluding IMF A/C No.1&2, SAF Loans A/C, Counterpart Funds, Deposits of Foreign Banks' Central Banks, International Organization and Deposit Money Banks.

Credit Plan 1999-2000

5.8 Credit Plan for the year 1999-2000 envisaged monetary expansion of Rs.121.0 billion or 9.44 percent and net Foreign Assets accumulation of Rs.12.0 billion. Net Domestic Assets are estimated to grow by Rs.109.0 billion or 8.21 per cent. These growth rates have been set up in the light of targeted growth of 5 per cent in GDP and 6 per cent increase in price inflation. Sector-wise increase in credit is briefly explained below.

Non-Government Sector:

5.9 Credit expansion in the private sector was slow during most part of the 1998-99, but it picked up in May and June 1999, finally reached the level of Rs.95.1 billion (net of Rs.3.7 billion accumulation of debt-repayment account with SBP by PSCEs), almost equal to the target of Rs.98.5 billion for the whole year. During 1999-2000, credit to the private sector including PSCEs is tentatively estimated to increase by Rs. 119.0 billion. After anticipated placement of rupee equivalent of PSCEs' rescheduled foreign debt of Rs.14.5 billion, the net expansion in the credit to the private sector and PSCEs is projected at Rs.104.5 billion. Credit to autonomous bodies is tentatively placed at Rs.8.5 billion including Rs.5.0 billion loan for restructuring of WAPDA which could not be utilized during 1998-99.

Government Sector

5.10 Government borrowing from the banking system for budgetary support, according to budget estimates, will be negative by about Rs.15.0 billion after taking into consideration Rs.67.0 billion foreign debt rescheduled by the donors. Government borrowing for financing commodity operations is projected at Rs.10.0 billion keeping in view the utilization of this facility during 1998-99 and in anticipation of better performance by the agriculture sector during 1999-2000. As a result of these and other development, Net Domestic Assets (NDA) of the banking system are projected to grow by Rs. 109.0 billion or 8.21 per cent during 1999-2000.

5.11 Net Foreign Assets of the banking system are estimated to increase by Rs.12.0 billion on account of foreign exchange inflows encouraged by recent exchange rate unification and anticipated inflows from multilateral institutions. The estimated growth in NDA of the banking system together with increase in NFA and somewhat expansionary impact of 'other items (net)', monetary expansion during 1999-2000 is projected to be Rs.121.0 billion or 9.44 per cent. Details of 1999-2000 Credit Plan are given in Table-5.3 below:

TABLE - 5.3
CREDIT PLAN FOR 1999-2000

(Rs in Billion)	
	Plan Credit Target 1999-2000
I. Government Sector (Net)	-7.0
Gross Budgetary Borrowings	52.0
Special Account Debt Repayment	-67.0
a. Budgetary Borrowing(Net)	-15.0
b. Commodity Operation	10.0
c. Effects of Zakat Fund etc.	-2.0
II Non-Government Sector	113.0
A. Autonomous Bodies	<u>8.5</u>
Credit	3.5
Restructuring	5.0
B. Net Credit to Private Sector & PSCEs	<u>104.5</u>
PSCEs	-14.5
Private Sector	119.0
III. Other Items (Net)	<u>3.0</u>
IV. Domestic Credit Expansion	<u>109.0</u>
(I+II+III)	(8.21%)
V. Foreign Assets (Net)	12.0
VI. Monetary Expansion (IV + V)	<u>121.0</u>
	(9.44%)

Credit Control and other Policy Measures.

5.12 State Bank of Pakistan adopted several policy measures in order to fine-tune the existing monetary and credit situation of the country. Some of these measures are as under:

- a) Effective from July 1, 1998 the maximum annual rate of return to be charged by bank/NBIs for export under EFS and export under scheme for LMM was reduced from 11 per cent to 8 per cent.
- b) On July 22, 1998 it was decided that the amounts held in the special exporter's accounts would be exempt from maintenance of statutory cash reserve/statutory liquidity requirements.
- c) NBFIs were allowed to maintain liquidity, *inter alia*, by making investment in-listed debt security provided the companies selected had an stable debt security value above the par value during the one year period immediately proceeding the date of making investment.
- d) Effective from January 01, 1999 small and medium exporters, emerging exporters and indirect exporters were made eligible for financing facility under export financing scheme.
- e) On February 24, 1999 the Government of Pakistan notified to declare KESC Term Certificates issued by Karachi Electric Supply Corporations as approved securities.
- f) Effective from March 4, 1999 State Bank of Pakistan 3 day Repo Rate against Government of Pakistan Market Treasury Bills and Federal Investment Bonds was reduced by 1 percentage point to 15.5 per cent. The repo rate was further reduced to 14 percent w.e.f. 3rd April 1999 and to 13 percent w.e.f May 19, 1999.
- g) Effective from March 11, till June 30, 1999 export finance facility was made available for export of cotton yarn of below 30 counts enabling the exporters to avail the above facility for all counts of cotton year.
- h) While issuing US dollar bonds it was provided that these could be used as collateral for obtaining loans in Pakistan.
- i) On April 9, 1999 the State Bank amended prudential regulation regarding asset management services were allowed to do so through subsidiary company to be formed by them under the laws of Pakistan for the excessive purpose of undertaking such activities.
- j) With a view to further streamline the conduct of auction of Market Treasury Bills as well as Open Market Operations of State Bank of Pakistan, and to ensure transparency and regularity, it was decided that effective from 15th April 1999 a fixed schedule would be followed.
- k) On May 29 1999, the State Bank directed the banks that effective from 5th June, 1999 every bank would maintain in Pakistan not less than 85 per cent (as against

the earlier ratio of 80 per cent) of the assets created by it against time and demand liabilities specified by the State Bank under Rule 17 of the Banking Companies Rules, 1963. Accordingly, assets held abroad by any bank would not at any point in time exceed 15 per cent of its specified time and demand liabilities.

- l) With a view to upgrade and further strengthen its off site surveillance and early warning system the State Bank on 22nd June, 1999 required the banks/NBFIs to submit "Quarterly Report of Condition" on the prescribed format within 30 days of the end of each calendar quarter beginning from the quarter ending 30th June, 1999.
- m) It was decided on 28th June, 1999 that effective from 1st July, 1999 the direct exporters making payments to their indirect exporter (IDE) through cheques would issue a formal Standardized Purchase Order (SPL) to their IDEs. The SPO would enable the IDEs to have access to the financing facilities from commercial banks under EFS.

5.13 The Economic Agenda of the present government for reforming the financial and banking sector is based on the following measures.

- i. The proceeds from privatization proceeds will be used exclusively for retirement of public debt.
- ii. Reducing of domestic cost of borrowing through lowering of the interest rates.
- iii. Gradual elimination of all borrowings for financing federal and provincial governments non-development expenditure.
- iv. Special credit package for small farmers to help them develop their land and make it productive.
- v. ADBP will be revitalized and its effectiveness and outreach will be significantly enhanced.
- vi. Highest priority will be given to advance credit to small and medium industry. The government will also facilitate advisory support.
- vii. Industrial finance will be revived through a restructuring of the banking and financial sector and by lowering the cost of funds.
- viii. No black money whitener schemes will be allowed in the future. However, immunities, protection and exemptions on existing investments, deposits, bonds, foreign currency accounts, ect., will be fully honoured.
- ix. Commercial credit to agriculture will be encouraged.

- x. NCBs will be strengthened further after a skillful cleaning of their balance sheets.
- xi. Ensuring speedy delivery of remittances of Expartriate Pakistanis.
- xii. The recovery laws would be strengthened to facilitate the process of mortgage foreclosure and expeditious settlement of banking disputes.
- xiii. Establishment of high level committee to suggest measures for the establishment of an efficient debt management system and reduce the debt service burden.

Capital Market

5.14 The Government aims to work closely with the private sector in the capital market development process and continue to maintain its policy of openness. The process is expected to continue to play a major role in further strengthening and deepening the capital market, through the listing of privatized entities on the Stock Exchanges. This will enable those entities to obtain funds at lower cost. The listing will also introduce new sectors into the capital market contributing to its overall growth. In addition, the introduction of new guidelines pertaining to the listing is expected to increase the number of privatized companies listed on Stock Exchanges and contribute to overall economic growth during the period.

5.15 Karachi Stock Market showed substantial improvement during the larger part of 1998-99. KSE-100 index recorded an increase of 19.9 percent during 1998-99. The State Bank of Pakistan (SBP) General index during 1998-99 stood at 106.4, showing an increase of 7.7 percent during the period. The turnover index increased from 6511.6 in 1997-98 to 9089.9 in 1998-99, showing an increase of 39.6 percent. The combined turnover of shares at the Karachi Stock Exchange during 1998-99 was 38.6 billion compared with 21.1 billion in 1997-98. Market capitalisation of common shares in 1998-99 increased by Rs 29.8 billion from Rs. 259.4 billion in 1997-98 to Rs. 289.2 billion in 1998-99. Details are given in Table- 5.4 below:

TABLE - 5.4

KEY INDICATORS OF CAPITAL MARKET

Capital Market Indicators	BILLION RUPEES			% Changes		
	1996-97	1997-98	1998-99	1997-98	1998-99	
i. Stock Market						
KSE-100 Index ¹ (1991=1000)	1565.7	879.6	1054.7	-43.8	19.9	
SBP General Index ² (1991=100)	143.0	98.8	106.4	-30.9	7.7	
SBP Turnover Index of Shares ³	2148.9	6511.6	9089.9	203.0	39.6	
Market Capitalization	469.2	259.4	289.2	-44.7	11.5	
Combined Turnover of Shares (Billion Nos.)	11.0	21.1	38.6	91.8	82.9	
ii. DFIs						
Deposits	81.1	80.7	75.0	-0.5	-7.1	
Sanctions ⁴	14.0	15.0	16.0	7.1	6.7	
Disbursements ⁴	14.7	15.9	15.6	2.0	-2.0	

¹Based on closing rates. ²Based on mid-day rates at the KSE

³Averages of weekly Index Values. ⁴Term Financing.

Source: State Bank of Pakistan, 1998. Annual Report 1997-98, Table VI.1, page 88.

On-going initiatives:

5.16 The Government has taken a number of policy initiatives to liberalize investment procedures and encourage capital formation through Stock Exchanges. Some of the significant developments in the Corporate Sector are described below:

Central Depository System (CDC)

5.17 Almost all listed companies will be on the Central Depository System by the end of the year. CDC will provide in line, real time book entry settlement of securities. The investors will be freed from paper work, chances of manual errors of omission will be eliminated, and risk will be reduced.

Automation of Trading

5.18 Automation of trading at the Stock Exchanges has been another major development. Automation of our Stock Markets has brought greater efficiency and transparency in the trading of Stocks. The three stock exchanges are also expected to promote electronic inter-linkage allowing for quotation of one exchange to be instantaneously available to member of other stock exchanges.

Establishment of National clearing and settlement system

5.19 Another major development on which the Government is now concentrating is the establishment of National Clearing and Settlement System for all the three stock exchanges of the country.. Asian Development Bank will be providing the technical assistance for this purpose.

Long term Debt instrument and Credit Rating Agencies

5.20 Government has been eager to see the development of the Term Finance Certificate, for meeting financial needs of the Private Sector from the Capital Market. Term Finance Certificates had been issued to the public by a limited number of listed companies. The Federal and Provincial Governments have allowed tax exemption to certain categories of persons investing in listed Term Finance Certificate just to make more popular the Term Finance Certificate Scheme.

Establishment of Credit Rating Agencies

5.21 Credit rating has been made compulsory for all leasing companies issuing certificates of investment. With the help of International Finance Corporation "Pakistan Credit Rating Agency Ltd." was established. Keeping in view the need for healthy competition, a second credit rating company namely DCR-vis Credit Rating Company has now been established.

Corporate Brokerage Houses

5.22 The number of brokerage houses with foreign collaboration has been increased significantly to promote the confidence of members of the stock exchanges in Pakistan. They were initially hesitant to transfer their family business into corporate entities.

Mutual Funds

5.23 In order to enhance institutional investment and strengthen the Stock Market, Government has been encouraging establishment of mutual funds in the private sector in collaboration with International funds managers. Government has also exempted private Sector mutual funds from tax.

The Companies (Rehabilitation of Sick Industrial Units) Rules, 1999.

5.24 The companies (Rehabilitation of Sick Industrial Units) Rules 1999 have been framed and circulated for public comments and will be duly notified in the coming few weeks. Under these rules a Task Force for Revival of Sick industrial units shall be established to exercise the jurisdiction powers and to discharge the functions and duties conferred on it by section 296 of the Ordinance.

5.25 The Task Force shall be responsible for the following:

- a) Prepare and furnish recommendations for a company to be declared as a Sick Industrial Unit.
- b) Prepare rehabilitation Plan for the Sick Industrial Units.
- c) Examine the objections received in respect of the rehabilitation plan and submit its recommendations to the Commission in this regard;
- d) Prepare and submit for approval of the Commission, final rehabilitation plan for a sick industrial company;
- e) Monitor the implementation of the rehabilitation plan; and
- f) Report any non-compliance with the rehabilitation plan to the Commission.

5.26 The capital markets as per the Economic Agenda of the present government will be reformed through:

- i. Strengthening the role of equity as a vital source of financing.
- ii. Protecting the interests of small investors,
- iii. Promoting corporate governance,
- iv. Improving the standards for information disclosure,
- v. Curbing the use of insider information, and
- vi. Allowing the markets to integrate with the global markets.
- vii. Strengthening SECP to enable it to achieve the objectives of capital market reforms.
- viii. Changing regulatory environment to provide for easy mergers, acquisitions, take-over and liquidation of public listed companies.
- ix. Modernizing of Stock Exchange for efficient trading.

- x. Ensuring benefits to general public from the privatization process. The privatization of units through the Stock Exchanges would also give impetus to the capital market.

5.27 The initiatives discussed above for strengthening the stock market and corporate sector expected to create a healthy environment and improve investors' confidence in the capital market. The major elements of the policy, such as issuance of treasury stocks and framework for assets securitization would help to restrict the flight of capital from the stock market. Furthermore, exemption from withholding tax to mutual funds, issuance of different classes of shares with varying rights and obligations and employees ownership of companies are some of the significant features of the present policy to strengthen capital market. It is also expected that abolition of octroi/zilla-tax, export tax and credit expansion policy of the government would create a healthy environment for the development of corporate sector.

CHAPTER-6

BALANCE OF PAYMENTS

REVIEW OF 1998-99

6.1 The Annual Plan 1998-99 had visualised an improvement in the current account balance mainly due to a sharp fall in imports compared to exports and increased flow of remittances through the banking channel. The imports (fob) were projected to decline by 18.3 percent due to import substitution in agriculture sector and weak prices of crude oil and POL products. The exports (fob), on the other hand, were anticipated to decrease by 1.4 percent due to recession in the world market. The workers remittances were projected at \$ 1100 million. As a result the current account deficit was projected to decline to \$ 1792 million (2.8% of GDP).

6.2 Performance of the external sector during the year remained unsatisfactory mainly due to decline in world GDP growth of 2.5 percent compared to 4.2 percent during 1997 and depressed volume of world trade which grew only by 3 percent during 1998 as compared to 11 percent during 1997. The external sector also came under pressure because of the imposition of economic sanctions after May 1998 nuclear explosion. To mitigate the adverse affects of these economic sanctions the Government adopted several measures, which included introduction of multiple exchange rate system, imposition of 30 percent cash margin requirements for opening of letters of credit and restricted out flow on the capital account. Foreign currency accounts were also frozen to guard against the flight of capital. These measures were relaxed as the economy adjusted to the external shocks. Nevertheless economic sanctions and unfavourable international environment badly affected the external sector.

6.3 The Actual/ provisional data for the year 1998-99 indicate a significant deterioration in the balance of payments due to substantial decline in private transfers and invisibles receipts. While the exports (fob) during 1998-99 decreased by 10.2 percent in dollar terms, imports have also declined by 9.3 percent resulting in a contraction of 5.0 percent in the trade deficit over the last year. Workers remittances during this year declined by 29.2 percent. The current account deficit \$ 1772 million (2.8 % of GDP) in 1998-99 is lower than last year's level of \$ 1921 million (3.0% of GDP).

6.4 **Exports:** During 1998-99, exports (fob) stood at \$ 7570 million as compared to \$ 8434 million during last year showing a decline of 10.2 percent. The decline is due to sharp fall in export receipts from raw cotton, leather, fish & fish preparations, cotton yarn, cotton cloth, readymade garments, synthetic textiles, sports goods and surgical goods. Cotton exports have been seriously affected as its production fell due to plant disease and foggy weather in the Punjab province. Decline in exports is due to fall both in price and volume terms, with price effect being more pronounced. Recessionary trends in the global economy and a fall out of East Asian crisis has also adversely affected world demand, and hence exports from Pakistan. Exports of knitwear, bed wear, vegetables and petroleum & petroleum products, however, have shown significant increases over the last year. Table-6.1 below gives the performance of major exports and their contribution during 1998-99 while S.A. Table-6.1 provides the details.

TABLE - 6.1
EXPORT PERFORMANCE IN 1998-99

(Value in \$ Million)

Items	1997-98 Actual	1998-99 Actual/Prov.	% change over 97-98
Raw Cotton	126	2	-98.2
Rice	562	534	-5.1
Cotton yarn	1160	945	-18.5
Cotton cloth	1250	1115	-10.8
Readymade garments	746	651	-12.7
Hosiery	697	742	6.5
Textile made ups (incl. Towels)	955	1044	9.3
Fish & fish preparations	172	123	-28.7
Leather	208	177	-14.8
Carpets	200	203	1.3
Synthetics Textiles	618	399	-35.5
Others	1934	1844	-4.6
Total Exports (gross)	8628	7779	-9.8
Total Exports (fob)	8434	7570	-10.2

6.5 **Imports:** Imports (fob) have fallen by 9.3 percent to \$ 9345 million during 1998-99 largely on account of lower wheat and sugar imports, decline in imports of power & electrical machinery, fall in the price of a large number of other imports particularly oil, dampening impact of dual foreign exchange rate regime and 30 percent cash margin requirement for L/Cs (which has gradually been withdrawn in January and February, 1999). Imports of crude oil, Petroleum products, synthetic fibre and rubber tyres & tubes have declined due to sharp fall in prices, while imports of wheat, sugar, insecticides, iron & steel scrap and iron & steel declined on account of fall both in volumes and prices. However, import of tea, soybean oil, artificial silk yarn and fertilisers have registered increases despite sharp fall in their prices. Table-6.2 below give the trend in imports whereas S.A. Table-6.2 provides detailed breakdown of major imports.

TABLE - 6.2
IMPORTS TREND IN 1998-99

(Value in \$ Million)

Items	1997-98 Actual	1998-99 Actual/Prov.	%Change over 1997-98
Wheat	709	407	-42.6
Tea	227	223	-1.8
Palm Oil	669	597	-10.7
Soybean Oil	99	227	129.2
Crude Oil	454	431	-5.1
POL Products	1299	1054	-18.9
Fertilisers	208	265	27.4
Capital Goods	3238	2850	-12.0
Others	4319	4114	-4.7
Total Imports (CIF)	11222	10168	-9.4
Total Imports (fob)	10301	9345	-9.3

6.6 **Invisibles Account:** During the current year, home remittances amounted to \$ 1055 million, lower by \$ 435 million over the last year. Flow of remittances suffered a setback partly due to the freezing of foreign currency accounts. However, with the unification of the exchange rate flow of remittances is expected to increase through the official channels. An increase in deposits in the foreign currency accounts is also anticipated, as holders of frozen foreign currency accounts are likely to transfer their money to foreign currency accounts. After allowing for other net services flow, the invisibles account has reached a surplus of \$ 2 million in 1998-99 as against deficit of \$ 54 million last year.

TABLE - 6.3
INVISIBLES BALANCE

(\$ Million)

Items	1997-98 (Actual)	1998-99 Actu./Provisional	% change 1998-99 over 1997-98
Invisibles Balance	-54	2	
Services (Net)	-3264	-2497	-23.49
Receipts	1708	1399	-18.09
Payments	-4972	-3896	-21.64
(Interest)	1005	996	-0.89
Private Transfers	3210	2499	-22.15
Remittances	1490	1055	-29.2
FCA (Residents Pakistanis)	1476	539	-63.48
Others	244	905	270.90

6.7 **Current Account Balance:** With the trade deficit at \$ 1774 million and invisibles surplus of \$ 2 million, the current account deficit for 1998-99 is estimated at \$ 1772 million (2.8 % of GDP) compared to \$ 1921 million (3.0 % of GDP) in the preceding year.

6.8 **Capital Account:** Gross aid disbursements are estimated to fall significantly to \$ 2614 million in 1998-99 as against \$ 2803 million disbursed in 1997-98 largely due to decline in food aid. The overall deficit, use of Fund Credit and an addition of \$ 1254 million to foreign exchange reserves require exceptional and other financing of \$ 4094 million.

OUTLOOK FOR 1999-2000

6.9 During 1999/2000 Balance of Payments is expected to improve due to a significant decline in the trade balance and adjustments in capital flows. The measures announced by the present Government on 15th December, 1999 to revive the economy will contribute significantly to the improvement. Measures to boost agriculture production and reviving the industrial sector will generate exportable surplus and reduce import requirements (particularly of wheat and edible oil) and thus will improve the trade balance. Increased domestic savings will reduce the external financing requirements, hence the current account balance. Similarly re-building confidence through stability and continuity in economic policies will encourage foreign investment which will relieve pressure on the capital account. Abolishing all schemes such as Foreign Exchange Bearer Certificates and Foreign Currency Bearer Certificates will discourage dollarization and flight of capital and will impart stability to the exchange rate. It will also eliminate opportunities to whiten the black money.

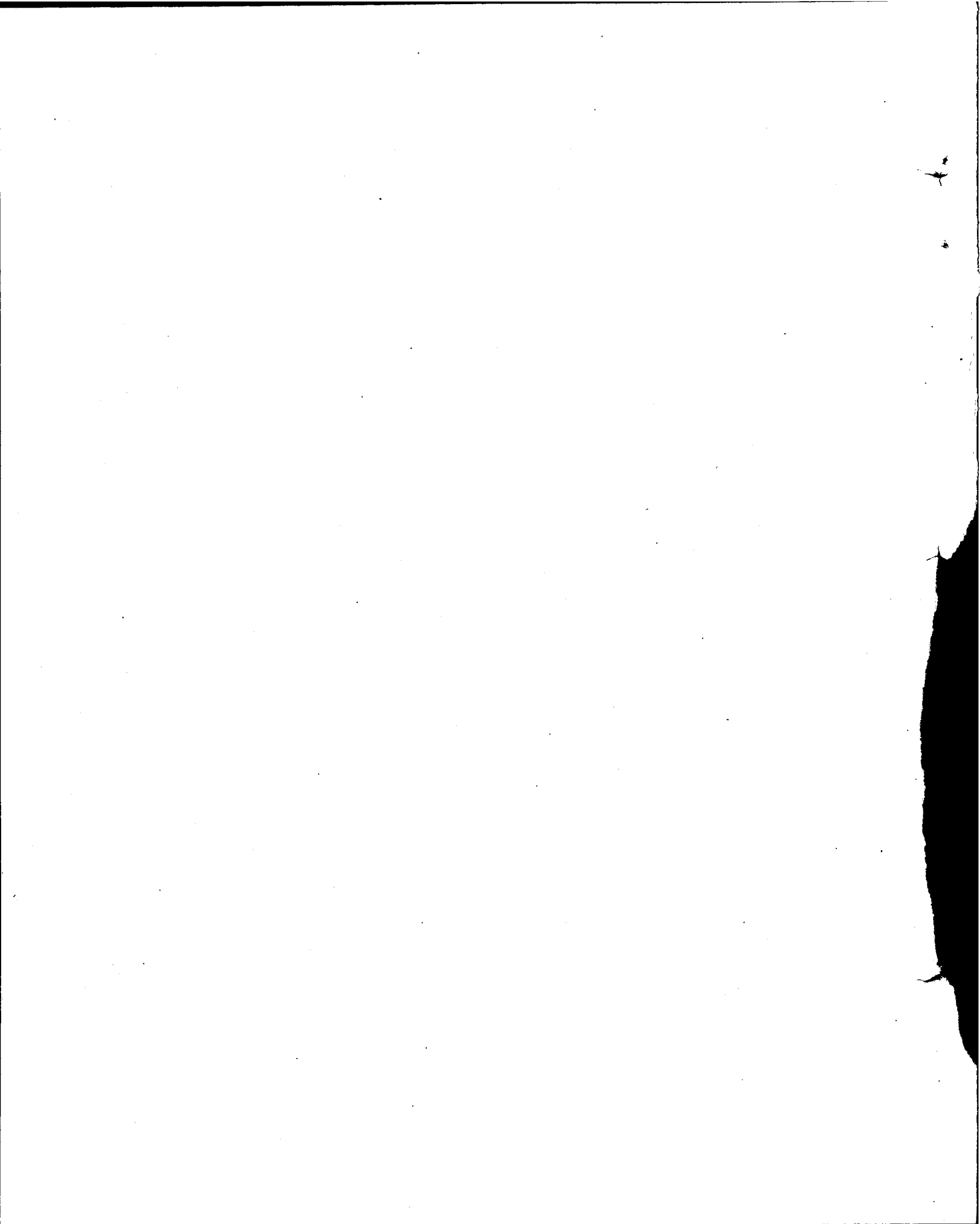
6.10 **Trade Account:** It is expected that the 1999-2000 year would experience an improvement in the balance of payments stemming from recovery in export growth. Exports (fob) are projected to grow by 10.3 percent while imports (fob) are forecast to increase by about 2.2 percent. The import projections are based on import substitution in agriculture sector. The

increase in exports earnings is predicated on increased production of cotton and rice as well as revival of the manufacturing sector, improvement in quality and competitiveness of value added products and adherence to the delivery schedule. The trade account is projected to be in deficit by \$ 1202 million in 1999-2000 against a deficit of \$ 1774 million in 1998-99.

6.11 **Invisibles Account:** Prospects for the invisibles balance will continue to be governed mainly by the behaviour of the workers' remittances and foreign currency accounts (residents). For 1999-2000, remittances have been projected at \$ 1200 million and foreign currency accounts at \$ 533 million. Allowing for other invisibles receipts and payments, the deficit in invisibles is anticipated to be \$ 158 million in 1999-2000 compared with a surplus of \$ 2 million during 1998-99.

6.12 **Current Account Balance:** With a deficit of \$ 1202 million in the trade account and \$ 158 million in the invisibles account, the current account deficit is estimated to decline to \$ 1360 million in 1999-2000 from \$ 1772 million in 1998-99.

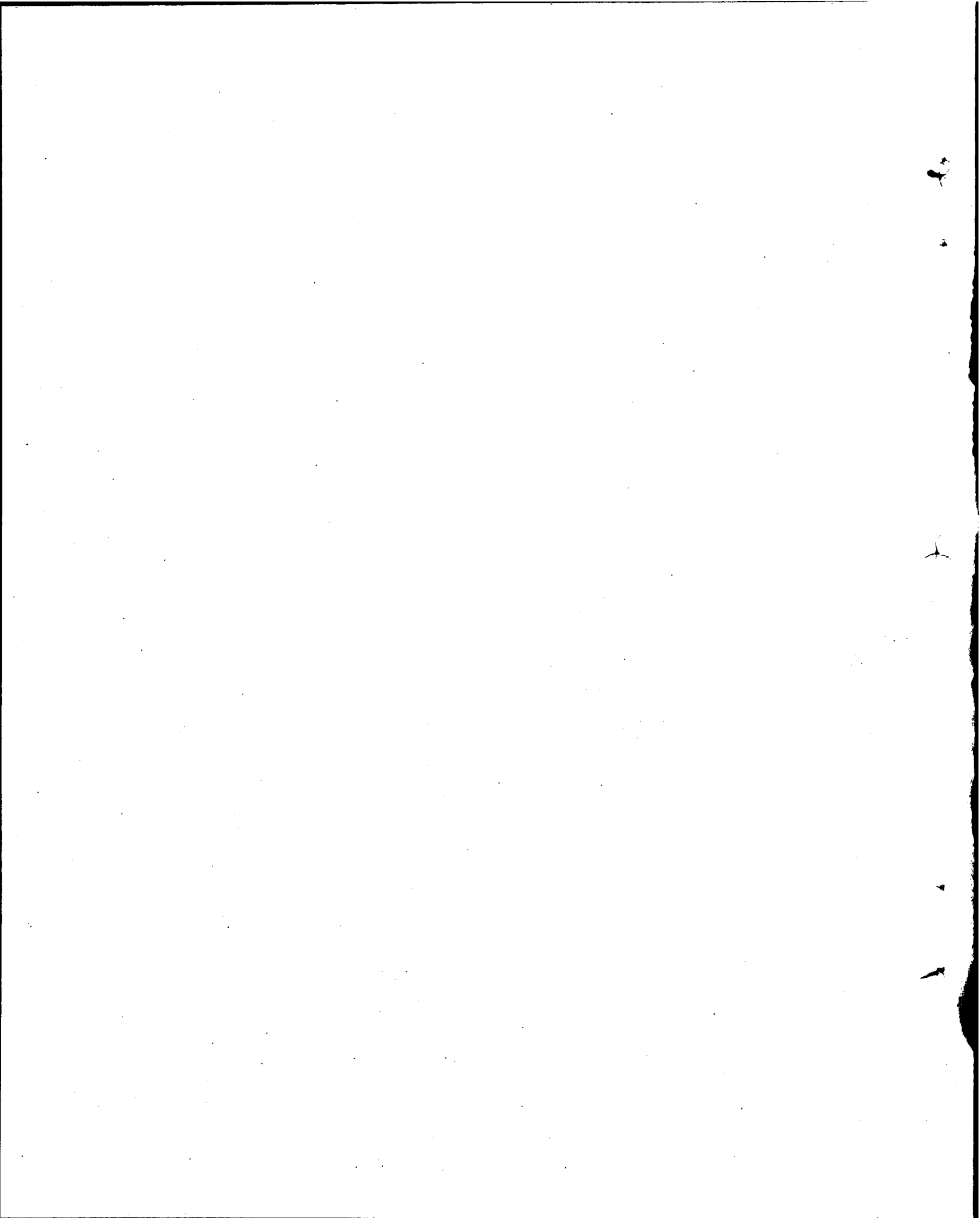
6.13 **Capital Accounts:** Gross disbursements of official development assistance are expected to decrease to \$ 2005 million largely on account of decreased disbursements of project aid and programme loan. However, after allowing for other capital movements, a deficit of \$ 941 million is likely to occur in the overall balance. Taking into consideration Pakistan's net position with the Fund, other transactions of the banking system and a build up of \$ 1009 million in reserves would place exceptional and other financing requirements at \$ 5132 million in 1999-2000. S.A. Table-6.3 depicts detailed balance of payments position for 1997-98 to 1999-2000.



PART-II

**PRODUCTION PROGRAMMES AND
PHYSICAL INFRASTRUCTURE**

(55—56)



CHAPTER-7

AGRICULTURE

REVIEW OF 1998-99

Growth and Output

7.1 The agriculture sector registered a marginal growth rate of 0.4 per cent as compared with a growth rate of 3.8 per cent last year. The decline in agricultural growth was mainly on account of decline in the production of cotton, wheat and value added forestry. The decline in cotton production was due to virus attack and unfavourable climatic conditions at the time of sowing and harvesting. The production of wheat declined as compared to last year because of the long spell of dry season at the time of sowing and shortage of phosphatic fertilizers at sowing time.

7.2 The comparative growth rates of major crops, minor crops, livestock, fisheries and forestry are given below:

<u>Item</u>	<u>1997-98</u>	<u>1998-99</u>
Major crops	8.3	(-)0.6
Minor crops	3.3	0.4
Livestock	(-)0.7	1.5
Fisheries	7.8	3.7
Forestry	(-)9.8	(-) 24.4

7.3 The cotton production of 8.8 million bales was 16.2 per cent lower than the target of 10.5 million bales. Similarly, the production of wheat, maize and gram was 7.4 per cent, 13.2 per cent and 12.6 per cent, respectively, lower than the target. However, rice, sugarcane and potato crops have registered record production of 4.7, 55.2 and 1.8 million tonnes, respectively. Thus their production increased by 6.4 per cent, 6.8 per cent and 22.7 per cent, against their respective targets. The onion production of 1,108 thousand tonnes was close to the target. The production of rapeseed and mustard including canola was 285.7 thousand tonnes against target of 310 thousand tonnes.

7.4 The physical targets and achievements are given in S.A.Table 7.1.

PSDP Allocation

7.5 An allocation of Rs.888.3 million was made for the agriculture sector in Public Sector Development Programme (PSDP) 1998-99, against which Rs.431.3 million was utilized. The low utilization is mainly due to non-availability of foreign aid for major new projects of Federal Government. The agency wise break-up is given in S.A.Table 7.2.

PROSPECTS AND PROGRAMMES FOR 1999-2000

7.6 The Government have taken various measures such as larger provision of credit to farmers for purchase of agricultural inputs, increased availability of improved seed, fertilizer and agricultural machinery and integrated pest management for control of insects to increase agricultural productivity and ensure high growth rate in agriculture sector, which is essential for the revival of the national economy. A growth rate of 4.3 per cent has been envisaged for the agriculture sector during 1999-2000. The contribution of major and minor crops will be 5.4 per cent and 4.5 per cent, respectively. The livestock and fisheries sub-sectors will contribute 3.0 per cent and 4.0 per cent, respectively.

7.7 The present Government has decided to revitalize the agriculture sector to exploit its vast potential. Appropriate measures will be taken to make the country self-sufficient in wheat and reduce edible oil imports. The Government has announced various initiatives in this regard such as increase in support price of wheat from Rs.245.00 to Rs.300.00 per 40 kg, augmentation of agricultural credit and revitalizing of ADBP to reach out to the small farmers. The agricultural prices will be related to market mechanisms and the Government will intervene in exceptional circumstances to protect the farmers. In the livestock sector, production and export of meat and dairy products will be encouraged. Sustainable exploitation of marine fisheries in the Exclusive Economic Zone will be promoted through institution of support for value added exports and the provision of credit. Evacuee agricultural land in Tharparkar area in Sindh which are being cultivated by poor and landless farmers will be allocated to them. State land not distributed so far will be allotted to landless peasants. A special credit package will be made available to the small farmers to help them develop their land and make it productive. De-silting of canals and water courses is already being undertaken with the help of army Jawans. It will result in increasing the water availability and improving its efficiency which will ultimately increase the production of crops by 15 to 20 per cent. These farmer friendly policies will help in achieving the proposed targets.

Financial

7.8 An allocation of Rs.769.9 million has been made for agriculture sector in PSDP 1999-2000, which is 78.5 per cent higher than the actual utilization in 1998-99. The agency-wise details are presented in Table 7.1. The sub-sectoral details are presented in S.A.Tables-7.3 to 7.9.

TABLE - 7.1
FINANCIAL ALLOCATION FOR 1999-2000

(Million Rs)

Executing Agency	Allocation 1998-99	Revised Estimates	Allocation 1999-2000	% increase/decrease over Revised Estimates for 1998-99
Federal	490.6	119.8	264.1	120.5
Punjab	208.2	149.8	257.4	71.8
Sindh	53.3	48.4	69.6	43.8
NWFP	109.7	97.1	132.2	36.1

Balochistan	26.5	16.2	46.6	187.7
Total	888.3	431.3	769.9	78.5

Source: Federal and Provincial PSDPs 1999-2000

Crop Production

7.9 The production targets for important crops for 1999-2000 have been fixed keeping in view their past performance, local demand, export requirements, availability of inputs and cultivable land. The estimated achievements of important crops for 1998-99 and targets for 1999-2000 are presented in Table-7.2.

TABLE-7.2
PRODUCTION OF MAJOR CROPS

Crops	(000 Tonnes)		
	1998-99 (Achievements)	1999-2000 Targets	% Change over 1998-99
Wheat	18,054.0	19,506.0	8.0
Rice	4,673.8	4,865.0	4.1
Basmati	1,684.3	1,763.0	4.7
Others	2,989.5	3,102.0	3.8
Maize	1,302.5	1,501.3	15.3
Other Cereals	622.9	630.0	1.1
Gram	699.5	772.0	10.4
Sugarcane	55,190.7	55,700.0	0.9
Cotton Lint*	8.8	9.7	10.2
Oilseed:			
- Rape & Mustard*	285.7	360.0	26.0
- Cottonseed	2,993.8	3,300.0	10.2
- Non-Traditional	280.0	313.0	11.8
Potato	1,800.0	1,800.0	0.0
Onion	1,108.4	1,250.0	12.8

* Million bales each of 375 lbs.

** Including Canola

Source: Ministry of Food, Agriculture & Livestock (MINFAL)/Planning Commission.

7.10 The target for wheat production for 1999-2000 has been fixed at 19.5 million tonnes, which is 8.0 per cent higher than the last year's achievement of 18.1 million tonnes. The rice production target has been fixed at 4.9 million tonnes against the achievement of 4.7 million tonnes in 1998-99. The production target for other cereals has been fixed at 630 thousand tonnes

against their estimated achievement of 623.0 thousand tonnes in 1998-99. The targets for maize and gram have been kept at 1.5 and 0.8 million tonnes against last year's achievement of 1.3 and 0.7 million tonnes, respectively. The production target of sugarcane has been fixed at 55.7 million tonnes which is 0.9 per cent higher than the achievement of 55.2 million tonnes in 1998-99. The cotton production target has been fixed at 9.7 million bales, which is 10.2 per cent higher than last year's achievement of 8.8 million bales. The production targets for potatoes and onion have been fixed at 1.8 and 1.3 million tonnes, respectively.

Agricultural Credit

7.11 Agricultural credit is an important element for achieving production targets. It provides the monetary resource for purchase of essential inputs like seed, fertilizer, pesticide, machinery and equipments, which are required for improving agricultural productivity. The Government has given due importance and doubled the agricultural credit allocation from Rs.20.0 billion in 1996-97 to Rs.40.0 billion in 1998-99. The loaning procedures have been further simplified by introducing one window operation for speedy disbursement of agricultural credit to the farmers.

7.12 A record credit of Rs.42.8 billion was disbursed to the farmers during 1998-99, against a target of Rs.40.0 billion, showing a disbursement of 107 per cent. However, it did not have much impact on agriculture production mainly due to un-favourable climatic conditions, attack of virus on cotton and shortage of phosphatic fertilizers at sowing time of wheat. The target for the year 1999-2000 has not yet been finalized. The credit disbursement for 1997-98 and 1998-99 is given in Table-7.3.

TABLE-7.3
DISBURSEMENT OF AGRICULTURAL CREDIT
DURING 1997-98 AND 1998-99
(Billion Rs.)

Type	1997-98 Disbursement	1998-99 Disbursement (Target)
Production loan	24.50	34.20
Development loan	8.47	8.60
Total	32.97	42.80

Source : State Bank of Pakistan.

Soil and Fertilizer

7.13 During 1998-99, the fertilizer off-take was 2.58 million nutrient tonnes as compared to 2.66 million nutrient tonnes in 1997-98, showing a decrease of 3.0 per cent. However, the nitrogen offtake of 2.10 million nutrient tonnes was slightly higher than last year's

offtake of 2.09 million nutrient tonnes. There was a substantial decline in the offtake of phosphatic fertilizer mainly due to its shortage at sowing time of wheat and high prices. It was 0.46 million nutrient tonnes against last year's offtake of 0.55 million tonnes. Thus the N:P ratio of 3.8:1 in 1997-98 has further deteriorated to 4.6:1, which badly affected productivity of crops specially wheat. The offtake of potassic fertilizer slightly increased from 20.4 thousand nutrient tonnes in 1997-98 to 21.4 thousand nutrient tonnes in 1998-99.

7.14 The fertilizer off-take target for 1999-2000 has been fixed at 2.9 million nutrient tonnes showing an increase of 13.9 per cent over the actual consumption for 1998-99. The nutrient wise details of fertilizer off-take and targets are given in Table-7.4.

TABLE-7.4
FERTILIZER OFFTAKE DURING 1998-99 AND TARGET FOR 1999-2000

("000" Nutrient Tonnes)

Fertilizer	1998-99 (Actual)	1999-2000 (Target)	% Increase over 1998-99
N	2,096.5	2,249.0	7.3
P	459.9	652.0	41.8
K	21.4	35.0	63.6
Total	2,577.8	2,936.0	13.9

Source : Fertilizer Import Department (FID), MINFAL and NFDC.

Improved Seed

7.15 Improved seed plays an important role in enhancing the productivity of crops. The overall coverage under improved seeds is nominal. However, certified seed coverage for cotton is about 39 per cent, whereas it meets 66 per cent of the seed replacement requirements for wheat. Efforts are being made to increase the coverage of improved seed for all crops. For this purpose, the involvement of private sector is being encouraged for the production and distribution of improved seed, in addition to public sector efforts. A distribution target of 282.8 thousand tonnes for improved seed has been fixed for 1999-2000, against the actual achievement of 145.1 thousand tonnes in 1998-99. The target seems to be on the high side. The Ministry of Food, Agriculture and Livestock will have to make special efforts to achieve it. The crop-wise details are presented in Table 7.5.

TABLE 7.5
IMPROVED SEED DISTRIBUTION

("000" Tonnes)

Crop	Seed Distribution 1998-99	Target 1999-2000	% Increase over 1998-99
Wheat	104.5	158.0	51.2
Cotton	26.0	67.0	157.7
Paddy	2.3	11.2	387.0
Maize	3.0	7.1	136.7
Gram	0.2	8.7	4250.0
Others	9.1	30.8	238.5
Total	145.1	282.8	94.9

Source : Ministry of Food, Agriculture and Livestock.

Plant Protection

7.16 The adoption of adequate plant protection measures by the farmers protect the crops from losses caused by attack of pests and diseases. The use of insecticides has increased substantially during the last few years. Therefore, there is a need to check excessive and indiscriminate use of pesticides by introducing biological control methods and integrated plant protection measures.

7.17 The private sector is responsible for carrying out plant protection measures including ground sprays. The public sector provides facilities for pest scouting, advisory services and aerial sprays. The aerial sprays are arranged by the Plant Protection Department of the Ministry of Food, Agriculture and Livestock on the demand of the Provincial Governments. It also carries out regular vigilance surveys for control of locusts in the deserts of Punjab, Sindh and Balochistan. In case of any locust threat, it arranges ground as well as aerial sprays to arrest their spread and minimize crop losses. During 1998-99, 22,300 hectares of orchards in Balochistan and 10,120 hectares of date palm in Sindh were aeri ally sprayed. There was no demand for aerial spray from Punjab and NWFP during the year. The crop-wise targets of aerial spray during 1999-2000 are presented in Table-7.6.

TABLE-7.6
ESTIMATED PLANT PROTECTION COVERAGE FOR 1998-99 AND TARGET FOR 1999-2000

("000" Hectares)

Crop	Estimated Aerial Spray 1998-99	Target for Aerial Spray 1999-2000
Cotton	-	104.0
Paddy	-	105.2
Sugarcane	-	125.5
Orchards	32.4	32.4
Others	-	0.0
Total	32.4	367.1

Source : Plant Protection Department, Ministry of Food, Agriculture & Livestock.

7.18 The on-going Federal and Provincial research and development activities to control insects, pests and diseases will be continued. Efforts will be continued to popularize Integrated Pest Management (IPM) techniques among the farmers in order to prevent indiscriminate use of insecticides. Efforts will be further accelerated to prevent the sale of adulterated pesticides through administrative and judicial measures. In this regard, the Government of Punjab's campaign launched last year against adulterated pesticides will be continued. The NWFP Government has launched a new project for the supply of plant protection equipments (power sprayers) to the farmers on subsidized rates.

Mechanization

7.19 Farm mechanization is gaining momentum in the country. It will not only help in increasing the productivity of crops through better and timely farm management practices but will be quite effective in minimizing pre-and post-harvest losses, thus increasing the income of farmers.

7.20 The sale of tractors during 1998-99 was 27,702 as compared to 13,559 in 1997-98, showing an increase of 104 per cent. An off-take target of 45,000 tractors has been fixed for the year 1999-2000.

7.21 The provision of bulldozers and allied machinery to the farmers for the development and reclamation of culturable waste land in the public sector will be continued. Ten new provincial projects are being launched for the procurement and rehabilitation of bulldozers and procurement of tractors and allied machinery.

Agriculture Research

7.22 The Federal and Provincial Agricultural Research Institutes will carry out research activities in order to generate new knowledge and technologies for enhancement of agricultural productivity. Research efforts will be concentrated on evolving of new, high yielding and disease/pest resistant varieties of crops, fruits and vegetables.

7.23 Tea Research and Development Project will be continued. It will impart training on tea cultivation, provide nursery plants to tea growers and assist them in establishment of tea plantation. Work on establishment of pilot black tea processing plant of 500-1000 kg/day capacity will be started at National Tea Research Institute at Mansehra. It will encourage tea plantation by providing buy-back guarantee to the growers. Research will be conducted on development of disease resistant and high sucrose content varieties of sugarcane under the National Sugarcane Research Institute project. The Coastal Zone Agricultural Research and Development Project will be continued with a view to conduct research on different crops suitable for growing in coastal areas of Sindh and Balochistan in order to improve their productivity. Research on cultivation of oil crops in Cholistan areas will be continued. It will provide research based information, on-farm demonstration and training of the local people. Research studies on production, sustainability, fertilizer use efficiency and insect pest resistance on rice-based cropping system will be continued. Oilpalm nurseries will be developed on private and Government farms for distribution of seedlings to growers in Sindh and Balochistan under the "Oilpalm Development Pilot Project".

Agricultural Education

7.24 The technical manpower for agriculture and allied sectors are being produced by the Agricultural Universities at Faisalabad, Tandojam, Peshawar and Rawalpindi, Agricultural Colleges at Multan, Quetta and Dokri, Larkana and a Faculty of Agriculture at Gomal University, Dera Ismail Khan.

7.25 The improvement and strengthening of teaching, research and laboratory facilities at the University of Agriculture, Faisalabad will be continued. The civil works at Agricultural Colleges at Dokri, Larkana and Multan will also be continued. Repair and renovation works of old buildings at Universities of Agriculture, Faisalabad and construction of hostel for 250 students at Agricultural University, Tandojam will be continued. Repair works on old hostels, residences and academic blocks will be started at the University of Agriculture, Peshawar.

7.26 A new project entitled "Development of Academic Facilities at University of Arid Agriculture, Rawalpindi" will be started in order to improve the teaching and research facilities. Post-graduation programme for various disciplines of arid agriculture will be started.

Agricultural Extension

7.27 The implementation of the project "Increasing Productivity of Kitchen Crops" will be continued. It will provide quality seed of vegetables and pulses to the growers in order to increase their productivity. The project will disseminate improved production technologies to growers for increasing production of kitchen crops. Development and research activities for improvement of productivity of arid areas will be continued under the project "National Aridland Development and Research Programme". Priority will be given to dry-land farming, agro-forestry, soil/water conservation, range/livestock and wildlife development. Import of oilpalm seedlings and plantation of oilpalm in the coastal areas of Sindh and Balochistan, will be continued under the project "Oilpalm Development Pilot Project". Development of technologies for oil crops cultivation in Cholistan will be continued.

Support Price Policy

7.28 The support prices of important crops are reviewed and fixed annually, in order to provide economic incentives to the farmers to increase their production. The crops covered under support price programme are wheat, rice (paddy), cotton, sugarcane, gram, onion, potato, sunflower, soybean, canola and safflower. The support prices are fixed keeping in view various factors such as increase in cost of production, domestic demand, import and export parity, prices in domestic markets, comparative advantages, etc. These are generally announced before the sowing time, to enable growers to plan allocation of area, input and other resources for different crops. The support prices fixed for different crops during 1997-98 to 1999-2000 are given in S.A. Table 7.10.

Animal Husbandry

7.29 The livestock sub-sector envisages to increase meat and milk production through research and developmental activities in order to meet the growing demand. Emphasis will be laid on genetic improvement of animal breeds, better feeding and management practices and maintenance of healthy and well-nourished herd.

7.30 The national herd comprises 21.6 million cattle, 22.0 million buffaloes, 23.9 million sheep, 45.8 million goats and 5.0 million other animals. Landless families and small farmers are responsible for maintaining this herd.

7.31 It is expected that 28.0 million tonnes of milk, 1,037.0 thousand tonnes of beef, 680.0 thousand tonnes of mutton, 306.0 thousand tonnes of poultry meat, 40.4 thousand tonnes of wool and 6.1 billion eggs, will be produced during 1999-2000. The physical achievements of livestock products for 1998-99 and targets of 1999-2000, are given in S.A. Table 7.11. The institutional position is provided in S.A. Table 7.12.

Poultry Development

7.32 About 255 hatcheries will produce 216.96 million broilers, 41.47 million layers and 3.46 million breeder chicks in 1999-2000 against the production of 195.49, 37.07 and 2.41

million chicks, respectively, during last year. Research on control of poultry diseases will be continued. Improvement in rural poultry production will be initiated in Balochistan and breeding of indigenous poultry breeds in Punjab.

Animal Health

7.33 Comprehensive disease control cover for foot and mouth disease, rinderpest and common bacterial diseases will be provided through vaccine and other prophylactic measures. Establishment of National Veterinary Laboratory at Islamabad will continue. It will serve as a national reference laboratory and provide vaccine quality control services. Also, it will help in evaluating veterinary drugs for safety, potency and efficiency. Veterinary diagnostic analytical laboratory system alongwith establishment of livestock services organization will be taken up in Punjab. In Balochistan, animal health coverage will be improved through strengthening of veterinary research institute and provision of veterinary services for livestock disease control. Genetic engineering and Bio-technology for research, reproduction and animal health will be introduced in NWFP.

Livestock Improvement

7.34 Introduction and propagation of Nari breed for increasing quality beef production will be started in Balochistan. The programme to control fascioliasis disease of livestock will be continued in Sindh. Supply of high quality inputs for animal production through artificial insemination and transfer of technology to farmers will be launched. A vaccine production unit will be established in Tandojam. In NWFP, the implementation of comprehensive livestock extension programmes will be continued. Installation of two liquid nitrogen plants will be taken up. Integrated livestock production programme and replication of Idara-e-Kisan will be launched in Punjab.

Fisheries

7.35 Establishment of hatchery complex at Karachi will be continued for the production of fish and shrimp seeds. The expansion of fish culture activities through fish seed production farms in small/mini dams will be continued. A carp fish hatchery will be established at Larkana and a programme to enhance the fishermen knowledge/skills in fish farming will be initiated, apart from culturing of brackish water fisheries and cat fish. Rearing of sea fish/shrimps will be carried out on sea creek near Gharo. Fisheries training centre will be established at Gwadar to provide training to fishermen.

7.36 The data on fisheries sub-sector are given in S.A.Table-7.13.

CHAPTER-8

WATER RESOURCES DEVELOPMENT

8.1 The major goal of policy and planning in the water sector continues to be that of uplifting the agro-based economy of the country by maximizing crop production through progressively increasing surface water supplies, replacing public tubewells with private ones, improving existing management practices using the latest technologies available, and protecting land and infrastructure from waterlogging, salinity, and floods.

REVIEW OF 1998-99

A. Financial

8.2 Against the financial allocation of Rs. 20218.760 million (Federal plus Provincial), an amount of Rs. 12319.490 million (61%) was utilized. Sub-sector-wise Federal and Provincial allocations as well as expenditures (revised estimates) are summarized in Table-8.1 whereas provincial and agency-wise details are given in S.A. Table-8.1.

TABLE-8.1
Financial Allocations and Revised Estimates for 1998-99

(Rs. Million)

S.No	Sub-sector	Allocations 1998-99	Revised Estimates 1998-99	Percent Utiliz- ation
Federal				
	i) Irrigation Schemes	4000.416	3055.850	76
	ii) Drainage & Reclamation	7701.140	5494.750	71
	iii) General Investigation	39.000	*127.140	326
	iv) IBP/Tarbela	10.000	* 54.700	547
	v) Flood Control Program	995.000	331.930	33.4
	vi) On-Farm Water Mgt	659.320	27.160	4
Sub-total: (Federal)		13404.880	9091.520	67.8
Provincial				
	i) Punjab	3597.650	1213.770	34
	ii) Sindh	1769.870	671.440	38
	iii) N.W.F.P	651.580	547.880	84
	iv) Balochistan	794.880	** 794.880	
	100			
Sub-total: (Provincial)		6813.880	3227.970	47
Total: (Federal + Provincial)		19431.220	12319.490	63

* The excess expenditure has been taken care of through inter-sectoral adjustments

*** Revised estimates have not been provided by Balochistan, therefore utilization has been assumed 100%.

8.3 Sub-sector-wise break-up of Federal and Provincial revised estimates for 1998-99 is given in Table-8.2.

TABLE-8.2
SUB-SECTOR-WISE DETAILS OF EXPENDITURE FOR 1998-99

(Rs. Million)

Sr.No.	Sub-Sector	Federal	Provincial	Total
i)	IBP/Tarbela	54.700	-	54.700
ii)	Irrigation	3055.850	1990.270	5046.120
iii)	Drainage & Reclamation	5494.750	490.220	
	5984.960			
iv)	Flood Control	331.930	39.770	
	371.710			
v)	On-Farm Water Mgt	27.160	647.840	
	675.000			
vi)	Survey, Investigation	127.140	59.870	
	187.000 and Research			
Total:		9091.520	3227.970	12319.490

Source:- Federal and Provincial ADPs, and WAPDA.

B. Physical

8.4 The overall water availability in the irrigation system increased by 0.06 Mhm (0.48 MAF) from 16.44 Mhm (133.28 MAF) in 1997-98 to 16.50 Mhm (133.76 MAF) in 1998-99 (10.20 Mhm surface and 6.30 Mhm groundwater). Out of total water available during 1998-99, about 9.52 Mhm (77.18 MAF) was available during Kharif and 6.98 Mhm during Rabi.

8.5 Sub-Sector-wise physical targets and achievements are briefly presented in Table-8.3.

TABLE-8.3
PHYSICAL TARGETS AND ACHIEVEMENTS DURING 1998-99

S.No.	Item	Unit	Targets 1998-99	Achievements 1998-99	Percent Achieved
1.	Water Availability	Mhm	16.62	16.50	99
		MAF	134.74	133.76	99
<u>Drainage & Reclamation</u>					
2.	Disastrous area Protected	MH	0.39	0.16	41
3.	SCARP Tubewells				
	a) Drilling	NO	182	34	19
	b) Energization	NO	627	412	66
	c) Transition to Private Sector	NO	570	50	9
4.	Surface Drains	MCM	6.85	3.20	47
	Rehab./ Const.	MCM	17.33	15.32	88
5.	Sub-surface Drain	KM	813	631	85
6.	Structures	No	1368	657	48
7.	<u>Flood Control</u>				
	- Earth work	MCM	8.09	6.59	81
	- Stone work	MCM	0.76	0.61	81
8.	<u>OFWM Program</u>				
	- Watercourse Improvement	No	123	330	268
	- Precision Land Leveling	Ha	364	148	41

REVIEW OF FEDERAL PROGRAMME 1998-99

8.6. Sub-Sector-wise brief review of the financial and physical progress is given in the following paragraphs.

- **Chashma Right Bank Canal (Stage-III)** Stage-I and II of CRBC project have been completed whereas work on Stage-III is in progress. Flood carrier channels, construction of access roads, construction of main canal and dikes involving excavation of 27.94 MCM of earth, laying of 0.06 MCM of concrete lining and 0.03 MCM of stone work have been completed. An amount of Rs. 2800 million was allocated for Stage-III during the financial year 1998-99, out of which Rs. 2115.80 million (76%) were spent.
- **Pat Feeder Canal Project** is almost completed. A sum of Rs. 1000 million was allocated to the project during the financial year 1998-99. Out of which utilization was (89 percent) Rs. 893 million were utilized. At present, clearance of project liabilities and handing over of O&M machinery is in progress.

For **Drainage and Reclamation** works, an allocation of Rs. 7701.144 million (including Rs. 3000 million for NDP) was made, out of which Rs. 5494.750 million (71 percent) was utilized. About 19% (34 out of 182) tubewells were drilled, 66% (412 out of 627) were energized, 47% (3.2 MCM against 6.85 MCM) open drains were excavated and 85% (631 Km against the target of 813 Km) tile drains were laid. Work on LBOD project continued with full swing for which a financial allocation of Rs. 1505 million was made. About 95% physical works of LBOD have been completed whereas the remaining works will be carried out during the next financial year. Works on RBOD are in progress. The Indus-Link has been divided into three contracts and substantial portion of contract 1L-1, 1L-2 and 1L-3 has been completed (93%, 97% and 91% respectively). A sum of Rs. 304 million was allocated in the financial year of 1998-99 whereas the utilization reported by WAPDA has surpassed the allocation i.e. about 188% (Rs. 570.70 million). Works on other projects like Fordwah Eastern Sadiqia (South & Remaining), Swabi, Gojra Khewra, Upper Rechna Remaining Deg Basin and Kotri Surface Drainage Phas-III were in progress although not at a desired pace due to financial constraints. Whereas the projects Khushab SCARP and Kotri Drainage Phase-II have been completed during the year 1998-99.

- **Flood Sector Project** was provided with an amount of Rs. 995 million out of which Rs. 331.930 million (33.4%) have been utilized. Against the target of 8.09 MCM of earthwork and 0.76 MCM of stonework, about 6.59 MCM of earthwork and 0.61 MCM of stonework have been achieved.
- Under the **On-Farm Water Management Program** about 0.004 MHM water was saved by improving, cleaning, remodeling and lining of 330 watercourses (268%) and precisely leveling of 148 hectares (41%) of agricultural land against the target of 123 watercourses and precision land leveling of 364 hectares respectively.
- An amount of Rs. 675 million (Rs. 27.16 million Federal and Rs. 647.840 million Provincial) was utilized on the On-Farm Water Management activities.

REVIEW OF PROVINCIAL PROGRAMMES 1998-99

8.7 About Rs. 3227.970 million were spent on water resources projects in the provinces. The provincial programs consisted mainly of improvement, re-conditioning, remodeling and extension of the existing irrigation system. The detailed physical achievements are given at S.A.Tables 8.3 to 8.6. A brief review of major works carried out in provinces is given in the following paragraphs.

Punjab

8.8 A sum of Rs. 1213.770 million (34 percent) was spent against the allocation of Rs. 3597.650 million. Under Irrigation Sub-sector, about 28 K.m. and 50 K.m of irrigation canals were remodeled and rehabilitated respectively and an extension of 2.5 K.m of existing canals were made. These efforts led to benefit additional area of 950 hectares under irrigation. Details of physical achievements are given in S. A.Table-8.3.

Sindh

8.9. Against an allocation of Rs. 1769.870 million, a sum of Rs. 671.440 million (38 percent) was utilized on extension / remodeling/rehabilitation of the 86 K.m of irrigation channels and other relevant activities. Efforts were made towards efficient and effective utilization of water, which resulted in benefiting 4.2 hectares of existing as well as new-cropped area. Details of achievements are given in S. A.Table-8.4.

N.W.F.P.

8.10 Against an allocation of Rs 651.589 million, an expenditure of Rs. 547.880 million (84 percent) was incurred on remodeling and rehabilitation of canals and allied structures. The physical achievements included remodeling and rehabilitation of irrigation channels. which in turn benefited an irrigated cropped area of 1360 hectares. Detailed achievements are given in S. A.Table-8.5.

Balochistan

8.11 The overall allocation of Rs 794 million was utilized against various irrigation works including survey, investigation and remodeling/rehabilitation of irrigation channels and allied structures. About 32 k.m of canals were extended/rehabilitated /remodeled and 4 structures constructed/remodeled. The improvement measures benefited 33764 hectares of cropped land. Accomplishment of various activities is given in S. A. Table-8.6.

ANNUAL PLAN 1999-2000

8.12 The Annual Plan 1999-2000 reflects the following medium-term objectives.

- i) Progressively increasing surface water supplies;
- ii) Replacing public fresh ground water tubewells with private ones;
- iii) Improving existing management practices using the latest technologies available;
- iv) Protecting land and infrastructure from waterlogging, salinity and floods.
- v) Operation and maintenance of irrigation and drainage system at a high efficiency level.

8.13 For realizing the afore-mentioned objectives an amount of Rs. 19431.220 million (Rs. 11330.90 million Federal and Rs. 8143.030 million Provincial) has been allocated to the water resources development projects/programs during the year 1999-2000. Agency-wise and sub-sector-wise financial distribution is shown in S.A.Table-8.1.

8.14 The proposed program envisages an increase of water availability from 16.50 Mhm (133.78 MAF) in 1998-99 to 16.62 Mhm (134.76 MAF) in 1999-2000. Out of total 16.62 Mhm, about 10.36 Mhm (would be available from surface water supplies through watercourse improvement, canal remodeling and small irrigation schemes. The remaining 6.26 Mhm (50.81 MAF) would be extracted from underground fresh water aquifer mainly by private tubewells. About 0.20 MHa (0.50 MA) of salt affected land would be reclaimed by drilling and energizing 58 and 386 SCARP tubewells respectively. Further, 5000 private tubewells are expected to be installed during the year 1999-2000. Moreover, excavation of 4.87 MCM of earth for surface drains, construction of 28 Km and 228 Km of main irrigation canals and distributaries/minors respectively, and laying 111 Km of tile drains. Under OFWM Program about 2410 watercourses will be improved and 8393 hectares land will be precisely leveled. Detailed physical targets for 1999-2000 is given in S. A. Table-8.2.

15. Some of the main programs/projects to be implemented during 1999-2000 are briefly described below:

Federal

i. Irrigation

a. Chashma Right Bank Canal Project

8.16 Stage-I and II of CRBC project have been completed whereas work on Stage-III, including construction of main canal, distributaries/minors, flood carrier channels and a number of structures will be undertaken. An amount of Rs. 2800 million including foreign aid of Rs. 1750 million has been allocated to this project.

b. Pat Feeder Canal Project

8.17 Remodeling work on the main canal, disposal and carrier drains have been completed. Work on distributaries and minors has also been completed. An amount of Rs. 420.00 million including foreign aid of Rs. 180 million has been allocated in the PSDP 1999-2000 for maintenance and payment of final bills.

ii) Drainage and Reclamation Program

8.18 This program will continue to receive major share i.e. Rs. 4455.00 million (39 % excluding allocation of NDP), of Water Sector financial allocation. The program envisages drilling of 58 and energization of 386 SCARP tubewells, excavation of 4.87 MCM earth for surface drain, construction of 28 Km and 228 Km of main irrigation canals and distributaries/minors respectively and laying 111 Km tile drains. It is expected that 0.20 MHa (0.50 MA) will be protected from waterlogging and salinity. The program includes 10 drainage projects (6 in Punjab, 3 in Sindh and 1 in NWFP) in addition to NDP, which has been shown separately. Adequate allocations have been made for Fordwah Sadiqia (South), Fordwah Sadiqia Remaining, SCARP Gojra Khewra, Upper Rechna Remaining Deg Basin, LBOD, and Swabi SCARP for their timely completion.

8.19 The National Drainage Program costing Rs. 31400 million will be taken up to restore the sustainability of irrigated agriculture in an environmentally sound manner by (a) minimizing drainable surplus and (b) evacuation of drainable surplus from the Indus Basin to the sea. For this purpose a sum of Rs. 3000 million including foreign aid of Rs. 2525 million, as a share of Federal Government, has been allocated. The respective Provincial allocations will be reflected in the Provincial ADPs.

iii) ON-FARM WATER MANAGEMENT (OFWM)

8.20 It is an on-going program being implemented with the assistance of Government of Japan. Physical work includes renovation of 800 watercourses and establishment of 66 no. Storage Tank. Allocation to this program during 1999-2000, will be reflected in the Provincial ADPs. However, Rs. 51.00 million have been allocated in the Federal PSDP 1999-2000. A new project of the same program " On-farm Water Management-IV (World Bank assisted) has been initiated so as to improve 8865 watercourses, constructing of 3100 nos. storage tanks, Precision Land Leveling of 113000 hectares and establish 1162 demonstration centers. For this Program a sum of Rs. 20 million, (local) has been allocated in the PSDP 1999-2000.

iv) **FLOOD PROTECTION PROGRAMME**

21. The flood control works are undertaken under two main program namely, Normal/emergent Flood Works and Second Flood Sector Project (World Bank Assisted). The World Bank assisted Flood Sector Project is aimed at protecting village abadies, private property and public infrastructure situated along the rivers. The program during 1999-2000 envisages execution of a number of small schemes in Punjab, Sindh, NWFP, Balochistan, FATA, Northern areas and AJK. A total of Rs. 415 million including foreign aid of Rs. 300 million have been allocated for the above mentioned programs.

v) **SURVEY, INVESTIGATION AND RESEARCH**

8.22 Survey, Investigation and Research is a continuing program being carried out by WAPDA. During the year 1999-2000, the work will continue on a number of important schemes such as International Waterlogging and Salinity Research, Munda Dam Multipurpose Project, Ground Water Investigation-cum-development in Barani Areas of Gujrat District, Strengthening of Nasrat Loop Bund and Hydrological Map of Pakistan. A sum of Rs. 56 million including foreign aid of Rs. 10 million has been allocated to this program.

PROVINCIAL PROGRAMMES

Punjab

8.23 An amount of Rs. 4819.320 million has been allocated in the ADP 1999-2000 for remodeling and extension of 30 K.m and 7 K.m of canals respectively, remodeling of 4 existing structures. It is expected that with accomplishment of the aforementioned works, cropped area of 900 hectares would be provided with irrigation water. Details are given in S.A.Table-8.3.

Sindh

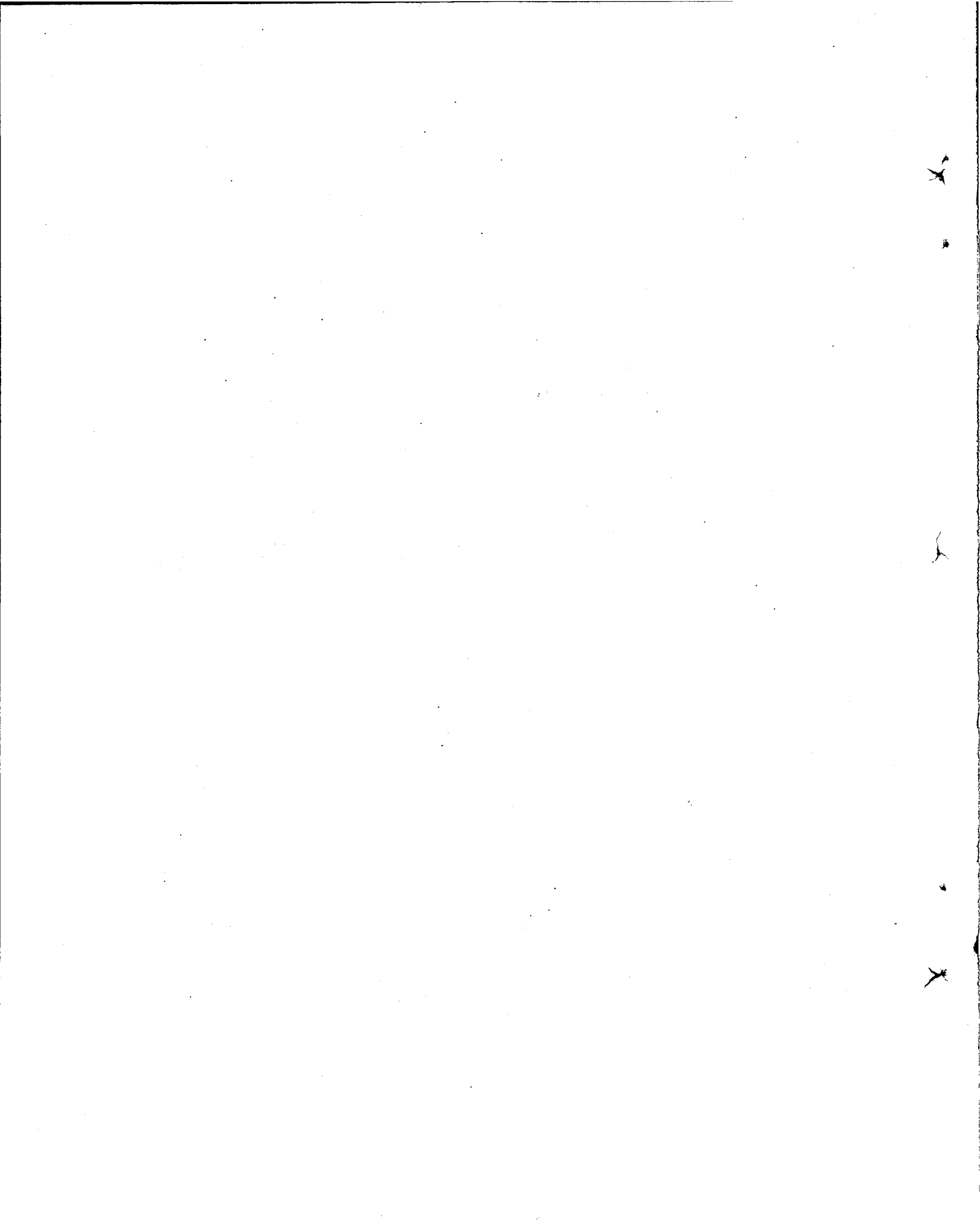
8.24 Rs. 845.290 million have been allocated in the provincial ADP 1999-2000 to water resources development activities like remodeling/ rehabilitation of 45 K.m of canals, extension of 41 K.m of canals, construction/remodeling of 185 structures. It, in turn, would benefit 4.20 hectares of cropped area. Details are given in S.A.Table-8.4.

N.W.F.P

8.25 To strengthen the existing irrigation network and also to take-up new irrigation schemes, the NWFP Government has provided an amount of Rs. 1232.140 million in their ADP 1999-2000. The physical targets envisage some minor works of rehabilitation of canals and construction of new structures and installation of 12 public tubewells. These measures would increase the cropped area by 1103 hectares. Details are attached as S.A.Table-8.5.

Balochistan

8.26 A large number of small irrigation schemes like small dams, infiltration galleries, delay action dams, weirs, irrigation channels, tubewells and dug-wells are being implemented with the financial assistance of various international donor agencies. Some important irrigation projects include Remodeling of Khirther Canal, Balochistan Ground Water and Trickle Irrigation Projects, Balochistan Community Irrigation and Agriculture Project, On-farm Water Management Project, Establishment of Bureau of Water Resources in Balochistan, Delay Action Dams and Recharge to Groundwater in the valleys of Quetta, Pishin, and Mongachar, etc. An amount of Rs. 1246.280 million has been allocated in the provincial ADP 1999-2000. Some important physical targets include extension, rehabilitation and remodeling of 183 k.m, 43 K.m and 42 K.m canals respectively and construction of 32 new structures. It in turn would benefit a cropped area of 16679 hectares. Details are attached as S.A.Table-8.6.



CHAPTER-9

INDUSTRY

REVIEWS OF 1998-99

9.1 The performance of the Large Scale manufacturing sector during 1998-99 has been poor due to a number of factors which adversely affected the growth of industrial production. These included factors like economic sanctions, the side effects of the measures such as discouragement of imports, decline in domestic and foreign investment, lower demand for exports and reduction in public expenditures. The value addition in manufacturing sector also remained relatively weak and increased by 4.7 percent in 1998-99 as against 7.9 percent in 1997-98.

Growth Rate (1998-99)

9.2 Manufacturing being the second largest commodity-producing sector has staged a recovery by registering a growth rate of 4.7 percent in 1998-99 as against an impressive recovery of 7.9 percent in 1997-98. The large scale manufacturing sector registered a growth of 2.7 percent during 1998-99 against 7.6 percent growth last year. The small scale manufacturing continued to grow at its historical growth rate of 8.4 percent. The sector as a whole was targeted to grow at 7.2 percent for the year 1998-99 with large scale at 6.5 percent and small scale at 8.4 percent.

Industrial Production (1998-99)

9.3 The growth in industrial production has been mainly contributed by items like Tractors (68.1%), LCV's/Cars (5.2%), Bicycles (12.4%), Caustic Soda (5.6%), Soda Ash (4.8%), cigarettes (6.9%), cotton cloth (10.2%), nitrogenous fertilizer (4.8%) and petroleum products (3.8%). Main industries showing negative growth rates included sugar (-0.9%), cotton ginning (-4.2%), cement (-1.9%), Trucks/Buses (-9.7%) diesel engines (-13.2%), air conditioners (-44.1%), billets (-23.9%), and sewing machines (-17.2%) and electric motors (-33.9%). The growth performance of various industries during 1998-99 is given at S.A. Table-9.1

Industrial Incentives/ Policies

9.4 The main objective of the investment policy is to enhance the present level of foreign investment to at least US\$ 2 billion per year through expanding the industrial base, infrastructure, software development, electronics, engineering, agro-food and value-added-textile etc.

Manufacturing sector is prioritized in four categories:

- a) Value-added or export industries
- b) Hi-tech industries
- c) Priority industries
- d) Agro-based industries

Trade Policy 1998-99

9.5 Through Trade Policy 1998-99, the rationalization of tariff involved reduction in the maximum rate, cascading of the tariffs, simplification of the rates and broadening of the base. The regulatory duty of 10% on imports introduced in the previous year was abolished. The maximum tariff was reduced to 35% from the earlier level of 65%, except for some imports like automobiles, where the previous rates remained unchanged. The number of duty slabs were reduced from thirteen to five with rates of 10%, 15%, 25%, 35% apart from zero on some items such as computers.

9.6 The tariff rate on plant and machinery was standardized and brought down to 10%. Duties on primary raw materials, secondary raw materials, intermediate goods and finished goods were suitably cascaded between 10% and 35%. To curb smuggling, tariff rates on a wide range of smuggling prone items were brought down to 10% and 25%.

9.7 In order to decrease manufacturing cost of the exporters, all imports by direct and indirect exporters under various schemes including No Duty No Drawback, Manufacturing in Bond, Temporary Import schemes were allowed without payment of custom duty, sales tax and with-holding income tax.

9.8 Textiles continued to be the most important items for exports. To remove the earlier complaints of inefficiencies, lack of transparency and misappropriations the following steps were taken:

- i. Textile quota management has been transferred to the private sector with effect from 1st January 1998.
- ii. A transparent system for auction of annual growth quota of textiles was institutionalized.
- iii. Stoppage of allocation of textiles quota on political or personal consideration.

Industrial Investment 1998-99

The provisional estimates of industrial investment or gross capital formation in manufacturing sector depicted an over all decrease of 14.2 percent during 1998-99. The industrial investment

in Public sector exhibited a tremendous increase of 233.3 percent during the course of current year mainly on account of one major project of PARCO while industrial investment in private manufacturing sector decreased by 2.9 percent over previous year. The capital formation in large scale manufacturing witnessed an increase of 16.2 percent because of 233.3 percent increase in industrial investment by large scale manufacturers in public sector. The private sector has increased its investment in small scale manufacturing by 9.9 percent where it is the only player. The trends in industrial investment are given in Table-9.1 below.

TABLE - 9.1
INDUSTRIAL INVESTMENT (1998-99)

(Rs Million)				
	1996-97	1997-98	1998-99*	% Change
Manufacturing	74700	71569	82127	14.9
Public Sector	8684	5345	17815	233.30
Private Sector	66016	66224	64312	-2.89
Large Scale	60469	55242	64186	16.19
Public Sector	8684	5345	17815	233.30
Private Sector	51785	49897	46371	-7.07
Small Scale	142231	16327	17941	9.89
Public Sector	0	0	0	0.00
Private Sector	14231	16327	17941	9.89

*Provisional Source: Federal Bureau of Statistics

Review of Federal Budget (1998-99)

9.9 In Federal PSDP 1998-99 an allocation of Rs 597 million was made for manufacturing sector projects which included Rs 567.0 million for Development Scheme for rehabilitation of Peoples Steel Mills Ltd, Karachi and Rs 30.0 million for establishment of Special Industrial Zone, Nawabshah. After applying cut the total allocation of manufacturing sector has been reduced to Rs 387 million, Rs 367 million for Peoples Steel Mills and Rs 20 million for the Special Industrial Zone Nawabshah. Against this allocation Peoples Steel Mills, Karachi has utilized Rs 325.00 million and the project namely Establishment of SIZ Nawabshah has utilized Rs 13.0 million during, 1998-99.

Public Corporation Programme (1998-99)

There was an allocation of Rs 56.00 million for Public Corporation (outside Budget) during the year 1998-99 for the BMR/Expansion of Pakistan Steels capacity from 1.1 to 1.3 million tonnes per annum. Pakistan steel is engaged in producing coke, pig iron, rolled/cast billets, hot rolled sheets, coils and plates, cold rolled sheets/coils, galvanised sheets and formed sections.

9.10 The BMR/Expansion scheme of Pakistan Steel is presently under implementation on self-financing basis. An expenditure of Rs 1285 million has been incurred upto June, 1999. The details of public corporations programme is given below in Table-9.2.

TABLE - 9.2

Sector/Sub-Sectors	1998-99		(Million Rs)
	Revised Estimates	Utilization	%age Utilization
BMR/Expansion of Pakistan Steel capacity from 1.1 to 1.3 MTPY	56.00	1285.00	2246%

PROVINCIAL PROGRAMMES:

Punjab:

9.11 The budget allocation and utilization in the industry sector of Punjab Province is given in Table - 9.3 below.

TABLE - 9.3

PSDP ALLOCATION/UTILIZATION (PUNJAB)

Sector/Sub-Sectors	(Million Rs)		
	Allocation 1998-99	Utilization 1998-99	Percentage Utilization
Punjab Small Industries Corporation (PSIC)	369.591	212.549	58%

9.12 The overall utilization in the industry sector of Punjab was 58%. The Punjab Small Industries Corporation (PSIC), was mainly responsible for the promotion of Industrial Sector. Major Portion of the on going schemes relates to Rural Industrialization Programme/Self Employment Schemes. The Corporation also provided loan for the promotion of small scale industries and carried out Rural Industrialization Programme and loan under State Bank of Pakistan etc.

Sindh

9.13 Allocation and utilization during the year 1998-99 in the industry sector of the Sindh Province is given in Table - 9.4 below.

TABLE - 9.4
PSDP ALLOCATION AND UTILIZATION
(SINDH)

(Million Rs)

Sector/Sub-Sector	1998-99		
	Allocation	Utilization	Percentage Utilization
Sindh Small Industries Corporation (SSIC)	8.060	19.060	236%

9.14 There was an allocation of Rs 8.060 million in SSIC for the Industry Sector of the Sindh Province during 1998-99, an expenditure of Rs 19.060 million has been intimated showing an increase of 236%. Sindh Small Industries Corporation (SSIC) is responsible to promote the development of cottage and small industries in the rural areas by providing infrastructure facilities and training in both traditional and non-traditional skills. Apart from providing loan for Self Employment Scheme, SSIC carried out four schemes namely Readymade Garments Training and Production Centre and Establishment of Auto Diesel Training-Cum-Service Institute, at Karachi, Small Industrial Estate for Power Loom Sector, Hyderabad and Industrial Home for women at Kunri.

NWFP:

9.15 A summary of industry sector allocation and utilization in NWFP during the year 1998-99 is given in Table - 9.5 & 9.6 below.

TABLE - 9.5
PSDP ALLOCATION AND UTILIZATION
(NWFP)

(Rs Million)

Sector/Sub-sector	1998-99		Percentage Utilization
	Allocation	Utilization	
Small Industries Development Board (SIDB)	5.834	5.934	101%

9.16 During the year under review, SIDB utilized Rs 5.934 million against the allocation of Rs 5.834 million showing 101 percent utilization. The expenditure over and above the allocation during 1998-99 was met through previous year's saving/reserves of the respective projects. The implementation of the projects include: work on Readymade Garments Centre, Kohat, Wood Working Centre, Mansehra, Pak-Holland Metal Project, (Phase-II), Peshawar Handicrafts Design Institute, Peshawar and Small Industrial Estate, Charsadda.

TABLE - 9.6

Sector/Sub-sector	1998-99		Percentage Utilization
	Allocation	Utilization	
Sarhad Development Authority (SDA)	2.500	2.500	100%

SDA utilized Rs 2.500 million against an allocation of Rs 2.500 million showing 100% utilization on the improvement/extension of infrastructure of existing Industrial Estates.

Balochistan

9.17 There was an allocation of Rs 8.700 million during 1998-99 for the Industry Sector in Balochistan. Utilization is 807% showing an increase of expenditure on Quetta Industrial & Trading Estate, Distt: Quetta. Details are given below in Table - 9.7.

TABLE - 9.7

Sector/Sub-sector	1998-99		Percentage Utilization
	Allocation	Utilization	
- Installation of three tubewells in Quetta Industrial & Trading Estate	1.200	5.400	450%
- Industrial & Trading Estate Dera Murad Jamali Distt: Nasirabad	3.000	7.587	252%
- Quetta Industrial & Trading Estate,	3.000	57.297	1909%
New Project	1.500	--	--
Total:	8.700	70.284	807%

PROGRAMME FOR 1999-2000

Growth Rate

9.18 The manufacturing sector is projected to grow at an overall growth rate of 5.8 percent in 1999-2000 as compared to the actual growth rate of 4.7 percent in the previous year. The large scale manufacturing is projected to grow by 4.3 percent during 1999-2000 and 8.4% in small scale industry. These projections are based on the expected positive results of the Government's packages to rectify the deteriorated situation in the manufacturing sector particularly large scale. Government has provided various incentives which include reduction of tariff rates, reduction in income tax rates, both personal and corporate and reduction in the rates of import duty. The government established Small and Medium Enterprises Development Authority (SMEDA) to encourage small and medium enterprises to attain a sustainable high growth in the manufacturing sector.

Industrial Production Target (1999-2000)

9.19 Manufacturing sector is projected to achieve a growth rate of 5.8 percent during 1999-2000. Since the investment in the large-scale manufacturing has in fact fallen during the year 1998-99 its growth of 4.3 percent will largely come from efficient utilization of existing capacity and revival of sick units. Small scale manufacturing sector is estimated to grow by 8.4 percent. The major boost to industrial growth is expected from cement (10.0%), motor tyres (12.0%), trucks and buses (10.7%), LCV/Cars (19%) tractors (25.0%) cotton ginning (10.2%), electric motors (15.3%) Airconditioners (21.2%) and petroleum products (3.0%). Production targets of various industries are given at S.A. Table-9.1.

Public Sector (1999-2000)

9.20 Financial: A PSDP allocation of Rs 260.100 million has been proposed for the manufacturing sector for the year 1999-2000 as compared with the estimated expenditure of Rs 556.380 million during 1998-99 for the federal and KA&NA projects. The allocation in the manufacturing sector include Rs 250.000 million for Rehabilitation of Peoples Steel Mills (PSM), Karachi and Rs 10.000 million for "Special Industrial Zone, Nawabshah" The allocation of Rs 0.10 million has been made for one new scheme "Proposed TA Project for ITO Wing of Ministry of Commerce". Details of the project-wise PSDP allocation for the year 1999-2000 is given at S.A. Table-9.2.

PUBLIC CORPORATION PROGRAMME 1999 - 2000

9.21 The detail of Public corporation programme alongwith source of financing during 1999-2000 is given in Table - 9.8 below:

TABLE - 9.8

(Million Rupees)

Corporations	Total	Self Financing	Commercial/ Bank Borrowing	Foreign Loan/ Equity
BMR/Expansion of Pakistan Steel's Capacity from 1.1 to 1.3 million tones per annum.	100	100	--	--
Total:	100	100	--	--

9.22 The BMR scheme is being implemented on self financing basis by Pakistan Steel. The allocation of Rs 100.000 million has been proposed for the year 1999-2000.

Provincial Programmes:

Punjab

9.23 An allocation of Rs 226.000 million has been made for seven on-going and one new scheme in the industry sector of Punjab for the year 1999-2000 as compared to the revised estimates of Rs 212.549 million during 1998-99. Budgetary allocation for 1999-2000 as compared with the year 1998-99 are summarized in Table - 9.9 below.

TABLE - 9.9
Development Outlays (1998-99)
(Punjab)

Sector/Sub-sector	Revised Estimates 1998-99	Allocation for 1999-2000	Percentage (decrease) over Revised 1997-98	increase/ over Estimates
On-going	212.549	26.000	123%	
New Scheme subsidy on interest	--	200.000	--	
Total:	212.549	226.000	123%	

9.24 PSIC is the main contributor for the promotion of Small Scale Industries in the Punjab Province. For the year 1999-2000 PSIC has planned to carryout a programme of Rs 26.000 million. A new programme on subsidy on interest, with an allocation of Rs 200.00 million has been included in the ADP. This Programme includes subsidy on interest of credit for small and cottage industries.

- i. To pay the principal amount provided through PSIC own resources.
- ii. Loan under state Bank of Pakistan under LMM scheme.
- iii. To provide Micro-credit to flourish cottage industries and self-employment programme in rural and urban areas.

Sindh

9.25 An allocation of Rs 1.000 million has been made for the year 1999-2000 for industry sector of Sindh. A summary of sector-wise allocations as compared with revised estimates of the previous year is given in Table - 9.10 below.

TABLE - 9.10
DEVELOPMENT OUTLAYS (1999-2000)
(SINDH)

(Million Rs)

Sector/Sub-sectors	Revised Estimates for 1998-99	Allocation for 1999-2000	Percentage increase (+)/ Decrease (-) over R.E 1998-99
Sindh Small Industries Corporation (SSIC)	17.060	1.000	94%

9.26 Allocation of Rs 1.000 million has been made for SSIC. The on-going schemes include Establishment of Auto Diesel Training-Cum-Service Institute, Karachi, Readymade Garment Training-Cum-Production Centre, Karachi, Small Industrial Estate (SIE) for Power Loom Sector Hyderabad. Furthermore SSIC will launch a campaign to attract investment in 17 of its Industrial Estates located in various parts of the province and ensure running of their projects on self financing.

NWFP

9.27 An allocation of 6.171 million has been earmarked for 1999-2000 for the industry sector of NWFP. A summary of sector-wise allocation as compared with previous year estimates is given in Table - 9.11 & 9.12 below.

TABLE - 9.11
DEVELOPMENT OUTLAYS (1999-2000)
(NWFP)

(Million Rs)

Small Industrial Development Board

Sector/Sub-Sector	Revised Estimates for 1998-99	Allocation for 1999-2000	Percentage increase (+)/decrease (-) over Rev .E 1998-99
Small Industrial Dev. Board (SIDB)	5.934	6.171	104%

9.28 An allocation of Rs 6.171 million has been allocated for SIDB's Small Industrial projects. The programme includes Pak-Holland Metal Project (Phase-II), Peshawar Readymade Garment Centre, Kohat, Handicrafts Design Institute, Peshawar, Industrial Estate, Charsada, Wood Working Centre, Mansehra and Subsidized Credit for Self-employment. The new schemes include Small Industrial Estate, Chakdarra, Electrical Development Centre, (Phase-II), Peshawar, Embroidery and Knitting Centre, and Provision of Training/Scholarships in SIDB Centres at Chitral.

TABLE - 9.12

Sarhad Development Authority

Sector/Sub-Sector	Revised Estimates for 1998-99	Allocation for 1999-2000	Percentage increase (+)/decrease (-) over Rev .E 1998-99
Sarhad Development Authority	2.500	2.263	90%

An allocation of Rs 2.263 million has been allocated for SDA for improvement/extension of infrastructure of existing industrial estate.

Balochistan:

9.29 During 1999-2000 there is an allocation of Rs 3.800 million for the Industry Sector in Balochistan. A summary of sector-wise allocation as compared with previous year estimates is given in Table - 9.13.

TABLE - 9.13
DEVELOPMENT OUTLAYS (1999-2000)
(BALOCHISTAN)

(Million Rs)

Sector / Sub-Sector	Revised Estimate 1997-98	Allocation for 1998-99	Percentage increase (+)/ decrease (-) over R.E. 1997-98
Quetta Industrial & Trading Estate, Distt: Quetta.	5.400	1.000	-81.5%
Industrial Estate Dera Murad Jamali Distt: Nasirabad	7.587	1.000	-86.8%
Installation of T. Well in Quetta Industrial Trading Estate, Distt: Quetta.	57.297	1.800	-96.8%
Total:	70.284	3.800	-94%

Private Sector

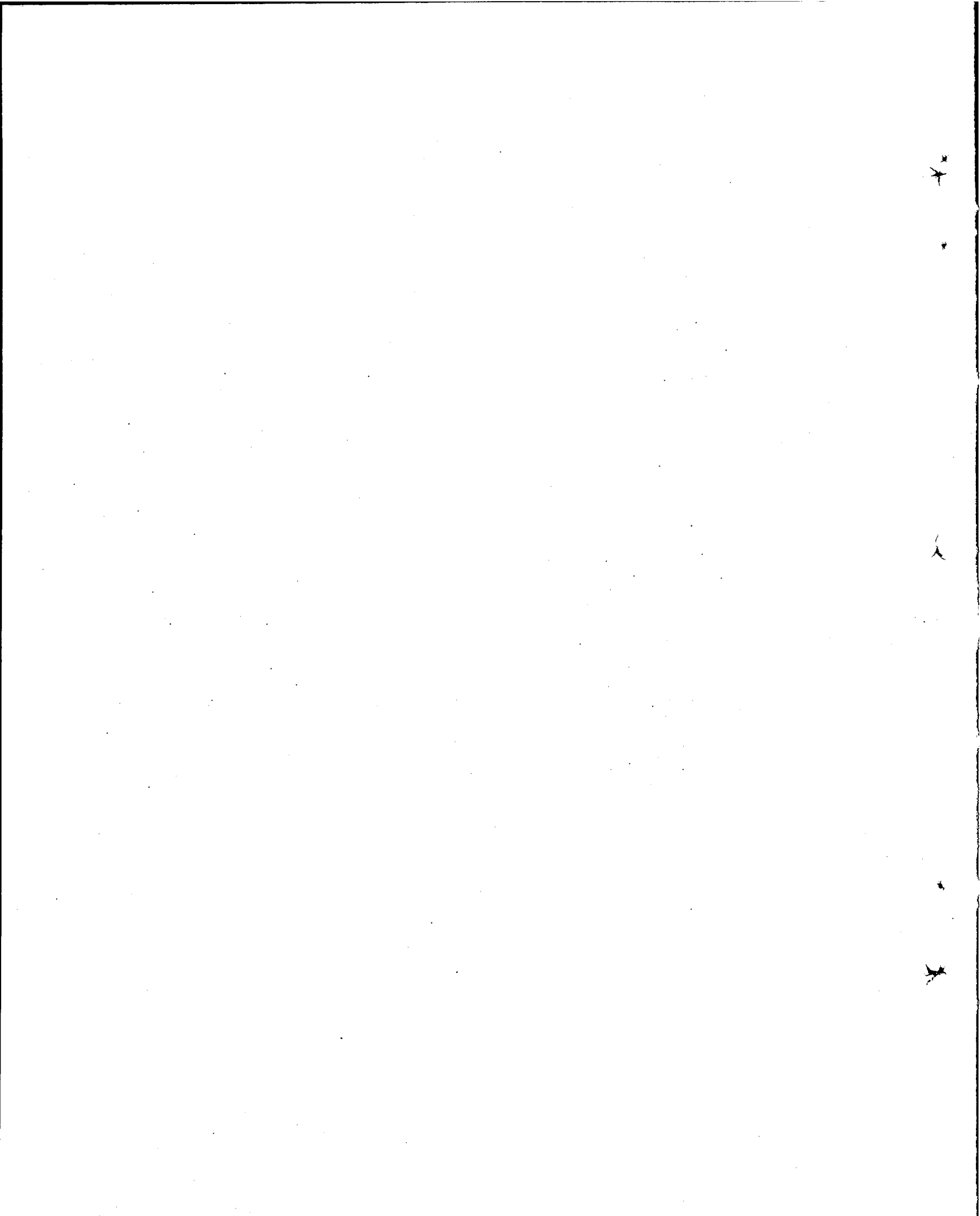
9.30 Fixed investment is projected to grow by 38.9 percent to Rs 556.2 billion. In terms of percent of GDP, it implies an increase from 13.2 percent of GDP in 1998-99 and 16.5 percent in 1999-2000. Public investment is targeted to reach Rs 205.8 billion whereas private investment would amount to Rs 350.4 billion. The share of public and private sectors in GDP would be 6.1 and 10.4 percent, respectively.

Trade Policy (1999 - 2000)

9.31 The new trade policy contains a number of positive points and if these are fully harnessed as per targets, export earning amounting to \$9 billion is not impossible during 1999-2000. Some of the most striking and encouraging points of the new trade policy are; (i) removal of all those barriers which inhibit exports; (ii) provision of export finance at 8 percent both to direct exporters and indirect exporters; (iii) facilitation of prompt sales tax refunds,

duty draw-backs and other ancillary services to exporter; (iv) abolition of octroi and zila tax, which was a long standing demand of the trading community; (v) permission to import machinery up to \$7000 by the registered importers without opening L/C; (vi) permission to import machinery and equipment for domestic housing and construction, including bulldozers, free of custom duty and sales tax; (vii) permission to import two machines including personal computer, alongwith computer parts and accessories free of duty; (viii) diversification of our export markets and improvement of the exportable items; (ix) facilitating export of fresh fruits and vegetables by improving their quality and cargo facilities and window operation facilities and (x) improving supporting services including establishment of an Exhibition Complex at Karachi, research and development for increasing fruit production, construction of farm to market roads and an airport at Sialkot etc.

9.32 It is expected that the 1999-2000 year would experience an improvement in the balance of payments stemming from recovery in export growth. Exports (fob) are projected to grow by 18.3 percent while imports (fob) are forecast to increase by about 8.2 percent. The important projections are based on import substitution in agriculture sector and revival of the industrial activity in the country. The increase in exports earnings is predicated on increased production of cotton and rice as well as revival of the manufacturing sector, improvement in quality and competitiveness of value added products and adherence to the delivery schedule. The trade account is projected to be in deficit by \$ 800 million in 1999-2000 against a deficit of \$ 1449 million in 1998-99.



CHAPTER-10

MINERALS

10.1 Pakistan's potential of mineral exploration has not been exploited fully towards the economic growth and its share in the GDP has not grown beyond 0.5 percent. In order to expand mineral sector activities, both public and private sectors are participating in the development of this sector by indulging in mineral exploration and extraction. The public sector investment in mining has been restricted to the development of an institutional base or for large or risky investments. The private sector investment is confined to minerals that can easily be located and exploited with little capital, having low processing requirements and technical skills and ensure large returns. Over the years considerable number of occurrences and prospects have been identified and reported by a number of agencies. However, very few have been evaluated or developed for want of high risk capital investment.

REVIEW OF 1998-99

Mineral Growth Rate (1998-99) and Mineral Production

10.2 The mining and quarrying sector was forecasted to grow by 5.6 percent however, the growth rate of 4.5 percent was achieved during 1998-99. Actual production of principal Minerals during 1997-98 and 1998-99 are given at S.A. Table-10.1. The minerals showing substantial positive growth during 1998-99 are Phosphate (1096 %), Iron Ore (548%), Bauxite (235 %), Chromite (83%), Dolomite (64%), Marble (57%), Chalk (44%), Feldspar (41%) and Bentonite (40%) while minerals indicating negative growth during this period are Celestite (-51%), Ochers (-48%), Magnesite (-31%), Gypsum (-20%), Barytes (-18%), Salt Lake (-9%) and Salt Rock (-1.8%).

Review of Public Sector(1998-99)

10.3 Against an allocation of Rs 648.457 million for two Mineral Sector projects, an expenditure of Rs 649.165 million is estimated up to end of June, 1999. Major part of the allocation i.e. Rs 638.457 million was for Saindak Metals Ltd. against which releases of Rs 639.165 million were made by Ministry of Finance (slight difference of Rs 0.708 million is due to exchange rate fluctuations as PSDP allocation were used for debt servicing). Rs 10.00 million were allocated for GSP-JICA Follow-up Technical Cooperation for Geo-science Laboratories, Islamabad which were 100% released. An amount of Rs 9.785 million have been utilized upto 30-6-1999.

Geological Survey of Pakistan (GSP):

10.4 An amount of Rs 10.00 million was allocated to the project out of which Rs 9.79 million were utilized. It is hoped that this year all the back log and targets set for the year 1999-2000 will be achieved. The allocation and utilization in GSP of Mineral Sector is given below in Table-10.1.

TABLE-10.1
GEOLOGICAL SURVEY OF PAKISTAN (GSP)

(Rs in Million)

Project	1998-99		
	Allocation	Revised Estimates	Percentage Utilization
GSP-JICA follow-up Technical Co-operation in the Geoscience Laboratory Islamabad	10.00	9.79	98%

Saindak Metals Limited (SML):

10.5 During 1998-99 Saindak Copper-Gold Project District Chagai Baluchistan, has incurred an expenditure of Rs 639.165 million against an allocation of Rs 638.457 showing 100% utilization (slight difference of Rs 0.708 million is due to exchange rate fluctuations as PSDP allocation were used for debt servicing). Details are given below in Table-10.2.

TABLE-10.2
SAINDAK METALS LIMITED (SML)

(Rs in Million)

Project	1998-99		
	Allocation	Revised Estimates	Percentage Utilization
Saindak Copper Gold Project Distt: Chagai, Baluchistan	638.457	639.165	100%

10.6 Saindak Copper-Gold Project in District Chagai (Balochistan) could not start commercial production during 1998-99 for want of working capital. These project is the first of its kind in large scale metal mining in Pakistan which has been implemented to produce 15,810 tonnes blister copper per annum with 1.47 tonnes of gold and 2.76 tonnes of silver.

KA&NA and SAFRON Division:

10.7 PSDP allocation for KA&NA and SAFRON Division was Rs 32.997 million against an expenditure of Rs 27.280 million exhibiting an achievement of 82%. KA&NA and SAFRON Division, which include Azad Kashmir, Northern Areas and Federally Administered Tribal Areas (FATA), received lump sum allocation through Federal Public Sector Development Programme. Sector-wise allocations of projects with reference to priorities, are fixed by AJ&K Government, Northern Areas Administration and FATADC in concert with KA&NA and SAFRON Division. Detail is given below in Table-10.3.

TABLE-10.3
KA&NA and SAFRON Division

(Rs in Million)

Executing Depts.	1998-99		%age Utilization	1999-2000
	Allocation	Utilization		
AKMIDC	7.000	7.000	100%	9.500
Northern Areas	20.280	20.280	100%	—
FATADC	5.717	0.000	0%	3.500
Total	32.997	27.280	82%	13.000

Azad Kashmir Minerals and Industrial Development Corporation (AKMIDC):

10.8 An amount of Rs 7.00 million has been spent against an allocation of Rs 7.00 million by AKMIDC, showing 100 percent utilization. AKMIDC carried on work on the following three on-going projects detail is given in Table-10.4 below.

TABLE-10.4
AZAD KASHMIR MINERALS & INDUSTRIAL DEVELOPMENT CORPORATION

(Rs in Million)

Projects	1998-99			1999-2000 Allocation
	Allocation	Utilization	Percentage Utilization	
I. Exploration and Evaluation of Base, precious metals & Industrial Minerals in Southern Region of AJ&K.	3.232	3.232	100%	4.000
II. Exploration and Evaluation of precious metals along Bheri Cham Kailer District Muzaffarabad & Haveli District Bagh (PC-II)	2.268	2.268	100%	2.580
III. Geological Mapping and Mineral Exploration of District Poonch, Sudhnoti & Bagh A.K.	1.500	1.5000	51000%	2.000
Total	7.00	7.000	100%	9.500

Northern Areas:

10.9 In collaboration with Pakistan Mineral Development Corporation (PMDC) Northern Areas worked on the Australian assisted Project namely "Exploration and Evaluation of Economic Mineral Resources of Northern Areas" and utilized Rs 20.280 million against the same budgetary allocation reflecting 100 percent utilization. Work regarding geochemical stream sediments sampling and their analysis was carried alongwith study of aerial photographs and satellite imageries and Mineralogical/ petrologic studies of geochemical/ rock samples.

**TABLE-10.5
NORTHERN AREAS**

Project	1998-99		
	Allocation	Rev. Estimate	Percentage Utilization
Exploration and Evaluation of Economic Mineral Resources of Northern Areas (Australian Assisted) Revised Approved on 30.01.1996.	20.280	20.280	100%

Federally Administered Tribal Areas Development Corporation (FATADC):

10.10 Against an allocation of Rs 5.717 million, FATADC incurred no expenditure at all. Only one project namely "Copper exploration project (Formulation of Exploration Strategy) in North Waziristan Agency" was planned to be executed during the year under review but due to non-releases of funds, the project could not be executed. The details are given below in Table-10.6.

**TABLE-10.6
FEDERALLY ADMINISTERED TRIBAL AREAS DEVELOPMENT**

CORPORATION (FATADC)

(Rs in Million)

Project	1998-99			1999-2000 Allocation
	Allocation	Rev. Estimates	Percentage Utilization	
Copper Exploration Project (Formulation of Exploration Strategy) North Waziristan Agency.	5.717	0.000	0%	3.200

Provinces:

10.11 A total expenditure of Rs 25.019 million has been reported in the mineral sector projects (excluding fuel minerals) in the Provinces against budgetary allocation of Rs 21.629 million showing 115 percent achievement. Financial utilization against their respective allocations in each province is given in Table-10.7.

TABLE-10.7
PROVINCIAL ALLOCATION/UTILIZATION

(Rs in Million)

Provinces	1998-99			1999-2000
	Allocation	Rev. Estimates	Percentage Utilization	Allocation
PUNJAB	10.409	10.409	100%	--
SINDH	0.000	--	--	0.200
NWFP	7.900	7.800	98%	7.800
BALUCHISTAN	3.320	6.810	205%	7.400
Total	21.629	25.019	115%	15.400

PUNJAB

Punjab Minerals Development Corporation (PUNJMIN):

10.12 Against the budgetary allocation of Rs 10.409 million by Punjab Government, Rs 10.409 million utilization has been reported by PUNJMIN during the year under review exhibiting 100 percent achievement. PUNJMIN started executing the project namely "Exploration and Evaluation of Iron Ore in Chiniot area Distt. Jhang". An overall achievement of 100 percent has been reported by PUNJMIN regarding drilling, sampling, chemical and petrographical analysis etc. The results so far achieved are very encouraging.

SINDH

Directorate of Industries, Commerce and Mineral Development Sindh:

10.13 There was no allocation for Mineral Development in Sindh for the year 1998-99.

NWFP

Sarhad Development Authority (SDA) - NWFP:

10.14 Sarhad Development Authority (SDA) incurred an expenditure of Rs 7.80 million against an allocation of Rs 7.90 million during 1998-99 showing 98% utilization against ADP. The major projects executed are given in the Table-10.8 below.

TABLE-10.8
SARHAD DEVELOPMENT AUTHORITY (SDA)

(Million Rs)

Projects	1998-99 Allocation	Rev. Estimates	Percentage Utilization
(i) Regional Exploration for precious and base Metals in Distt. Dir, Swat and Bunair of Malakand Division	2.000	2.000	100 %
(ii) Regional Exploration for Gold & Base Metals in Hazara Division.	2.000	2.000	100 %
(iii) Application of remote sensing & satellite imagery for base mapping & mineral exploration in NWFP	0.100	0.000	--
(iv) Regional Exploration for Gold & Base Metals in Chitral Distt.	2.400	2.400	100 %
(v) Survey and Investigation of Limestone and Clay deposits in NWFP.	1.400	1.400	100 %
Total	7.900	7.800	98%

BALUCHISTAN

Directorate of Mineral Development - Balochistan

10.15 During the year under review an expenditure of Rs 6.810 million were incurred against an allocation of Rs 3.320 million showing 205 percent utilization. The projects executed by Directorate of Mineral Development Balochistan are given in Table-10.9 below.

TABLE-10.9
BALUCHISTAN

(Million Rs)

Project	1998-99		
	Allocation	Rev. Estimates	Percentage Utilization
Reconnaissance Survey and Mineral Investigation in Kohlu, Barkhan, Zhob and Musakhail Districts.	3.320	6.810	205 %

PRIVATE INVESTMENT (1998-99)

10.16 The framework for competitive regulatory and fiscal regimes laid down in the National Mineral Policy of Pakistan has attracted a number of major foreign mining companies in mineral exploration during 1998-99. The foreign direct investment (FDI) in Mining and Quarrying sector has increased by 163 percent in 1997-98 and stood at US \$ 99.1 million against US \$ 37.7 million in 1996-97. It fell by 30 percent during July-March 1998-99. The following private sector ventures were carried out during 1998-99 (i) PASMINGO of Australia is carrying out exploration in Lasbela district of Balochistan for zinc and lead under a joint venture with PMDC and BDA. PASMINGO also drilled on Duddar deposits, Mithi, Dhoro and

Kanraj. It carried out regional airborne geophysical survey of the concession area and interpreting the results (ii) BHP Minerals of Australia is engaged in exploration of copper and gold in Chagai district of Balochistan for the last five years (iii) ORANMORE Resources Ltd of Ireland is conducting exploration of lead and zinc and associated minerals in district Khuzdar Balochistan under a joint venture of Balochistan government and Pakistan Petroleum Ltd (iv) MINARCO of Holland has signed a broad term MOU to conduct exploration of gold and other precious metals in Northern Areas and NWFP.

PROGRAMME FOR 1999-2000

10.17 The National Mineral Development Policy has provided incentives like rationalization of duties and taxes on imported machinery, equipment, spares etc. for exploration and development of precious and base metals in Pakistan. The Mineral Investment Facilitation Board (MIFB) was assigned to evaluate implementation status of the policy in consultation with the provincial governments. Under the National Mineral Policy, the provinces are required to set up Mineral Investment Facilitation Authority (MIFA) under their respective Chief Minister with Secretaries of the concerned provincial departments and representatives of business community and environment protection agency as its members. MIFA has a monitoring role to mitigate procedural delays and to work as an appellate forum for resolution of disputes. MIFA has already been constituted in Punjab, Balochistan and AJKand FATA. The cases are under active consideration in NWFP, and Sindh.

MINERAL PRODUCTION (1999-2000)

10.18 Increased production during the year 1999-2000 is expected in minerals like Chromite, Dolomite, Bentonite, Marble, Feldspar, Phosphate, Chalk, Bauxite & Iron ore etc. which are used by the Mineral based Industrial Units. Details are given at sS.A.Table-10.1.

INVESTMENT PROGRAMME (1999-2000)

Private Sector

10.19 The four Foreign Companies already working in Baluchistan, NWFP and Northern Areas may bring further investment if feasible during 1999-2000. Details are given below:

- a) **Pasminco of Australia** is planning additional drilling and ground geophysical surveys to prove more ore reserves in the areas of Duddar North, Mithi Dhoru and Kanraj. They have set a target of proving at least 50 million tonnes ore before taking a mine development decision.
- b) **BHP** is aiming at proving at least 500 million tonnes, of copper ore having 0.6 percent copper and 0.6 gms/tonnes gold in Chagai District, Balochistan. BHP expects a good possibility to achieve this target by end 1999. The mine development, when made is expected to cost around \$ 1.2 billion, providing an annual income of about \$ 100 million to the government in taxes and royalties on production.

c) **Oranmore Resources Ltd of Ireland** has planned to work on exploration of lead and zinc and associated minerals in District Khuzdar Balochistan under a joint venture with Bolan Mining Enterprises (a joint venture of Government of Balochistan and Pakistan Petroleum Limited). The work would include future drilling programme, survey of a topographic grid over the Gunga site and surrounding area, geological mapping and sampling of stream sediments and alteration zones. The mineral agreement with BME is being finalised and Balochistan government has requested Federal government to be a party to the agreement.

d) **Minorco** has planned to invest in Balochistan and has also filed application for prospecting licenses in Balochistan for exploration of metallic minerals in Northern Areas and NWFP.

Public Sector Programme (1999-2000)

10.20 In mineral sector a PSDP allocation of Rs 23.00 million has been made for two on-going projects during 1999-2000. This includes Rs 7.00 million for the completion of project namely "GSP-JICA Follow up Technical Cooperation for Geo-Science Laboratories, Islamabad" and Rs 16.00 million for Construction of Laboratory and Offices for GSP at Lahore. These projects are planned for completion within this year 1999-2000. Details are given in S.A. Table-10.2.

Federal PSDP (Budget) Programme:

KA&NA AND SAFRON DIVISION:

10.21 An allocation of Rs 13.000 million has been earmarked by the concerned mineral agencies of KA&NA and SAFRON Division for the Mineral Sector Development Projects, which includes: Rs 9.500 million for Azad Kashmir Minerals and Industrial Development Corporation (AKMIDC) and Rs 3.500 million for FATADC. Detail of allocation is given at Table-10.4.

Azad Kashmir Minerals and Industrial Development Corporation (AKMIDC):

10.22 AKMIDC has planned to implement a programme of Rs 9.500 million for three on-going development projects namely "Mineral Exploration and evaluation in AJ&K in Collaboration with UNDP, Exploration and Evaluation of Base, precious metals & Industrial Minerals in Southern Region of AJ&K, Exploration and Evaluation of precious metals along Bheri Cham Kailer District Muzaffarabad & Haveli District Bagh, Geological Mapping and Mineral Exploration of District Poonch, Sudhnoti & Bagh A.K."

FATADC

10.23 The allocation of Rs.3.500 million has been earmarked for the project of copper exploration project (Formulation of exploration strategy) North Waziristan Agency.

Provincial Programme (1999-2000)

10.24 An allocation of Rs 15.400 million has been earmarked for 1999-2000 by the provincial mineral development agencies/departments.

Punjab:

10.25 There is no allocation for 1999-2000.

Sindh

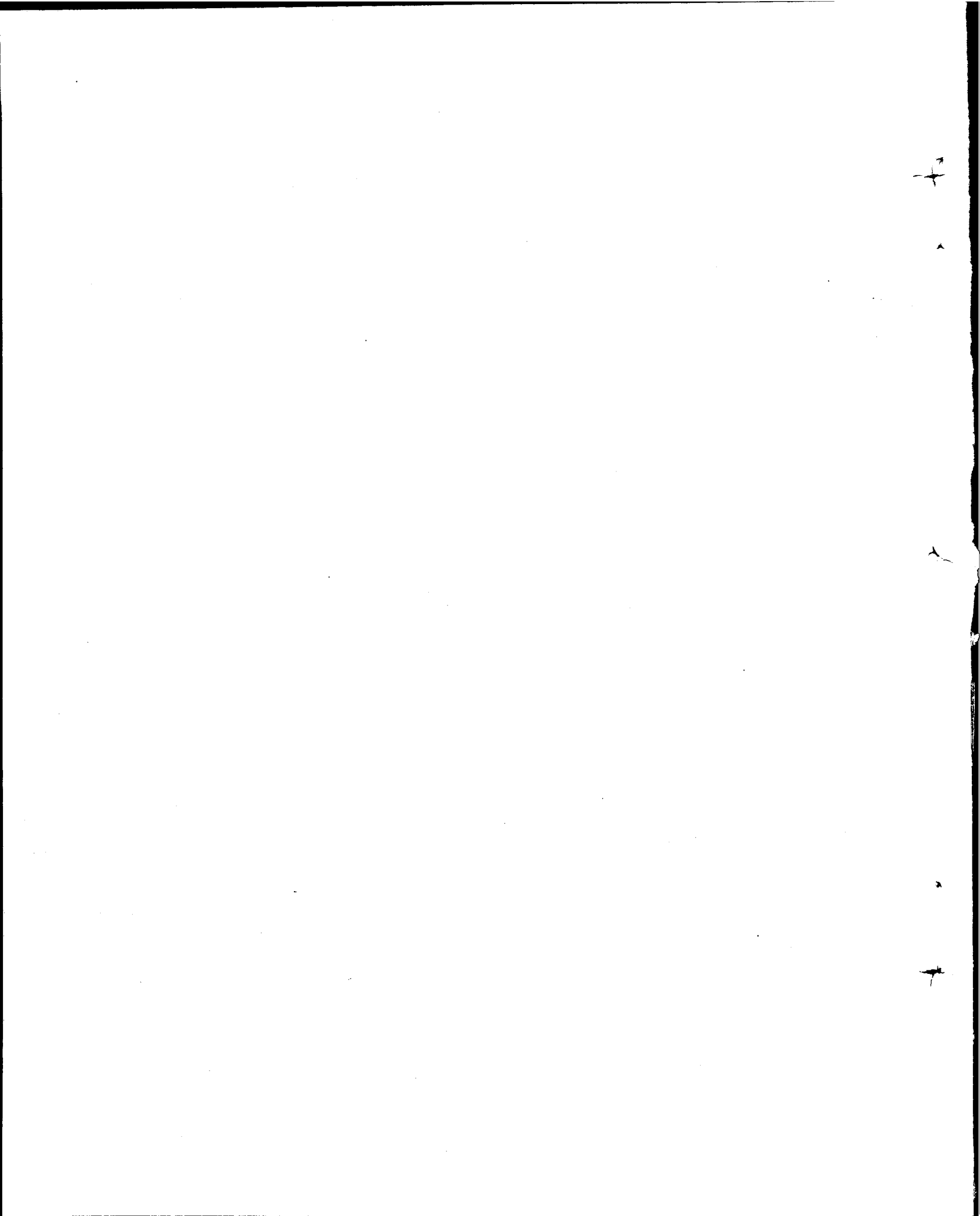
10.26 An allocation of Rs 0.200 million has been earmarked for the year 1999-2000 for two schemes, namely, "Assessment of water resources of Thar Coal Field" and "Delineation of Area for bankable Feasibility study of Thar Coal for 1000 H.P station".

NWFP

10.27 For the year 1999-2000, Sarhad Development Authority (SDA) has proposed an allocation of Rs 7.800 million for the execution of five on-going mineral projects namely Regional Exploration for precious and base Metals in Distt. Dir, Swat and Bunair of Malakand Division, Regional Exploration for Gold & Base Metals in Hazara Division, Application of remote sensing & satellite imagery for base mapping & mineral exploration in NWFP, Regional Exploration for Gold & Base Metals in Chitral Distt. and Survey and Investigation of Limestone and Clay deposits in NWFP and for one new scheme.

Balochistan

10.28 An allocation of Rs 7.400 million has been earmarked for the execution of three on-going mineral project under Directorate of Mineral Development, Balochistan namely "Reconnaissance Survey & Mineral Investigation in Musakhail. Barkhan, Zhob & Kohlu Districts", "Exploration and Evaluation of Titanium Resources and Ziarat Laterite", and "Detailed Evaluation of Dilband Iron Ore deposit" at Distt: Kalat.



CHAPTER-11

ENERGY

REVIEW OF 1998-99

I. POWER

Installed Capacity

11.1 For the year 1998-99 a total of 1698 MW addition in the installed capacity was planned, comprising of the Private Sector Projects of 1665 MW and Public Sector Projects are 33 MW. The Private Sector Projects of 908 MW comprising of Habibullah Energy Limited (140 MW), Japan Power Generation Limited (120 MW), Rousch Pakistan Power Limited (412 MW) and Liberty Power Project (236 MW) has been completed but could not be connected with the National Grid due to finalisation of tariff dispute with WAPDA. In Public Sector 2.8 MW Reshune Hydro Power Project has been completed but could not be energized due to delay in completion of transmission line. During this time 157 MW in WAPDA's Thermal Power Plants comprising of Shahdara Gas Turbine 27 MW and Multan Steam 130 MW were retired. With the retirement of 157 the total installed generating capacity in the country reduced from 15968 MW in 1997-98 to 15811 MW in 1998-99 . Details are given in Tables- 11.1 and 11.2.

TABLE -11.1
ADDITION IN INSTALLED CAPACITY

	Target for 1998-99				Achievement 1998-99			
	Wapda	KESC	Private	Total	Wapda	KES C	Private	Total
Hydel	33	0	0	33	0	0	0	0
Steam	-130	0	370	240	-130	0	0	-130
Gas Turbine & Combined Cycle	-27	0	1295	1268	-27	0	0	-27
Nuclear	0	0	0	0	0	0	0	0
Total	-124	0	1665	1541	-157	0	0	-157

Source :- Wapda & Kesc

TABLE -11.2
PROGRESSIVE INSTALLED CAPACITY

(MW)

	Total 1997-98				Total 1998-99			
	Wapda	KESC	Private	Total	Wapda	KESC	Private	Total
Hydel	4825	0	0	4825	4825	0	0	4825
Steam	1895	1510	2271	5676	1765	1510	2271	5546
Gas Turbine & Combined Cycle	3227	225	1878*	5330	3200	225	1878	5303
Nuclear	0	137	0	137	0	137	0	137
Total	9947	1872	4149	15968	9790	1872	4149	15811

Source:-Wapda & KESC

* Includes 1621 MW Kot Addu Power plant.

Energy Generation

11.2 The energy generation in 1998-99 was 62750 Gwh against the target of 65721 Gwh showing 80.26 percent achievement. The energy generation in 1998-99 increased by 0.68 percent over the last year. In 1998-99 hydel generation contribution was 22445 Gwh as compared to 22060 Gwh in 1997-98. The contribution of thermal generation increased from 40264 GWH in 1997-98 to 40305 GWH in 1998-99. Details are given at Table -11.3 below:

TABLE 11.3
ENERGY GENERATION

(GWH)

ITEM	1997-98 (Actual)	1998-99		% increase in 98-99 over 1997-98
		Target	Achievement	
WAPDA				
Hydel	22060	22157	22445	1.75
Thermal	17458	10657	15838	-9.28
Purchase from IPPs	13580	22104	15601	14.88
Import from KESC*	(161)	(0)	(12)	
Sub- Total (WAPDA)	53098	56741	53884	1.19
KESC				
KESC Own Generation	7318	8603	6613	-9.63
Import from PASMIC	167	161	134	-19.76
Import from KANNUP	314	330	251	-20.06
Import from WAPDA*	(1122)	(118)	(1768)	57.58
Purchase from IPPs	1427	1709	1868	30.90
Sub-Total (KESC)	9226	10803	8866	-3.90
TOTAL (Generation)	62324	65721	62750	0.68

* Figure of export/import between KESC & WAPDA are excluded to avoid double counting.

Maximum Demand

11.3 The maximum computed peak demand in 1998-99 was 9242 MW in WAPDA system and 1729 MW in KESC system. Diversified maximum demand for the country was 10753 MW in 1998-99 as compared to 10680 MW in 1997-98 showing 0.68 percent increase. The reasons for less growth rate are due to virtually stagnant position in the industrial sector, large captive power installed in Industrial Sector and due to distribution/stability problems of power supply system coupled with relatively high and distorted tariff structure. The details are given below in Table-11.4

TABLE -11.4
COMPUTED MAXIMUM DEMAND

(MW)

Agency	Actual		% Increase in 1998-99 Over 1997-98
	1997-98	1998-99	
WAPDA	9165	9242	0.84
KESC	1729	1726	-0.17
Aggregate	10894	10968	0.68
Diversified	10680	10753	0.68

Source:-Wapda & KESC

Load Shedding

11.4 Power load shedding continued around the year both in WAPDA and KESC systems due to various reasons. In WAPDA system the maximum load shedding was 1576 MW (Dec 1998) during 1998-99 as compared to maximum load shedding of 1427 MW recorded in July, 1997 last year. Similarly in KESC system the maximum load shedding was 338 MW (May 1999) during 1998-99 as compared to maximum load shedding of 300 MW (July 1997). The load shedding in WAPDA & KESC System resulted due to secondary transmission & Distribution bottlenecks. Month wise load shedding of both the systems is given in Table-11.5 below.

TABLE -11.5
MONTHWISE LOAD SHEDDING DURING 1997-98 AND 1998-99

Month/Year	1997-98		1998-99	
	WAPDA	KESC	WAPDA	KESC
July	-1427	-300	-470	-278
August	-599	-292	-1257	-187
September	-555	-170	-857	-286
October	-269	-135	-1330	-184
November	-506	-105	-46	-128
December	-348	0	-1576	-325
January	-266	0	-144	-275
February	-373	0	-27	-270
March	-161	0	-53	-153
April	-119	-124	-585	-290
May	-345	-69	-109	-338
June	-641	0	-5	-175

Distribution:

11.5 The total energy generation in the country during 1998-99 was 62749 Gwh including 38283 Gwh by WAPDA, 6613 Gwh by KESC, 17468 Gwh by Private Sector and 385 Gwh by PASMIC / KANNUP. The energy sale in Wapda system decreased by 1.32 Percent from 39422 Gwh in 1997-98 to 38900 Gwh in 1998-99. Similarly in KESC system, the energy sale decreased from 6385 Gwh in 1997-98 to 6213 Gwh in 1998-99. Details of both the systems may be seen in Table-11.6.

11.6 Losses in both WAPDA and KESC systems were 27.82 percent and 41.57 percent respectively against the targets of 25.40 percent for WAPDA and 31.23 percent for KESC for 1998-99. Their high losses were mainly due to old transmission and distribution systems of both utilities. Efforts are being made to minimize technical and non-technical (theft) losses.

TABLE-11.6
ENERGY SALE AND LOSSES

(GWH)

	WAPDA		KESC		TOTAL	
	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99
Energy Generation	39518	38283	7318	6613	46836	44896
Import						
1. Hubco	5788	5352	-	-	5788	5352
2. KAPCO	5089	6521	-	-	5089	6521
3. Kohinoor Energy	458	480	-	-	458	480
4. AES Lalpir	1153	1144	-	-	1153	1144
5. AES Pakgen	979	1867	-	-	979	1867
6. Southern Electric	43	38	-	-	43	38
7. Habibullah Engy	113	99	-	-	113	99
8.. Uch Power	-	45	-	-	-	45
9. Rousch Energy	-	54	-	-	-	54
10. Pasmic	-	-	167	134	167	134
11. KANUPP	-	-	314	251	314	251
12. Tapal Energy	-	-	820	893	820	893
13. Gul Ahmed	-	-	607	975	607	975
14. WAPDA	-	-	1122	1768	(1122)	(1768)
15. KESC	161	12	-	-	(161)	(12)
Sub-Total (Import)	13784	15612	3030	4021	15531	17853
Total available for sale	53302	53895	10348	10634	62367	62749
Energy Sale (Excluding import/export between WAPDA/KESC System)	39422	38900	6385	6213	45807	45113
Losses %	26.04	27.82	38.29	41.57	26.55	28.10

Source :-WAPDA & KESC

* For total system losses the export/import between the utilities has been extracted to avoid double counting.

Consumption

11.7 The consumption of electricity has decreased from 45807 GWH in 1997-98 to 45113 GWH in 1998-99 showing a decrease of 1.51 percent. Details are given in Table-11.7.

TABLE-11.7
CONSUMPTION OF ELECTRICITY BY ECONOMIC GROUP

(GWH)

	1997-98			1998-99 (Provisional)		
	WAPDA	KESC	TOTAL	WAPDA	KESC	TOTAL
Domestic	16366	2357	18723	16959	2300	19259
Commercial	1767	566	2333	1826	575	2401
Industrial	10238	3037	13275	9941	3087	13028
Agriculture	6956	48	7004	5577	45	5622
Other	4095	377	4472	4597	206	4803
TOTAL	39422	6385	45807	38900	6213	45113

Consumers

11.8 In 1998-99, a total number of 501700 new consumers were proposed to be added in both WAPDA and KESC system. Against this target a total number 630170 consumers were added during the year 1998-99, showing 125.60 percent achievement. However, it can be seen from the table 12.8 that WAPDA's industrial and Agricultural connection's achievement were 70 percent and 37 percent respectively against the targets for the year. With the addition of 630170 new connections, the total cummulated number of consumers have increased from 11.60 millions in 1997-98 to 12.24 millions in 1998-99. Details are given below in Table-11.8 and 11.9.

TABLE -11.8
NUMBER OF CONSUMERS (INCREMENTAL)

(Nos)

	Target 1998-99			Achievement 1998-99		
	WAPDA	KESC	TOTAL	WAPDA	KESC	TOTAL
Domestic	379981	30874	410855	456147	36840	492987
Commercial	64000	13937	77937	120226	9830	130056
Industrial	5078	116	5194	3540	878	4418
Agriculture	6741	63	6804	2516	53	2569
Others	900	10	910	139	1	140
TOTAL	456700	45,000	501700	582568	47602	630170

TABLE-11.9
CUMULATIVE NUMBER OF CONSUMERS

(Nos)

	1997-98			1998-99		
	Wapda	KESC	Total	Wapda	KESC	Total
Domestic	8455442	1046423	9501865	8911589	1083263	9994852
Commercial	1396973	311284	1708257	1517199	321114	1838313
Industrial	186539	28605	215144	190079	29483	219562
Agriculture	170562	1341	171903	173078	1394	174472
Others	7556	570	8126	7695	571	8266
TOTAL	10217072	1388223	11605295	10799640	1435825	12235465

Source :- Wapda & Kesc

Rural Electrification:

11.9 For the year 1998-99, 5092 villages were targetted to be electrified by WAPDA & KESC systems. Against this target only 1242 villages/abadies have been electrified by WAPDA & KESC upto June 1999, whereas 1393 villages have been electrified by WAPDA & KESC during 1997-98. The reasons outlined by WAPDA & KESC for less achievement of the target was that less releases of funds were made by the Government during the period. Details are given in Table 11.10 below.

TABLE- 11.10
RURAL ELECTRIFICATION

(Nos)

AGENCY	Actual 1997-98	Target 1998-99	Achievement 1998-99
WAPDA			
Punjab	859	-	890
Sindh	176	-	175
NWFP	253	-	158
FATA/PATA	10	-	-
Balochistan	85	-	9
Sub-Total:	1383	5000	1232
KESC	10	92	10
TOTAL	1393	5092	1242

PLAN FOR 1999-2000

Installed Capacity

11.10 For the year 1999-2000 it is envisaged that a total capacity of 2350 MW comprising of Chashma Nuclear Power Project (325 MW) in public sector and Southern Electric Power Company (115 MW), Habibullah Energy Ltd. (140 MW), Saba Power Company (114 MW), Japan Power Generation Ltd. (120 MW), Roush (Pak) Power Ltd. (412 MW), Liberty Power Project (235 MW), Uch Power Project (586 MW), Power Generation System (116 MW), Fauji Kabirwala (157 MW), Altern Energy Ltd. (14 MW), Davis Energen (10 MW) and Northern Electric Company (6 MW) in private sector would be added in the National Grid system. With the addition of 2350 MW the total installed generating capacity in the country would increase from 15,811 MW in 1998-99 to 18,161 MW in 1999-2000. Details are given in Table- 11.11.

TABLE-11.11
PROGRESSIVE INSTALLED CAPACITY

(MW)

	Total 1998-99				Total 1999-2000 (Target)			
	Wapda	KESC	Private	Total	Wapda	KESC	Private	Total
Hydel	4825	0	0	4825	4825	0	0	4825
Steam	1765	1510	2271	5546	1765	1510	3148	6423
Gas Turbine & Combined Cycle	3200	225	1878	5303	3200	225	3026	6451
Nuclear	0	137	0	137	325	137	0	462
Total	9790	1872	4149	15811	10115	1872	6174	18161

Source:-Wapda & KESC

Energy Generation:

11.11 The total Energy generation is projected to increase from 62750 GWH in 1998-99 to 66776 GWH in 1999-2000, showing an increase of 6.42 percent. Details are given in the Table- 11.12.

TABLE -11.12
ENERGY GENERATION (GWH)

(GWH)

ITEM	1998-99 (Actual)	1999-2000 (Target)	% increase in 99- 2000 over 1998-99
WAPDA			
Hydel	22445	23604	5.16
Thermal	15838	14550	-8.13
Purchase from IPPs	15601	18587	19.14

ITEM	1998-99 (Actual)	1999-2000 (Target)	% increase in 99- 2000 over 1998-99
Import from KESC *	(12)	(0)	
Sub- Total (WAPDA)	53884	56741	5.30
KESC			
KESC Own Generation	6613	8064	21.94
Import from PASMIC	134	125	-6.72
Import from KANNUP	251	351	39.84
Import from WAPDA *	(1768)	(1002)	-43.33
Import from IPPs	1868	1495	-19.98
Sub-Total (KESC)	8866	10035	13.18
TOTAL (Generation)	62750	66776	6.42

* Figure of export/import between KESC & WAPDA are excluded to avoid double counting.

Maximum Demand

11.12 The diversified maximum demand in 1999-2000 is envisaged to be 11337 MW against 10753 MW in 1998-99 anticipating an increase of 5.43 percent. The details are given in the Table- 11.13.

TABLE- 11.13
MAXIMUM DEMAND (MW)

ITEM	1998-99 (Actual)	1999-2000 (Projected)	Percentage increase
WAPDA System	9242	9713	5.10
KESC System	1726	1851	7.24
Aggregate	10968	11564	5.43
Diversified	10753	11337	5.43

Distribution:

11.13 In WAPDA system 41988 GWh energy is projected to be sold in 1999-2000 against the sale of 38900 GWh in 1998-99 showing an increase of about 7.94 percent. The losses in WAPDA System are expected to reduce from 27.82 percent in 1998-99 to 26.00 percent in 1999-2000. In KESC system, the energy sale in 1999-2000 is projected to 7258 GWh against 6213 GWh in 1998-99 showing an increase of 16.82 percent. The losses in the KESC system would be reduced by operational improvements from 41.57 percent in 1998-99 to 34.24 percent in 1999-2000. The backup is given in Table 11.14.

TABLE 11.14
ENERGY SALE AND LOSSES

(GWH)

	WAPDA		KESC		TOTAL	
	1998-99	1999-2000	1998-99	1999-2000	1998-99	1999-2000
Energy Generation	38283	38154	6613	8064	44896	46218
Import						
1. Hubco	5352		-	-	5352	
2. KAPCO	6521	18587	-	-	6521	18587
3. Kohinoor Energy	480		-	-	480	
4. AES Lalpir	1144		-	-	1144	
5. AES Pakgen	1867		-	-	1867	
6. Southern Electric	38		-	-	38	
7. Habibullah Energy	99		-	-	99	
8. Uch Power	45		-	-	45	
9. Rousch Energy	54		-	-	54	
10. Pasmic	-	-	134	125	134	125
11. KANUPP	-	-	251	351	251	351
12. Tapal Energy	-	-	893	738	893	738
13. Gul Ahmed	-	-	975	757	975	757
14. WAPDA	-	-	1768	-	(1768)	(1002)
15. KESC	12	-	-	1002	(12)	(-)
Sub Total (Import)	15612	18587	4021	2973	17853	20558
Total available for sale	53895	56741	10634	11037	62749	66776

Energy Sale (Excluding import/export between WAPDA/KESC System)	38900	41988	6213	7258	45113	49246
Losses %	27.82	26.00	41.57	34.24	28.10	26.25

Source :-WAPDA & KESC

* For total system losses the export/import between the utilities has been extracted to avoid double counting.

Consumption

11.14 The total consumption of electricity is expected to increase from 45113 GWH in 1998-99 to 49246 GWH in 1999-2000 showing an increase of 9.16%. Sectoral breakup of energy consumption for Wapda & KESC system is given in Table-11.15 below:

TABLE-11.15
CONSUMPTION OF ENERGY BY ECONOMIC GROUP

(GWh)

	1998-99 (Provisional)			1999-2000 (Target)		
	WAPDA	KESC	TOTAL	WAPDA	KESC	TOTAL
Domestic	16959	2300	19259	18305	2707	21012
Commercial	1826	575	2401	1971	706	2677
Industrial	9941	3087	13028	10730	3545	14275
Agriculture	5577	45	5622	6020	52	6072
Other	4597	206	4803	4962	248	5210
TOTAL	38900	6213	45113	41988	7258	49246

Consumers

11.15 In 1999-2000 total number of 530,000 new consumers are proposed to be added in both WAPDA and KESC system, The sectoral break up is given in Table-11.16 below. With the addition of proposed 530,000 number of consumers in 1999-2000, the cumulative number of consumers would increase from 12.24 million in 1998-99 to 12.77 million in 1999-2000.

TABLE -11.16
NUMBER OF CONSUMERS (INCREMENTAL)

(Nos)

	Achievement 1998-99			Target 1999-2000		
	WAPDA	KESC	TOTAL	WAPDA	KESC	TOTAL
Domestic	456147	36840	492987	400000	35526	435526
Commercial	120226	9830	130056	67000	13519	80519
Industrial	3540	878	4418	5279	887	6166
Agriculture	2516	53	2569	7000	58	7058
Other	139	1	140	721	10	731
TOTAL	582568	47602	630170	480,000	50,000	530,000

Rural Electrification

11.16 During 1999-2000, the target set for village electrification is 1510 villages/abadies by WAPDA & KESC. The details are given in the Table-11.17 below:

TABLE-11.17
Rural Electrification

(Nos)

Agency	Target 1999-2000
WAPDA	1500
KESC	10
Total:	1510

Source :- Wapda & Kesc

Private Sector Power Policy 1998.

11.17 Ministry of Water and Power, Government of Pakistan has announced a New Independent Power Producer's Policy in July, 1998. The policy aimed at providing cheap electricity by tapping and exploring indigenous resources. The new policy offered lays emphasis on the principle of International Competitive Bidding (ICB) and envisages to offer local coal reserves and hydro resources to International Private Investors for setting up power stations to keep pace with the country's energy requirements. At present, the government constituted a committee under Secretary, Ministry of Water and Power, considering various issues regarding implementation of 1998 Power Policy. So far the committee has identified following six projects for implementation:

- i) Khan Khwar (70 MW)
- ii) Golen Gol (106 MW)
- iii) Daral Khwar (28 MW)
- iv) Summar Gah (28 MW)
- v) Allai Khwar (125 MW)
- vi) Neelum-Jhelum (969 MW)

OIL

Review of 1998-99

Domestic Crude Production

11.18 Total domestic production of crude oil in 1998-99 is 54755 barrels of oil per day (BPD) against the target of 61904 BPD, showing 88.5 percent achievement and against actual crude production of 56282 BPD in 1997-98 showing a decrease of 2.71 percent. This decrease is mainly due to natural depletion. Fieldwise domestic crude production is shown in the S.A. Table -11.1.

Crude Source wise

11.19 Besides crude from local production, 4.480 million tons of crude was imported during 1998-99 against crude import in 1997-98 of 4.063 million tons. The overall position of crude source wise for 1997-1998 and 1998-99 is given in Table 11.18 below:

TABLE- 11.18
Crude Source-wise 1998-99

(Million Tonnes)

Sector	1997-98 Actual	1998-99 Actual	Percent Increase/Decrease
Total Crude	6.708	7.033	4.84
Imported Crude	4.063	4.480	10.26
Domestic crude	2.418	2.123	-12.20
Export of Domestic crude	0.227	0.430	89.42
Net to refinery	6.481	6.603	1.88

Source: Ministry of Petroleum and Natural Resources.

Refining

11.20 During 1998-99, a total of 6.603 million tons of crude was processed in the country against 6.481 million tons in 1997-98, showing an increase of 1.88 percent.

POL Consumption

11.21 The POL consumption in the country increased to 17.001 million tons in 1998-99 as compared to 17.014 million tons in 1997-98 showing a decrease of 0.08 percent during the period. Details of POL consumption (category-wise) are given in the Table -11.19

TABLE -11.19
POL CONSUMPTION (CATEGORYWISE)

(Million Tonnes)

	1997-98 (Actual)	1998-99(Actual)	Percent Increase/Decrease
Domestic	0.502	0.494	-1.59
Industrial	2.152	2.248	4.46
Agriculture	0.245	0.249	1.63
Transport	7.471	7.965	6.61
Power	6.055	5.526	-8.74
Others/Government	0.589	0.519	-11.88
Bunkers			
Total	17.014	17.001	-0.08

Source: Ministry of Petroleum and Natural Resources.

11.22 As the product mix of refineries and the pattern of POL consumption does not match, therefore some oil products have to be imported and excess Naptha production by the refineries is exported. The balance sheet of POL sources and consumption is given in Table-11.20.

**TABLE -11.20
POL CONSUMPTION (MILLION TONNES)**

	1997-98 (Actual)	1998-99 (Actual)
POL Production from Refineries	6.258	6.338
POL Import	11.064	10.926
Sub Total	17.322	17.264
Domestic Consumption	17.010	17.000
Export/Bunkers	0.221	0.217

Source Ministry of Petroleum and Natural Resources.

Drilling

11.23 A total of 32 wells both in public and private sectors were drilled as against the target of 44 wells, comprising of 13 exploratory and 19 appraisal / development wells. Details of achievements are given in the Table-11.21. The wells actually drilled remains below the target due to the reason that the size/number of prospects identified during the reported period were not encouraging.

**TABLE -11.21
NO. OF WELLS DRILLED**

	Actual 1997-98	1998-99		Achievement Percent
		Target	Achievement	
Exploratory				
OGDCL	8	8	5	62.5
Private Sector	26	10	8	80.0
Sub-Total Exploratory	34	18	13	72.2
Appraisal/Development				
OGDCL	4	11	4	36.4
Private Sector	9	15	15	100.0
				73.1

Sub-Total (Dev)	13	26	19	
Total OGDCL	12	19	9	47.4
Total Private Sector	35	25	23	92.0
Grand Total	47	44	32	72.7

Source: Ministry of Petroleum and Natural Resources.

New Discoveries

11.24 A total of 4 new gas fields were discovered. Details are given in the Table-11.22 below. The new discoveries are at various stages of testing and details will be known by completion of studies of appraisal stage.

TABLE -11.22
OIL & GAS DISCOVERIES IN 1998-99

No.	Name of Discovery	Company	Type of Discovery	Public/Private Sector
1	Zarghun South-1	Premier	Gas	Private
2	Sui Deep-1	PPL	Gas	Private
3	Badhra-2	Lasmo	Gas	Private
4	Hasan-X-1	PPL	Gas	Private

Sources: Ministry of Petroleum and Natural Resources.

Foreign Exchange Bill

11.25 The net foreign exchange bill for the import of deficit POL products and crude was US\$ 1459.85 million in 1998-99 against US \$ 1763.63 million in 1997-98. The bill is comparatively lower due to decline in international price of oil. The details of the main elements of foreign exchange bill is given in the Table. 11.23.

TABLE 11.23
OIL IMPORT BILL

	1997-98		1998-99	
	Quantity (million. Tons)	Cost (\$ million)	Quantity (million. Tons)	Cost (\$ million.)
IMPORTS				
Crude oil	4.063	454.0	4.480	414.0

Foreign Companies Share in indigenous Crude	0.511	50.29	0.305	23.77
Products(POL)	11.064	1299.46	10.926	105.86
Freight for Crude transportation	-	10.02	-	9.37
Total	15.638	1813.71	15.711	1501.00
EXPORTS				
POL (NAPTHA)	0.073	11.53	0.084	10.85
Bunkers	0.148	38.61	0.133	30.30
Total	0.221	50.14	0.217	41.15
Net Foreign Exchange Bill		1763.63		1459.85

Source: Ministry of Petroleum and Natural Resources.

Programme for 1999-2000

Oil

11.26 The consumption of POL is envisaged to be 17.48 million tons in 1999-2000 as compared to 17.001 million tons in 1998-99 showing an increase of 2.8 percent. Sectoral breakup of consumption is given in the Table.11.24.

TABLE 11.24
POL CONSUMPTION (CATEGORYWISE)

(Million Tons)

	1998-99 (Actual)	1999-2000 (Projected)
Domestic	0.494	0.48
Industrial	2.248	2.33
Agriculture	0.249	0.30
Transport	7.965	8.52
Power	5.526	5.36
Others/Government	0.519	0.49
Bunkers		
Total	17.001	17.48

Source: Ministry of Petroleum and Natural Resources.

Crude Production

11.27 The domestic crude production is expected to be 61236 barrels per day in 1999-2000 compared to 54755 barrels per day in 1998-99 showing an increase of 11.83 percent. The increase is attributed to expected increase in production from Tando Alam, Dhulian, Pariwal, Sono, Pasaki, Bukhari, Golarchi, Liari, Paniro, Matli, Bangali, Dhabi N, Dhabi and Mayel Ismail oil fields. The details are given in S.A. Table 11.1.

Refining

11.28 The projected amount of crude to be processed by the three refineries in the country will be 7.450 million tons in 1999-2000 as compared to 6.603 million tons in 1998-99. The breakup of imported and domestic crude to be processed in the refineries is given in the Table 11.25 below:

TABLE 11.25
CRUDE SOURCE WISE 1999-2000

	1998-99 (Actual)	1999-2000 (Projected)
Total Crude	7.033	7.850
Imported Crude	4.480	5.120
Domestic Crude	2.123	2.330
Export of Domestic Crude	0.430	0.400
Net to Refinery	6.603	7.450

Source: Ministry of Petroleum and Natural Resources.

POL Consumption

11.29 The expected POL imports, production from refineries and its consumption are given in the Table -11.26.

TABLE-11.26
POL CONSUMPTION

(Million Tonnes)

	1998-99 (Actual)	1999-2000 (Projected)
POL Production from Refineries	6.338	6.692
POL Import	10.926	11.356
Sub Total	17.264	18.048
Domestic Consumption	17.000	17.480
Export/Bunkers	0.217	0.193

Source: Ministry of Petroleum and Natural Resources.

REFINERIES

11.30 The refining capacity of existing refineries is much less than existing POL consumption in the country and it results in heavy import of POL products. If new refineries are not setup in the country, POL imports would further increase in coming years. In order to enhance local refining capacity, the project of PARCO mid country refinery (4.5 million tons per annum capacity) is under way which would be completed by September 2000. Moreover, Iran - Pak refinery with annual capacity of 6 million tons has also been approved in principle and is sponsored through joint venture of PERAC and is expected to be commissioned by the year 2003-04.

DRILLING

11.31 A total of 45 exploratory and appraisal /development wells including 11 wells by Public Sector (OGDCL) and 34 wells by Private sector are envisaged to be drilled during 1999-2000. Breakup is given in Table-11.27.

TABLE -11.27
NO. OF WELLS

	1998-99 (Actual)	/1999-2000 (Target)
Exploratory	5	8
OGDCL	8	17
Private Sector		
Sub Total Exploratory	13	25
Appraisal/Development	4	3
	15	

OGDCL Private Sector		17
Sub Total Development	19	20
Total OGDC	9	11
Total Private Sector	23	34
Grand Total	32	45

Source: M/O. Pet. & Natural Resources.

Oil transmission and storage capacity

11.32 A project namely "2nd White Oil Pipeline from Karachi to Multan" with a capacity of 5 million tons per annum is under implementation in Private Sector and expected to be completed in August 2001.

Foreign Exchange Bill

11.33 Estimates for oil bill based on term contract and spot prices from diversified sources for the year 1999-2000 are given in the Table-11.28.

TABLE -11.28
OIL IMPORT BILL

	1999-2000 (target)	
	Quantity(Million Tons)	Cost(\$ Million)
Imports		
Crude Oil	5.120	523.91
Foreign Companies Share in Indigenous Crude	0.590	57.52
Products (POL)	11.356	1217.09
Freight for Crude	-	12.00
Total(Imports)	17.066	1810.52
Exports		
POL (NAPHTA)	0.062	7.98
Bunkers	0.132	27.73
Total	0.194	35.71
Net Foreign Exchange Bill		1774.81

Sources: Ministry of Petroleum & Natural Resources.

Natural Gas

Review of 1998-99

Production

11.34 The average production of natural gas in the country increased from 1917 MMCFD in 1997-98 to 2041 MMCFD in 1998-99 showing an increase of 6.47 percent. Field wise gas production is given in S.A. Table 11.2. This increase is mainly attributed to increased production at Dhodak, M.Kiswal, Toot, Dhulian, Meyal, Pariwal, Turkwal Su, Bachal, Bukhari Dabhi S, Dabhi Noor, Ghungro, Jabo, Khaskeli, Khorewah D, Koli, Laghari Liari, Mkd.Pur Mazari, Mazari S Nari, S.Buzdar D Sakhi, Smz Deep, Tangri and Turk D gas fields.

Consumption:

11.35 The consumption of natural gas increased from 1097.6 MMCFD in 1997-98 to 1171.8 MMCFD in 1998-99, showing 6.76 percent increase. The company-wise details are given in Table 12.29 whereas natural gas consumed by different categories of consumers in 1997-98 and 1998-99 is given in the Table -11.30.

TABLE -11.29
CONSUMPTION OF NATURAL GAS
(MMCFD)

AGENCY	1997-98	1998-99
SSGC System	463.6	483.8
SNGPL System	634.0	688.0
TOTAL	1097.6	1171.8

Source: SSGC and SNGPL

TABLE 11.30
SECTORAL CONSUMPTION OF NATURAL GAS
(MMCFD)

Field	1997-98			1998-99		
	SSGC	SNGPL	Total	SSGC	SNGPL	Total
Domestic	137.2	232	369.2	130.2	227	357.2
Commercial	15.1	36	51.1	16.8	39	55.8
Industrial	180.4	170	350.4	183.6	177	360.6

Fertilizer	-	92	92	29.3	114	143.3
Power	130.9	104	234.9	123.9	131	254.9
Other						-
TOTAL	463.6	634	1097.6	483.8	688	1171.8

Source: SSGC and SNGPL.

11.36 In addition to the above consumption, some Power and Fertilizer plants use raw gas directly fed from Sui, Mari and Khandkot gas fields. The details are as given in the Table-11.31 below.

TABLE-11.31
CONSUMPTION OF RAW NATURAL GAS (DIRECT)

(MMCFD)

Gas Field	Power Plants		Fertilizer Plants		TOTAL	
	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99
SUI	95	110	-	-	95	110
MARI	61	66	312	334	373	400
KHANDKOT	98	100	-	-	98	100
TOTAL	254	276	312	334	566	610

Source: Ministry of Petroleum & Natural Resources.

Distribution

11.37 Total 201880 number of new connection were provided in year 1998-99 against target of 191290 numbers in both SNGPL and SSGC system showing 106 percent achievement. With the addition of 201830 number of consumers, the commutative number of consumers would increase to 3245775 as on 30th June 1999. The Category wise break up is given in the Tables-11.32 & 11.33.

TABLE -11.32
NEW GAS CONNECTION DURING 1998-99 (INCREMENTAL)

(Nos)

	TARGET 1998-99			ACHIEVEMENT 1998-99		
	SNGPL	SSGC	TOTAL	SNGPL	SSGC	TOTAL
Domestic	100000	85635	185635	120251	76690	196941
Commercial	4000	1400	5400	3448	1341	4789

Industrial	100	155	255	70	80	150
TOTAL	104100	87190	191290	123769	78111	201880

Source: SSGC and SNGPL

TABLE- 11.33
COMMUTATIVE NUMBER OF CONSUMERS

(Nos)

	As on 30th June 1998			As on 30th June 1999		
	SNGPL	SSGC	TOTAL	SNGPL	SSGC	TOTAL
Domestic	1633001	1352763	2985764	1753252	1429453	3182705
Commercial	37231	17569	54800	40679	18910	59589
Industrial	2316	2015	4331	2386	1095	3481
TOTAL	1672548	1372347	3044895	1796317	1449458	3245775

PLAN FOR 1999-2000

Production

11.38 The production of natural gas is estimated to increase to 2404 MMCFD in 1999-2000 as compared to actual production of 2041 MMCFD in 1998-99 showing an increase of 1.18 percent. The estimated production would change with any change in the field behavior. Fieldwise production is shown in the S.A. Table 11.3

Consumption

11.39 The consumption of gas in SSGC System is projected to increase from 483.8 MMCFD in 1998-99 to 524.2 MMCFD in 1999-2000 and in SNGPL it is projected to increase from 688 MMCFD in 1998-99 to 725 MMCFD in 1999-2000. Details are given in Table-11.34.

TABLE -11.34
CONSUMPTION OF NATURAL GAS

(MMCFD)

COMPANY	1998-99 (Actual)	1999-2000 (PROJECTED)
SSGC System	483.8	524.2
SNGPL System	688.0	725.0
TOTAL	1171.8	1249.2

Source: SSGC and SNGPL

11.40 Some Power and Fertilizer plants use raw gas directly. The consumption during 1999-2000 is projected to be 600 MMCFD from different fields. Details are given in Table 12.35 below. In addition to above, 250 MMCFD low BTU gas from Uch gas is planned to be supplied directly to Uch Power Plant. Moreover, 64.27 MMCFD low BTU gas from Nand Pur/Panjpir is also planned to be directly supplied to Fauji Kabir Wala Power Plant.

TABLE- 11.35
CONSUMPTION OF RAW NATURAL GAS (DIRECT)

(MMCFD)			
Field	Power Plants	Fertilizer Plants	Total
Sui	100	-	100
Mari	66	334	400
Khandkot	100	-	100
Total	266	334	600

Source: Ministry of Petroleum & Natural Resources.

Note:- The difference between production and consumption is attributed to compression, losses and internal use.

Import of Gas

11.41 To meet the long term growing demand of the country, the Government has been considering gas import proposals from the neighbouring countries namely Turkmenistan and Iran. A study in this regard by M/S. Beicip Franlab in collaboration with Asian Development Bank has been prepared and is under examination by Ministry of Petroleum & Natural Resources.

Distribution

11.42 In 1999-2000, a total of 266000 new consumers are proposed to be added in both SSGC and SNGPL systems. Details are given in Table -11.36.

TABLE -11.36
NEW GAS CONNECTIONS 1999-2000 (INCREMENTAL)

(Nos)

	SNGPL	SSGC	TOTAL
Domestic	180000	79240	259240
Commercial	4000	1620	5620
Industrial	1000	140	1140
TOTAL	185000	81000	266000

Source: SSGC and SNGPL

LPG Production

11.43 Liquefied Petroleum Gas (LPG) production decreased from 520 tonnes per day in 1997-98 to 500 tons per day in 1998-99, showing a decrease of 3.85 percent. For 1999-2000, it is estimated that LPG production would increase to 550 tons per day. Moreover, about 100 tonnes per day LPG is expected to be imported during the year.

COAL

REVIEW OF 1998-99

11.44 The coal production (exclusive of unreported) in 1998-99 was 3.24 million tonnes (Private Sector 2.57 million tonnes and Public Sector 0.67 million tonnes) against the target of 3.78 million tonnes showing 85.71 % achievement. Details are given in Table 11.37.

TABLE - 11.37

PHYSICAL ACHIEVEMENT DURING 1998-99

ITEM/ACTIVITY	Agency/Sector	Target 1998-99	Achievement 1998-99
EXPLORATION a: Drill Holes (Nos) (depth-meters)	GSP	20 (5000)	1 (244)
b: Addition of Measured Reserves (Mln. Tones)	GSP	300	50
PRODUCTION (Mln. Tones)	a) Public Sector i) LCDC ii) PMDC iii) PUNJMIN b) Private Sector*	0.35 0.37 0.05 3.01	0.27 0.34 0.06 2.57
	Total (a&b)	3.78	3.24
CONSUMPTION (Mln. Tones)	a. Public Sector i) LCDC ii) PMDC iii) PUNJMIN b) Private Sector*	0.35 0.37 0.05 3.01	0.27 0.35 0.06 2.57
	Total (a&b)	3.78	3.25

* Excludes the unreported production.

* Excludes the unreported consumption.

Source: GSP, PMDC, Punjmin, LCDC, M/O Pet. & Natural Resources.

A) GEOLOGICAL SURVEY OF PAKISTAN (GSP)

The following two projects of Geological Survey of Pakistan (GSP) remained under implementation.

i) Systematic evaluation and appraisal of coal resources of four Specific Tracts in Thar coal field, mithi district, sindh.

- One drill hole has been completed at a depth of 244 meters.
- Chemical analysis of 150 coal samples for 3,290 estimations has been completed.
- Compilation, computation and synthesis of geoscientific data is in progress. Large scale maps of Blocks I,II & III showing feasible areas for underground mining has been completed. Drilling work has not been upto the mark due to non-availability of 4x4 field vehicles. Compilation work is in progress.

ii) Geophysical reconnaissance and exploratory drilling for coal in Cholistan desert, Punjab.

- 1500 sq. km. have been covered by gravity and magnetic survey in Sahiwal area.
- 27 deep resistivity probes have been observed in Sahiwal and Okara areas. Compilation work is in progress.

B) LAKHRA COAL DEVELOPMENT COMPANY (LCDC)

Lakhra Coal Development Company (LCDC) produced 271000 metric tonnes of coal from its mines and supplied to WAPDA (3x50) MW FBC power plants at Khanote, District Dadu.

C. Pakistan Mineral Dev. Corporation (PMDC)

Pakistan Mineral Development Corporation (PMDC) produced 342,000 metric tons of coal from its mines and sale of coal was 348000 million tons.

PROGRAMMES FOR 1999-2000

11.46 Target of coal production (exclusive of unreported) for 1999-2000 is fixed as 3.39 million tones 2.69 million tones by Private Sector and 0.7 million tones by Public Sector), against the production of 3.24 million tones during 1998-99. Details are given in Table-11.38.

TABLE - 11.38

PHYSICAL ACHIEVEMENT DURING 1998-99 & TARGETS FOR 1999-2000

ITEM/ACTIVITY	Agency/Sector	Achievement 1998-99	Target 1999-2000
EXPLORATION	GSP	1	20
A: Drill Holes (Nos) (depth-meters)		(244)	(5000)
B: Addition of Measured Reserves (Mln.Tones)	GSP	50	300
PRODUCTION (Mln.Tones)	a) Public Sector		
	i) LCDC	0.27	0.27
	ii) PMDC	0.34	0.37
	iii) PUNJMIN	0.06	0.06
	b) Private Sector*	2.57	2.69
	Total (a&b)	3.24	3.39
CONSUMPTION (Mln.Tones)	a. Public Sector		
	i) LCDC	0.27	0.27
	ii) PMDC	0.35	0.37
	iii) PUNJMIN	0.06	0.06
	b) Private Sector*	2.57	2.69
	Total (a&b)	3.25	3.39

* Excludes the unreported production.

* Excludes the unreported sales.

Source: GSP, PMDC, Punjmin, LCDC, M/O Pet. & Natural Resources.

11.47 The following activities would be undertaken by Geological Survey of Pakistan (GSP) during 1999-2000.

- i) Systematic evaluation and appraisal of coal resources of four Specific Tracts in Thar

coal field, mithi district, sindh.

- Drilling of 5000 meters in 20 bore holes in Specific Tract IV.
- Geological, geotechnical and geophysical logging.
- Evaluation studies for assessment of specific blocks IV.
- Issuance of appraisal report on specific block IV.

ii) Geophysical reconnaissance and exploratory drilling for coal in Cholistan desert, Punjab.

- Coverage of 1000 sq.km. by gravity and magnetic surveys.
- Seismic profiling of 20 kms.
- Test drilling at 2-3 selected sites.
- Data processing, modelling & report writing.

PSDP Allocation

11.48 The Agency-wise details of PSDP allocation for Energy Sector for 1998-99 and 99-2000 are shown in S.A. Table 11.3.

CHAPTER - 12

TRANSPORT AND COMMUNICATION

REVIEW OF 1998-99

12.1 The Public Sector Development Programme for 1998-99 envisaged an outlay of Rs.42,949.67 million in the Federal Public Sector Programme comprising of Rs.5,798.67 million for the budgetary programme, Rs.15,080.00 million for the Budgetary Corporation (NHA) and Rs.22,071.00 million for Non-budgetary Corporations viz. PTCL, PIAC, CAA and PNSC. Against this an expenditure of Rs.36,273.14 million was incurred which includes Rs.4,475.01 million for the Budgetary Programme, Rs.13,671.05 million for the Budgetary Corporation (NHA) and Rs.18,127.08 million for Non-budgetary Corporations viz. PTCL, PIAC, CAA and PNSC; giving an overall utilization of 84.45 per cent. Under the provincial programme of Rs.2,596.81 million an expenditure of Rs.2,590.43 million was incurred giving a utilization of 99.75 per cent. Comparison of the financial allocation and utilization by major sub-heads during 1998-99 is given in Table 12.1 :-

TABLE - 12.1
1998-99 ALLOCATION / EXPENDITURE

(Million Rs)

Sr. No.	Budget Detail	PSDP Allocation	Expenditure incurred	Percent utilization
A.	Federal			
i.	<i>Budgetary Programme</i>	5,798.67	4,475.01	77.17
ii.	<i>Budgetary Corporation</i>	15,080.00	13,671.05	90.66
iii.	<i>Non-Budgetary Corporation</i>	22,071.00	18,127.08	82.13
	Sub-Total Federal (A).	42,949.67	36,273.14	84.45
B.	Provincial			
	<i>Budgetary Programme</i>	2,596.81	2590.43	99.75
	Total T&C (A + B).	45,546.48	38,863.57	85.33

12.2 Sub-sector wise details may be seen at S.A. Table 12.1. Major physical achievements are given in S.A. Table 12.2.

PHYSICAL IMPLEMENTATION

A. FEDERAL PROGRAMME

I- RAILWAYS

12.3 The freight traffic projected for 1997-98 and 1998-99 and actual carried by the

Pakistan Railways is tabulated in the following Table :-

TABLE - 12.2
COMPARISON OF PASSENGER AND FREIGHT TRAFFIC
BY PAKISTAN RAILWAYS WITH PROJECTIONS DURING 1997-99 PERIOD

Sr.No	Physical Targets & Achievements	Freight Traffic (MTKM)	Passenger Traffic (MPKM)
I.	1997-98		
	- <i>Plan Target</i>	9,850	22,932
	- <i>Actual</i>	4,447	18,774
	- <i>Achievement (%)</i>	45	82
II.	1998-99		
	- <i>Plan Target</i>	5370	18822
	- <i>Actual</i>	3926	19045
	- <i>Achievement (%)</i>	73	101

12.4 A perusal of above table would indicate that Pakistan Railways performed well by carrying passenger traffic 1.4 per cent higher than the traffic carried during 1997-98 whereas in case of freight traffic it continued with the declining trend. Compared to plan target the achievement was 73 per cent. The Passenger traffic, carried during 1998-99 showed an upward trend of 19 per cent relative to the traffic carried during 1997-98. The passenger traffic achieved 101 per cent of plan target.

12.5 An allocation of Rs.2,123.74 million was made for Pakistan Railways against which the expenditure incurred was at Rs.2,876.114 million indicating a utilization of 135.43 per cent. The increase in expenditure is attributed to high expenditure incurred in foreign exchange on procurement of 30 D.E.Locos (3000 Hp). Besides an amount of Rs.509.00 million in local component was diverted from the maintenance budget for the payment of custom duty and sales tax on import of materials for 30 D.E.Locos (3000 HP). Work progressed on rehabilitation of track, rehabilitation of DE Locos, track circuiting on 66 stations, procurement of 30 D.E.Locos and renovation of passenger coaches.

II. PORTS & SHIPPING

12.6 Against an allocation of Rs.40.00 million an expenditure of Rs.13.641 million was incurred on completion of various components of fish harbour viz cold storage & ice plants etc. The shortfall in expenditure is due to opening / obtaining of L.C.for imports of plants and equipment etc.

III. HIGHWAYS & BRIDGES

12.7 Against an allocation of Rs.17,584.22 million (comprising of NHA & Special Areas) an expenditure of Rs.14,355.98 million was incurred on the development programme of Highways and Bridges giving a utilization of 81.64 per cent. Details are given as under:-

NATIONAL HIGHWAY AUTHORITY (NHA)

12.8 Against an allocation of Rs.15,080.00 million an expenditure of Rs.13,671.05 million was incurred on the development programme of National Highways giving a utilization of 82.16 percent. Details are given as under:-

- i) The bulk of the National Highway allocation for 1998-99 was earmarked for the core programme. An expenditure of Rs.109.88 million was incurred on the Fourth Highway project co-financed by the World Bank which provides for construction of 355 Km of second carriageway & improvement of 202 Km of National Highway (N-5) including 16 bridges, Rs.185.90 million on Maintenance Backlog Reduction & Re-surfacing and Strengthening Programme under the Transport Sector Project also co-financed by the World Bank, Rs.1686.23 million for improvement work on the 1189 Km long Indus Highway N-55 including the Kohat Tunnel, Rs.95.48 million on restoration of the 1992 flood damages and Rs.470.34 million on the Sukkur Bridge and Bypass project.
- ii) An expenditure of Rs.3205.61 million was incurred on dualization of National Highway (N-5). This included Hala-Moro, Moro-Baberlo, Baberlo-Ubaro, Ubaro-Rahim Yar Khan, Rahim Yar Khan-Bahawalpur, Bahawalpur-Multan, Multan-Mian Channu, Okara- Lahore, Kharian-Rawalpindi and Chablat-Nowshera Sections.
- iii) An expenditure of Rs.5746.02 million was incurred on completion of the remaining works on the Lahore-Islamabad Motorway project including Lahore By Pass and initiation of works on the Islamabad-Peshawar, Pindi Bhattian Motorway Projects.
- iv) An expenditure of Rs.1133.04 million was incurred on the improvement of National Highways in Baluchistan. Out of which Rs.306.49 million were incurred on construction and improvement of Uthal Bela-Sorab Quetta Section of (N-25) and Rs.460.78 million on improvement of 176 Km long Section of Quetta-Dalbandin-Taftan (N-40), Rs.303.71 million were incurred on the construction & improvement of Rato-Dero-Shahdadkot-Khuzdar road and Rs.62.06 million on Ketu Bandar Road.
- v) An expenditure of Rs.285.46 million was incurred on improvement and upgradation of the Barian-Nathiagali-Abbottabad road.
- vi) An expenditure of Rs.1031.80 million was incurred on the construction /

completion of ongoing works including Chiniot bridge, Tal-Parachinar road, Mansehra Naran-Jalkhad road, Improvement of KKH (N-35) and feasibility study (design etc).

NATIONAL MASS TRANSIT AUTHORITY (NMTA)

12.9 No expenditure was incurred against an allocation of Rs.625.00 million on the National Mass Transit Programme.

SPECIAL AREAS

12.10 Against an allocation of Rs.944.22 million an expenditure of Rs.684.93 million was incurred giving a utilization of 72.54 per cent. In physical terms construction of 147 Km of black top & 61 Km of shingled roads, improvement of 55 Km of black top & 31 Km of shingled roads and construction of 27 bridges was carried out. Details are given below:-

Azad Kashmir

Against an allocation of Rs.236.00 million an expenditure of Rs.216.08 million was incurred on construction of 8 Km of double lane metalled road and 40 Km of black top roads and improvement of 10 Km of the existing roads. Work on 10 bridges progressed.

Northern Areas

Against an allocation of Rs.456.43 million an expenditure of Rs.220.00 million was incurred on construction of 53 Km of black top roads, 61 Km of shingled roads and 16 bridges.

F.A.T.A.

Against an allocation of Rs.251.79 million an expenditure of Rs.248.85 million was incurred on construction of 46 Km and improvement of 45 Km of black top and 31 Km of shingled roads and one bridge.

IV. AIR TRANSPORT CIVIL AVIATION AUTHORITY

12.11 Against an allocation of Rs.6,177.00 million (including Rs.920.00 million under budgetary programme for Lahore Terminal & purchase of land for Sialkot Intl. Airport) an expenditure of Rs.5,701.56 million was incurred on continuation of work on the Aeronautical Communications and Control (AC&C) project, completion of work on improvement of the runway at Islamabad, international departure lounge at Lahore, concourse hall at Quetta, development of Nawab Shah airport as alternate to Karachi, upgradation of Moenjodaro airport for Boeing 737 operations and completion of basic aerodrome facilities at Sehwan Sharif D.G. Khan. Work on reconstruction of Secondary runway at Karachi was initiated in addition to provision of allied facilities / extensions at D.I.Khan, Multan, Skardu and Sukkur airports.

AIRPORT SECURITY FORCE (ASF)

12.12 Against an allocation of Rs.5.56 million an expenditure of Rs.3.01 million was incurred on construction of barrack accommodation at Quetta airport. Work on construction of barrack accommodation at Gilgit, Rawalakot, D.I.Khan & Nawabshah could not be initiated due to non-availability of land at those airports.

PAKISTAN METEOROLOGICAL DEPARTMENT (PMD).

12.13 Against an allocation of Rs.319.15 million an expenditure of Rs.543.85 million was incurred on improvement of the Met Radar network project and provision of additional meteorological facilities in Northern areas. The increase in expenditure is attributed to exchange rate in between Japanese yen & Pak Rupee.

PAKISTAN INTERNATIONAL AIRLINES CORPORATION (PIAC)

12.14 During 1998-99, PIAC carried a passenger traffic of 10,722 million RPKs against 11,147 million RPKs carried during the same period of 1997-98 thereby registering a decline of 3.8 per cent over the previous year. Seat factor achieved during the period was 64.0 per cent. Compared with the corresponding period of previous year traffic on international routes fell by 3.5 per cent and on domestic routes by 6.1 per cent. The depressed performance was due to slow-down of the national and regional economies, effects of international sanctions, adverse & unusual weather conditions during the peak traffic months, increase in competition from international & domestic airlines and world wide price hikes in oil prices.

12.15 The freight traffic carried during 1998-99, was 322 million RFTKS against 396 million in 1997-98. The load factor achieved was 46.4 per cent against 52.5 per cent in the preceding year.

Major activities during 1998-99 were as follows:

- i. An agreement to acquire five Boeing 747-300 aircraft on dry lease was signed with Cathay Pacific Airlines, a Hong Kong based carrier, on March 18, 1999.
- ii. PIA introduced B747-300 services effective May 1, 1999 on UK and Saudi Arabia routes.
- iii. Effective May 1, 1999 regular shuttle services were introduced on KHI-ISB-KHI and KHI-LHE-KHI routes with flights every three hours in each direction.
- iv. Direct flights from Faisalabad and Multan to Dubai were introduced from May 1, 1999.
- v. With a view to improve North American services and reduce costs, all flights to USA and Canada were re-routed via Shannon from March 15, 1999, eliminating European points from all North America bound flights.

- vi. Separate terminator flights to Europe were introduced including three flights per week to Frankfurt and one terminator flight per week each to Amsterdam and Paris.
- vii. Services to London increased from six to seven per week and to Manchester from four to five per week.
- viii. Frequencies to Saudi Arabia were increased from 21 to 23 per week.
- ix. PIA successfully completed Haj operations from eight cities of Pakistan including Haj flight from Faisalabad, for the first time.
- x. Services to Oslo in Norway was introduced during the first week of May on a twice weekly basis.
- xi. Effective May 1, 1999, Tokyo terminator flights were made more direct with only one enroute stop in Manila.
- xii. From May 1, 1999, services to Oman, Istanbul and Tehran increased to two per week.
- xiii. To cater to Umra traffic, several extra sections to Jaddah were operated. During December 1998, extra sections were also operated on UK and European routes to cater to Christmas / Winter vacation traffic.
- xiv. PIA signed an agreement with the Sabre Group, internationally renowned consultants of airlines technology, to help achieve sustainable profitability in the future.
- xv. PIA undertook the re-organization of different departments with the objective of remodeling the airlines on modern lines.
- xvi. The airline embarked on a major expansion plan by targeting areas of revenue leakage, optimizing fleet deployment, implementing latest revenue management techniques, introducing better fare structures and market driven schedules.

12.16 An allocation of Rs.1184.00 million was made for PIAC against which no expenditure was incurred.

V. Research

National Transport Research Centre

12.17 Against an allocation of Rs.5.00 million an expenditure of Rs.4.00 million was incurred on the payment of salaries, other expenditures and continuation of research programme. In addition to rendering technical advice on various matters to different organizations various research studies pertaining to transport sector were completed while work on programmes of

continuing nature like data bank, demonstration projects, highway safety and dissemination of research progressed.

VI. TELECOMMUNICATION

PAKISTAN TELECOMMUNICATION COMPANY Ltd. (PTCL)

12.18 Against an allocation of Rs.15,000.00 million an expenditure of Rs.12,425.52 million was incurred giving a utilization of 82.84 per cent. Modernization and digitalization of national and international voice & data networks was carried out, Optical Fibre Systems on 4th pair between Karachi-Rawalpindi & Faisalabad-Lahore were put under trial operation. 180 km long Optical Fibre System on subsidiary routes for Gojra & Jaccobabad with 20 terminals was completed. Installation work on the high capacity 1550 Km digital Optical Fibre Link on the west bank of river Indus from Peshawar to Karachi to enable PTCL to provide an alternate digital transmission media for transit exchanges in the big cities was completed and commissioned, 1260 international circuits in the gateway exchanges at Karachi were added. During the year facility for internet to 266 subscribers was provided besides improvement in billing system through automation of the billing data in Islamabad where as work is in progress in other cities. A brief summary of physical achievement is as under:-

Auto/Digital Lines	354,256 Nos.
New Telephone Connections	370,304 Nos.
Number of exchanges installed	531 Nos.
Number of Internet Subscribers	266 Nos.

PAKISTAN TELECOMMUNICATION AUTHORITY (PTA)

12.19 Against an allocation of Rs.306.00 million an expenditure of Rs.24.466 million was incurred on preparation of bids invitation, scrutiny of bid documents and evaluation and submission of bank & performance guarantees etc in addition to the completion of various study reports regarding Rules / Procedures for licensing & development of a system for handling / processing consumers complaints and study on Telecommunication Demand and Re-balancing of Tariff. Purchase of technical and professional books from international agencies was also made.

SPECIAL COMMUNICATION ORGANIZATION (S.C.O.)

12.20 Against an allocation of Rs.500.00 million an expenditure of Rs.320.00 million was incurred on acceleration of work and provision of Transmission System / Switches, improvement of VHF PCOs & provision of Fax machines etc in AJ&K and provision of switches in Northern Areas.

PAKISTAN POST OFFICE

12.21 Against an allocation of Rs.10.00 million an expenditure of Rs.5.00 million was incurred on completion of on-going works.

B. PROVINCIAL PROGRAMME

12.22 Against an allocation of Rs.2,596.81 million an expenditure of Rs.2,590.43 million was incurred giving a utilization of 99.75 per cent. In physical terms 405 Km of black top & 41 Km of shingled roads were constructed while 706 Km of the existing roads were improved in addition to construction of 9 new bridges, 905 RFT culverts and 18 pipe culverts. Details are given below :-

PUNJAB

Roads and Bridges

12.23 Against an allocation of Rs.1,350.06 million an expenditure of Rs.1129.76 million was incurred giving a utilization of 83.68 per cent. In physical terms work on widening and improvement of 458 Km of existing roads and construction of 78 Km of new roads was completed.

SINDH

Transport & Communication (Roads and Bridges)

12.24 Against an allocation of Rs.510.00 million (Rs.60.00 million for Transport Sector and Rs.450.00 million for Communication) an expenditure of Rs.386.61 million only on Communication Sector (Roads) was incurred giving a utilization of 75.81 per cent. Under Transport Sector no physical work could be done due to non release of funds to the Sindh Road Transport Corporation (SRTC). Where as in Communication Sector (Roads) work on the construction of 76 Km of new and improvement of 167 Km of existing roads was completed in addition to work on 3 bridges.

N.W.F.P.

Roads and Bridges

12.25 Against an allocation of Rs.429.68 million an expenditure of Rs.655.35 million was incurred giving a utilization of 152.52 per cent. In physical terms 231 Km of black top and 41 Km of shingled roads were constructed. Work on improvement of 81 Km of the existing roads was carried out in addition to construction of 1 bridge.

BALUCHISTAN

Roads and Bridges

12.26 Against an allocation of Rs.307.07 million an expenditure of Rs.418.72 million was incurred giving a utilization of 136.36 per cent. In physical terms construction of 20 Km of black top roads in addition to partial work on the various stages of road components along with work on 5 bridges, 905 RFT culverts, 18 No. pipe culverts, 1033 RFT causeways and 436 RFT retaining walls was completed.

PROGRAMME FOR 1999-2000

12.27 An allocation of Rs.54,728.23 million has been made for development of Transport & Communication Sector which is given as under in Table 12.3 :-

TABLE - 12.3

(Million Rs)

Sr.No.	Budget Detail	PSDP 1999-2000
A.	Federal	
	i. <i>Budgetary Programme</i>	4,303.41
	ii. <i>Budgetary Corporation</i>	19,100.00
	iii. <i>Non-Budgetary Corporation</i>	29,137.00
	<i>Sub-Total Federal (A).</i>	<i>52,540.41</i>
B.	Provincial	
	i. <i>Budgetary Programme</i>	2,187.82
	<i>Total T&C (A + B).</i>	<i>54,728.23</i>

Details may be seen at S.A.Table 12.1. Major physical targets are given in S.A.Table 12.2. Sub-sector wise details are given in the subsequent paras.

A. FEDERAL PROGRAMME

I - PAKISTAN RAILWAYS

12.28 Railway is following a two pronged strategy for development. Revamping on the one hand is envisaged to generate resources from the sale proceed of railway land and scrap to invest in profit earning projects whose earning will be retained in separate accounts and re-invested in the second and third implementation phases of the selected projects. Three separate companies of Railways have also been established to achieve speedy privatization to attract potential investors and to achieve lucrative and favourable bids.

12.29 An allocation of Rs.2,016.60 million has been made for completion of work on remaining 21 stations for track circuiting out of a total 94 stations, import of 8000 tonnes of rail and rehabilitation of 6 locos out of 54 DE Locos. Under the procurement of 30 D.E.locos 6 D.E.Locos procure under completely knocked down condition would be assembled / manufactured. Fitment of 1400 roller bearings to freight wagons, signalling / bridge works, renovation of passenger coaches, overhead bridge at Pattoki besides completion of work on construction of Gojra underpass.

II. PORTS & SHIPPING

D.G. Ports & Shipping (D.G. P&S)

12.30 An allocation of Rs.80.00 million has been made for completion of remaining works on Gwadar Fish Harbour project.

Pakistan National Shipping Corporation (PNSC)

12.31 An allocation of Rs.850.00 million is envisaged for acquisition of one second hand Crude Oil Tanker by the PNSC.

III. HIGHWAYS AND BRIDGES

12.32 An allocation of Rs.20,216.95 million (comprising of NHA & Special Areas) has been made for the Highways and Bridges.

National Highway Authority (NHA)

12.33 An allocation of Rs.19,100.00 million has been made for the National Highway Authority for the development of national highways as per following detail:-

- i) Among the core programme an allocation of Rs.150.00 million has been made for the Fourth Highway Project co-financed by the World Bank largely for meeting liabilities. Rs.2871.00 million have been earmarked for acceleration of work on the Indus Highway Project (Phase I & Phase-II) including Kohat Tunnel, Rs.35.00 million for rehabilitation of 1992 floods and Rs.50.00 million for the Maintenance Backlog Reduction/Re-Surfacing and Strengthening Programme co-financed by the World Bank under Transport Sector Loan and Rs.800.00 million for completion of work for Sukkur Bridge project.
- ii) An allocation of Rs.600.00 million has been made for construction of second carriageway along National Highway N-5 over the Hala-Moro, Moro-Baberlo, Baberlo-Ubaro, Ubaro-Rahim Yar Khan, Rahim Yar Khan- Bahawalpur, Bahawalpur-Multan, Multan-Mian Chunnu, Okara-Lahore, Kharian-Rawalpindi and Chablat-Nowshera Sections.
- iii) An allocation of Rs.332.00 million has been made for the completion of remaining works & repayment of interest on loan for the Lahore-Islamabad Motorway including Lahore Bypass, Rs.3759.00 million for the Islamabad-Peshawar Motorway and Rs.219.00 million for the Pindi-Bhattian Motorway projects.
- iv) An allocation of Rs.1184.00 million has been made for improvement of National Highways in Baluchistan. This includes Rs.304.00 million for improvement of Uthal Bela-Sorab Qalat Section of (N-25), Rs.400.00 million for Quetta-Dalbandin-Taftan Section of (N-40) and Rs.480.00 million for Quetta-Qilla Saifullah-Zhob-D.I.Khan Sections of (N-50).
- v) An allocation of Rs.3050.00 million has been made for implementation of various Projects. This includes Rs.60.00 million for Chiniot bridge, Rs.140.00 million for Tall-Parachinar road, Rs.550.00 million for Abbottabad-Barian Nathiagali Sukkur Bridge, Rs.400.00 million for Improvement of KKH, Rs.480.00 million for Ratodero-Shahdad kot Khuzdar Project, Rs.1400.00 million for Mansehra-Naran-Jalkhad road and Rs.20.00 million for the Feasibility Studies.

12.34 The main thrust of the programme is aimed at the improvement & consolidation of the existing highway network.

SPECIAL AREAS

12.35 An allocation of Rs.1,116.95 million has been made for the construction of 270 Km black top roads and improvement of 52 Km black top & 156 Km shingle roads in addition to completion of work on 44 bridges. Details are given in the subsequent paras:-

AZAD KASHMIR

An allocation of Rs.337.91 million has been made for construction of 12 Km single road to double road and 104 Km of major, link & fairweather roads and improvement of 8 Km of black top roads along with completion of work on 10 bridges.

NORTHERN AREAS

An allocation of Rs.502.07 million has been made for construction of 109 Km of black top roads and improvement of 126 Km of shingled roads besides 33 bridges.

F.A.T.A.

An allocation of Rs.276.97 million has been made for the construction of 45 Km of black top roads and improvement of 44 Km of black top and 30 Km of shingled roads and one bridge.

IV. AIR TRANSPORT CIVIL AVIATION AUTHORITY

12.36 An allocation of Rs.4,993.00 million has been made for the acceleration of work on reconstruction of secondary runway at Karachi and construction of new air terminal at Lahore.

PAKISTAN INTERNATIONAL AIRLINES (PIA)

12.37 In order to bring it in line with industrial practices, PIA has changed its financial year from July 1st - June 30th to 1st January - December 31st. For the new financial year 1999, PIA has estimated a passenger traffic of 10,967 million RPKs and freight traffic of 356 million RFTKS. Currently PIA is considering introduction of flights to Hong Kong as well as evaluating services to Birmingham in order to meet the demand of the Pakistani Community settled there. It is also looking forward to start services to Melbourne and Johannesburg.

12.38 PIA is actively engaged in rehashing its route structure and flight schedules for improving its traffic and economic performance. Alternative fleet replacement / strategies are also accordingly under active study for achievement of the desired results.

12.39 An allocation of Rs.7,294.00 million has been made for the PIAC.

AIRPORT SECURITY FORCE (ASF)

12.40 An allocation of Rs.2.00 million has been made for acceleration of work on construction of barrack accommodation at four out of five small airports viz. Gilgit, Rawalakot, D.I.Khan and Nawabshah.

PAKISTAN METEOROLOGICAL DEPARTMENT (PMD)

12.41 An allocation of Rs.2.30 million has been made for completion of work on improvement of Meteorological Radar Network and to complete the remaining work on provision of additional Meteorological facilities in Norther Areas.

V. Research.

National Transport Research Centre (NTRC)

12.42 An allocation of Rs.10.00 million has been made to cater for salaries of staff, remaining civil / building works, surveys for transportation planning, urban transportation / traffic management, highway engineering and maintenance techniques, highway safety studies etc.

VI. TELECOMMUNICATION

PAKISTAN TELECOMMUNICATION COMPANY LIMITED (PTCL)

12.43 An allocation of Rs.16000.00 million has been made to expand / replace / upgrade the telecommunication network and to provide new services to the subscribers in the country. Under this programme the PTCL propose to commission 300,000 new telephone lines in the national network and replace 218,000 old and out lived analogue EMD switching equipment to improve subscriber service. Further expansion of internet services and information to 200,000 users will be carried out. To avoid any potential Millennium bug problems, Y2K compliance in the network and support systems will be completed and tested before the end of year 1999 on a war footing basis. New value added services such as Free Phone, Universal Access Numbers, Premium rate Services etc. will be introduced after completion of intelligent network platform. Basic voice Massaging and Calling Line identification services will be provided in the major cities. Work on SEA-Me-WEIII project will be completed and Pakistan will be linked with the outside world through Submarine Optic Fibre System by December, 1999. Centralized fault management system will be installed at Islamabad / Rawalpindi, Lahore and Hyderabad. Far flung rural areas will be provided with public pay phone facility in collaboration with the private sector. In physical terms following targets will be achieved:-

New Telephone Lines:	300,000	Nos.
Replacement of old lines.	218,000	Nos.
No of Internet Subscribers	200,000	Nos.

PAKISTAN TELECOMMUNICATIONS AUTHORITY (PTA)

12.44 An allocation of Rs.730.00 million has been made for Pakistan Telecommunications Regulation & Support project financed by the world bank, for import of Plant & Machinery for National Frequency Management and Monitoring System (NFMMS), Construction of sites for NFMMS project, Establishment of Type Approval laboratory, Training of personnel and provision of computers & logistics for Pakistan Telecommunication Authority / Frequency Allocation Board (PTA / FBA).

SPECIAL COMMUNICATION ORGANIZATION (SCO)

12.45 An allocation of Rs.294.75 million has been made for completion of work on provision of Transmission media / Switches in AJ&K and acceleration of work on provision of Switches in Northern Areas.

PAKISTAN POST OFFICES

12.46 An allocation of Rs.15.71 million has been made for carrying out their on going works.

B. PROVINCIAL PROGRAMME

12.47 The Provincial Programme envisages an allocation of Rs.2,187.82 million for continuation of work on construction of 686 Km of black top & 11 Km of shingled roads and improvement of 890 Km of existing black top roads besides construction of 9 bridges, 28 Nos.pipe culverts and 1450 Rft culverts. Province wise details are given in subsequent paras.

PUNJAB

Roads and Bridges

12.48 An allocation of Rs.951.05 million has been made for construction of 110 Km of new roads and widening / improvement of 646 Km of existing roads.

SINDH

Transport & Communication (Roads and Bridges)

12.49 An allocation of Rs.440.00 million {Rs.60.00 million for Transport Sector and Rs.380.00 million for Communication Sector (Roads)} has been made. Under Transport Sector out of Rs.60.00 million, Rs.10.00 million have been earmarked for major repair of 30 buses of SRTC and the balance amount of Rs.50.00 million has been earmarked for Karachi Mass Transit Project (KMTP) to cover part of GOS equity share with an equivalent amount by Karachi Metropolitan Corporation (KMC). In Communication Sector (Roads) the balance amount of Rs. 380.00 million has been earmarked for the continuation of work on construction of 110 Km of new roads and improvement of 150 Km of existing roads.

N.W.F.P.

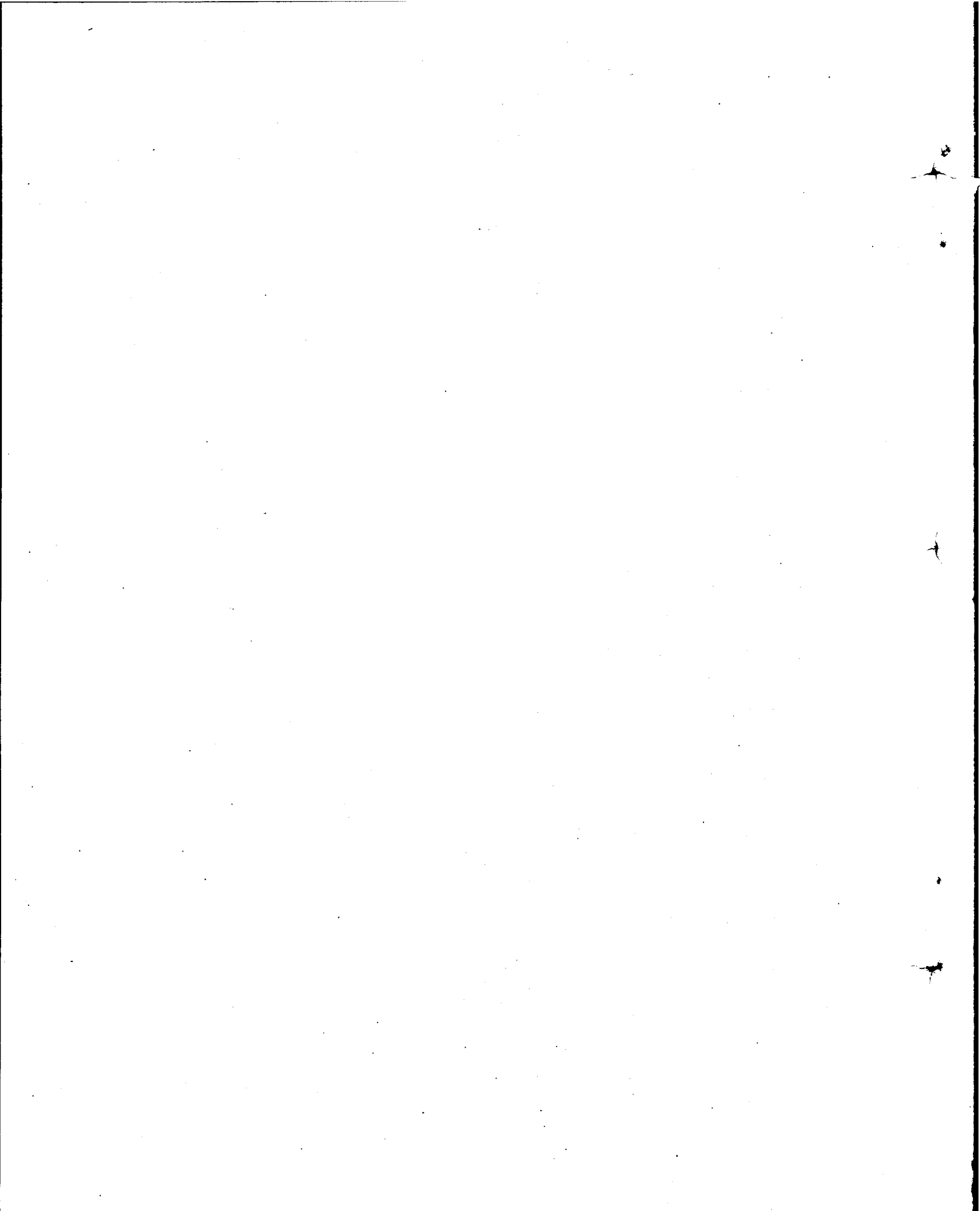
Roads and Bridges

12.50 An allocation of Rs.385.40 million has been made for the construction of 436 Km of black top & 11 Km of shingled roads. While work on improvement of 94 Km of existing roads will be completed.

BALUCHISTAN

Roads and Bridges

12.51 An allocation of Rs.411.38 million has been made for the construction of 30 Km of black top roads in addition to partial work on the various stages of road components. Work on 9 bridges, 1450 Rft culverts, 28 Nos. pipe culverts, 2034 RFT causeways and 670 RFT retaining walls will also be completed.



CHAPTER-13

MASS MEDIA

Review of 1998-99

13.1 The revised allocation for the year 1998-99 was Rs.44.417 million for the sub-sectors of Television and Radio. The utilisation has been Rs.53.404 million including Foreign Aid of Rs 8.990 million. The projects of radio sub-sector suffered a set-back due to drastic cut in the allocation. This was reduced to Rs.14.468 million from Rs.45.00 million and resultantly no significant progress was achieved. Similarly the allocation of Rs.3.400 million for the projects of APP was also slashed down. The funds earmarked for PTV however remained intact and were utilised almost in total. All the projects in advanced stages were completed including Second TV Channel (Phase II). The sub-sector wise details are as follows:

Pakistan Television Corporation

13.2 The revised allocation for Pakistan Television was Rs.29.946 million. Rs.11.783 million and Rs.8.031 million allocated to Video Playback Centre (VPC) Wad and Lasbella respectively were reappropriated to VPCs Zhob, Turbat and Second TV Channel (Phase II) for achieving better physical performance. Physical Work on VPCs Wad and Laseblla is held up due to land dispute. VPC at Zhob and Dukki will be completed by December 1999. Other projects of VPCs Daroosh and Booni and Turbat have been completed and commissioned. Second TV Channel Phase-II has been completed and commissioned with the exception of some minor works like staff quarters, diesel generators etc.

Pakistan Broadcasting Corporation

13.3 The projects of additional security works, balancing and modernisation of equipment, transmitters and radio station, Mirpur, Broadcasting House, Hyderabad and Broadcasting House, Karachi made some progress. The project of 100 KW Mediumwave Transmitter Karachi has been completed and is ready for regular transmissions.

Ministry of Law, Justice and Human Rights

13.4 The project was approved at a cost of Rs.70.800 million with Norwegian and Swedish grant of Rs.69.00 million. The Project was in the initial take-off stages. The executors are started finalizing the preliminaries with different stake-holders.

Programme for 1999-2000

13.5 For the year 1999-2000 Rs.130.025 million were allocated against the revised estimates of Rs. 53.404 million for 1998-99. The revised allocation after the cut stands at Rs.106.025 million. The allocation includes Rs.10.00 million for new projects while Rs.94.025 million for ongoing projects. Sub-sectoral position is as follows:

M/O Information and Media Development

a) Pakistan Television Corporation (PTVC)

Rupees 15.00 million have been allocated for PTV which includes Rs.10.00 million for the Second TV Channel Phase-II. The amount will be spent on staff quarters at Re-broadcast Centre (RBC) Dir, diesel generators and vehicles for RBCs each at Dir, Khewra and Mailsi. Archival library project has also been earmarked Rs.5.00 million. which will store and record programmes of PTV.

b) Pakistan Broadcasting Corporation (PBC)

Pakistan Broadcasting Corporation (PBC) will receive Rs.70.00 million for their nine projects. Rs.15.00 million have been earmarked to Balancing and Modernisation project for purchase of six Studio Transmitter Links (STLs) and testing and measuring equipment. The Broadcasting House (BH) Larkana project has been allocated Rs.8.00 million for transmitter and balance payment of civil works. The 100 KMMW, 100 KW Shortwave transmitters and BH Mirpur will utilise Rs.10.00 million on completion of civil works of Transmitter building, out-houses and boundary wall. The BH Karachi project will consume Rs.20.00 million for completion. The final jobs of installation of lifts and equipment will be carried out. The project of 100 KW Mediumwave Rawalpindi transmitter will also be completed by utilising Rs.7.805 million. The amount will be utilised on erection of mast, foundation and test transmission. The new project, sound archives on Compact Disc (CD) has been allocated Rs.5.00 million for import of electronic equipment.

Ministry of Law, Justice and Human Rights

13.6 The Human Right mass awareness and education project is allocated Rs.21.025 million. The amount will be spent on publication of news letters, advertisements in the electronic media, seminars, workshops etc for creating awareness of Human Rights in the people.

New Initiatives in Media

13.7 A lot of innovative policy Programmes are being initiated in the Mass Media Sector, including the licensing of Private Sector Channels and cable operators. This will generate competition, enhance professionalism, and expand television's marketing in Pakistan. This is a step further towards involvement of private sector in television programme production and will increase viewers choices in television programming. The policy for private sector TV cable operation has been announced and modalities being finalized during the current year.

CHAPTER-14

PHYSICAL PLANNING AND HOUSING

14.1 Policies in the Physical Planning and Housing Sector (PP&H) aim at increasing the supply of housing units, to meet basic needs of drinking water supply and sanitation, channelize urbanization, and ensure proper urban development and management.

REVIEW OF 1998-99

14.2 During 1998-99, due to budgetary constraints, the overall size of programme was curtailed to Rs. 7.356 billion (Federal Rs. 1242.594 million and Provincial Rs. 6113.615 million), including Social Action Programme (SAP) for rural water supply & sanitation projects. Major share of allocations was consumed by water supply and sewerage/sanitation projects (60 percent). Whereas, balance was utilized for undertaking the Government servants housing and offices/buildings, urban development, environmental improvement of katchi abadies/slums. Sub-sectoral break-up of allocations and utilization during 1998-99, is given at Table 14.1.

14.3 The highlights of PP&H activities/achievements undertaken during 1998-99, are briefed hereunder:

- (i) Development of small size residential plots in Site and Services projects at various cities/towns for the urban poor, as well as provision of 5 & 7 Marla plots to the rural shelterless population, continued during the year.
- (ii) Regularization and improvement of katchi abadies and upgradation of the urban slums were undertaken, as part of urban-renewal programmes in major cities.
- (iii) Work to develop the house/flats for Federal Government Employees and Office buildings continued by various development agencies, to provide additional accommodation at various cities and places.
- (iv) As per the policy of Government to provide essential utilities to maximum possible population, the works on rural water supply and sanitation projects serving villages under Social Action Programme, as well as the urban water supply and sewerage projects in various cities and towns were continued.
- (v) To streamline and strengthen the role of construction sector in national development in general and in housing specially, discussions with their representatives were held by the Ministries of Housing & Works, Planning & Development and CBR. The recommendations to alleviate problems of private construction sector were finalized and accommodated in the Budget.

- (vi) To cater for the housing requirement of industrial workers, 13866 houses/flats have already been constructed and 50,000 plots developed by Workers Welfare Fund, meeting 29 percent of the demand. During 1998-99, the work on completing additional 2650 housing units continued (1700 in Sindh, 650 in NWFP and 300 in Baluchistan).
- (vii) Overseas Pakistanis Foundation is implementing the Prime Minister's Package of Incentives for Overseas Pakistanis. During 1998-99, the OPF continued work on ongoing housing at Lahore, Faisalabad, Peshawar, Moro Dadu and Islamabad to provide more than 15,000 residential plots to the Pakistanis abroad.

14.4 However, due to the resource constraints, the targets of PP&H programmes could not be fully achieved. The Sub-sectoral targets and achievements during 1998-99, are given in Table 14.2.

Programme for 1999-2000

14.5 Overall size of PSDP 1999-2000 of PP&H Sector is Rs 9978.700 million i.e. 35 percent higher than the last year's sectoral utilization. It includes Rs 2375 million allocated to implement Federal projects and Rs 7603.700 for PP&H projects in provinces.

Federal Programmes

14.6 The sectoral projects of PP&H Sector to be implemented during next year, are stated in the following paragraphs. In case of Federal areas, for 1999-2000, an amount of Rs. 2375 million has been allocated in Federal PSDP for implementing physical planning & housing, water supply and sewage projects. It includes Rs. 863 million for implementing the new projects, while Rs. 250 million are allocated to implement Federal projects located in provinces, Frontier Regions and FATA.

14.7 During 1999-2000, efforts will be made to complete the nearing completion PP&H projects through ensuring availability of necessary funds. These include projects of Water Supply for Khanpur Dam to Islamabad/Rawalpindi (Phase-1); providing connection mains from Shah Allah Ditta Reservoir (Khanpur-I) to Islamabad Water Distribution System; Augmentation of Islamabad Water Supply with Seepage Water & Tubewells in National Park Area, and Replacement of Conduction Mains from Sectors F-5 to G-7/2. Besides, the projects of Additional works for Safety of Simly Dam, and Rehabilitation of Islamabad Sewage Treatment Plants will be taken up. The works on dualization of "Kashmir Highway from Zero Point to Dhokri Chowk" and of "Islamabad Highway from Gurah Bridge to Rawat" will be progressed, besides the construction of "I.J. Principal Road from Faizabad Inter-Change to G.T. Road" and "3rd Lane from Faizabad Crossing to Flying Club Crossing on Islamabad Highway". The under-construction National Police Academy, Election House, AGPR Office & Audit House at Islamabad; Civil Defence Training College Quetta and Haj Complex Sukker will be completed. Various Office buildings being constructed at different locations by the Ministry of Housing and Works (Pak-PWD, CBR); Interior Division (Frontier Constabulary NWFP/Baluchistan; Pakistan Rangers Punjab/Sindh, FIA; Islamabad Capital Territory Administration, Department of Immigration, Coast Guards); and the Ministry of KANA & SAFRON will be finalized. Also, the construction of Parliament

Lodges Islamabad by Capital Development Authority, Bagh Quaid-e-Azam Karachi by Ministry of Environment, and the High Court Bench at Larkana by Law & Justice Division will be continued. In case of housing for Federal Government Employees, only nearing completion and in-hand works will be accelerated, including residences for honourable Judges of Supreme Court, the Chief Executive's Staff Colony and the AGPR's residences at Islamabad, Federal Lodge Nawabshah and other housing projects at Lahore, Karachi and Quetta.

14.8 New projects to be commenced under Federal PSDP 1999-2000 include replacement of Air-conditioning Systems in Pakistan Secretariat Blocks and construction of Islamabad Administration Offices Complex, etc. In Frontier Regions (Mohmand, Bajour & South Waziristan Agencies and Malakand District), the office-buildings, residential accommodations/barracks and water supply projects will be undertaken. Under the Social Action Programme, 36 small rural water supply and sanitation schemes in various villages of Islamabad Capital Territory, will be taken up.

Provincial Programmes

14.9 Overall size of the Provincial PSDPs would be around Rs. 7603.700 million to implement the PP&H projects, including about Rs. 5335 million from the Social Action Programme to implement rural water supply and sanitation projects in all provinces.

I. PUNJAB

14.10 A total allocation of Rs. 4626.302 million has been made for PP&H programmes in the Government of Punjab PSDP for the year 1999-2000 (sub-sectoral breakup in Table 15.1). Out of these, an allocation of Rs. 1485 million has been made for urban development projects to cater for the basic requirements of providing water supply, sewerage and drainage facilities, construction/improvement of city roads to cope with the increased traffic and provision of additional recreational facilities; etc.

(a) Urban Development

- (i) Lahore Development Authority/WASA with an allocation of Rs. 400 million would be completing works on installation of tubewells in different areas of Lahore; provision of water supply in Baba Farid, Quaid-e-Millat, Bhatti and Mian Fazal Haq colonies, Kot Lakhpat; construction of sewer and appurtenances in various areas of Lahore; upgrading and improving roads in Siddiquepura and Chotta Ravi Zone, and construction of Underpass at New Campus. To facilitate the traffic flow towards Lahore Airport, the roads from Thokar Niaz Baig to Canal Bank, Kalma Chowk to Cavalry Ground, R.A. Bazar to Defence, Outfall Road to Mall Road and Aziz Bhatti Road to Defence Road would be undertaken at a cost of Rs. 150 million. In addition, works on laying of sewer scheme for Walton and Ferozepur Road to Khara Distributary would be initiated with an allocation of Rs. 10 million. Rs. 100 million are provided to accelerate the work on Circular Road Sewerage and Drainage Improvement Project for Lahore Walled City. Whereas, the Street upgrading and improvement/carpeting of roads in Walled City shall be continued with an allocation of Rs. 30 million.

- (ii) An allocation of Rs. 90 million has been made for Multan Development Authority which would execute works on Urban Water Supply Scheme (Phase-V), Comprehensive Sewerage Scheme Multan and Water Supply and Sewerage Disposal in Low Lying Areas of Municipal Committee Halqa Nos. 39,40,41&43. The construction work on Underpass at General Bus Stand to Railway Crossing shall be completed besides construction of Southern Bye Pass Road upto General Bus Stand. The work on expressway at Kutchery Chowk shall also be taken in hand during 1999-2000.
- (iii) To provide water supply and sewerage facilities and construction/ remodelling of city roads, an allocation of Rs. 200 million has been made for Faisalabad Development Authority. Major projects to be completed during 1999-2000 include Sewerage Scheme Elahiabad Satiana Road, improvement of Storm Water Channel No. 4, Water supply scheme 213/RB, Faisalabad Sewerage and Drainage project Part-II, Alternate Sewerage disposal arrangements for Sarwala Distributary, construction of Dogranwan Road from Summandri Road, and Road from Raja Chowk to Nawab Chowk will also be constructed, in addition to Remodelling of Jhang Road and Sargodha Road. The work on Water Supply Project of Muslim Town and Sewerage projects Mohallah Pang Pir to Latif Park and Ahmadpura to Azamabad would also be initiated.
- (iv) An allocation of Rs. 50 million has been made for Gujranwala Development Authority. All the on-going projects shall be completed during 1999-2000, including construction of Trunk and Lateral Sewers from Dhullah Chowk to Mubarak Shah Road, Sewerage Scheme along Pasroor Road, widening of Jinnah Road, and laying of Trunk Sewer from Civil Lines to Dhullah Chowk Disposal Work.
- (v) An allocation of Rs. 550 million has been made for Rawalpindi Development Authority during 1999-2000. The work on construction of Gowal-mandi Bridge will be continued besides developing Alternate Route of Murree Road via Tipu Road and Chaklala Road, and improvement of various roads of Rawalpindi City. Rs. 100 million are allocated for Urban Water Supply and Sanitation Project Rawalpindi, and Metropolitan Water Supply Project from Khanpur to Islamabad/Rawalpindi.
- (vi) Also, the budgetary provisions have been provided for 6 roads in Sialkot City, 2 drainage projects in Sargodha City, a park in D.G. Khan, and improvement of 4 roads in Bahawalpur City.

(b) Government Housing

- (i) A Revolving Fund has been established by the Provincial Government to finance the implementation of all future Low-cost housing projects in Punjab. During 1999-2000, it is planned that 8360 plots will be developed at various Site & Services projects in different cities and towns.

(c) Water Supply and Sanitation

- (i) In Punjab, during 1998-99, under the SAP against target of implementing 218 rural water supply and 278 sanitation/drainage projects, the 104 water supply and 230 sanitation projects could be completed, benefitting 0.364 million and 0.805 million population, respectively.
- (ii) For the provision of safe drinking water supply in rural areas and to implement sanitation, during current year, 95 water supply and 496 sanitation would be completed, benefitting 0.332 million and 1.736 million additional villagers respectively.
- (iii) During 1998-99, against the planned 4 urban water supply and 7 sewerage projects; the 4 projects each of water supply and sewerage could be completed, benefitting 0.049 million and 0.508 million persons, respectively.
- (iv) Rs. 250 million are being allocated to implement urban water supply and sanitation projects in various cities and towns. In urban areas, 7 water supply projects and 8 sewerage/drainage would be completed, benefitting 0.156 million and 0.62 million additional population respectively.

II. SINDH

14.11 Funds to the tune of Rs. 963.474 million were allocated to PP&H Sector in Provincial PSDP 1998-99 for implementing 296 projects. The implementation of on-going aided projects, like Rural Water Supply and Sanitation Project, 100 mgd Karachi Water Supply Project and projects of Duplicate Bridge over Lyari River and on Rashid Minhas Road, and Malir River Flood Protection (Phase-V) was accelerated. Through Tameer-e-Sindh Programme (TSP), the required funds had been provided to various projects of Karachi Development Authority, Water & Sewerage Board, and Metropolitan Corporation; and Provincial Health Engineering Department (PHED).

14.12 During 1999-2000, a sum of Rs. 1623 million with FPA has been earmarked to PP&H Sector including 25 percent for SAP components of rural water supply and sanitation. As per Policy, adequate funds are being provided to complete nearing completion projects and to make these functional for providing benefits to the masses. Out of total 204 PP&H projects, the 132 will be completed by June, 2000.

(a) Urban Development

- (i) Karachi Development Authority Allocation is made for completing the 2 ongoing projects of "Extension of Bridge over Lyari River at Rashid Minhas Road" and "Malir River Flood Protection Phase-V". The scheme on Rashid Minhas Road would ease the congestion to give free movement of traffic, while later scheme would extend protective measures along both banks of Malir River. In addition, an amount of Rs. 195 million has been provided through TSP to expedite implementation of Rashid Minhas Flyover, and Chand Bibi Bridge. Also, "Shah Faisal Colony Fly Over" would be taken up as a new project to provide an uninterrupted access to/from Shah Faisal Colony.

(ii) Karachi Water & Sewerage Board

The scheme "Rehabilitation of Jamila Pumping Station Phase-I" has been expedited, besides the implementation of 5 projects namely Greater Karachi W/S (100 MGD) Project, Karachi W/S Improvement Project, Pumping & Conveyance Project, 54 MGD Sewage and Sewerage Disposal Project and NEK Pump House scheme. Upon completion of Greater Karachi W/S Project, K-II 100 Mgd of water has been added to the system. Under Karachi W/S Improvement Project the Contracts for Water Treatment Plant/Pumping Station and Consultancy Services have been awarded. The Pumping and Conveyance system for bulk water supply project would provide 42 mgd water to Karachi on its completion.

After completion of the scheme "Rehabilitation of Jamila Street Sewerage Pumping Station" by June 2000, it is expected that the sewage overflow problem of Lyari, Colony and some major portions of old city including Saddar, Nishtar Road, Ranchore Line and Bohra Pir will be controlled through uninterrupted sewer pumping.

(iii) Karachi Metropolitan Corporation

The project "Level Crossing at Mumtaz Hassan Road to connect I.I. Chundrigar Road & M.T. Khan Road including improvement of Roads/Streets of Karachi South" has been completed. The implementation pace of Liaquatabad Flyover has been expedited.

One new scheme titled Widening and upgrading of Rashid Minhas Road from Shahrah-e-Faisal to Drive-in-Cinema would be initiated on 50 per cent financing each by Government of Sindh and KMC. The project would widen the Rashid Minhas Road segment between the two points thereby to provide relief to the vehicular traffic.

(iv) Hyderabad Development Authority

The work on project "Greater Hyderabad Sewerage Project Phase-I", "Rehabilitation of sewerage system of Latifabad" and "Rehabilitation of Sewerage System in Qasimabad" remained under implementation during 1998-99 for which funds of Rs. 64 million were provided. The scheme would provide trunk sewers for proper disposal of sewage and improve the existing treatment capacity by 4 mgd for Hyderabad City and Latifabad.

Upon completion of "Rehabilitation of Sewerage System of Latifabad" in June 2000, sewerage system would be strengthened bringing about improvement in health and environmental condition of the inhabitants in Latifabad. In addition, funds have been earmarked to "Greater Hyderabad Sewerage Project Phase-I" and "Improvement/Rehabilitation of Sewerage System in Qasimabad to expedite the pace of their implementation.

(v) **Other Urban Projects**

In 1998-99, a Bus Terminal has been constructed at Sehwan Sharif to provide transport facilities to the people. Also, the construction of new Bus Terminal at Sukkur would be geared up during this year.

(b) **Office Buildings and Houses**

- (i) With an investment of Rs. 26.868 million, the 15 projects have been completed during 1998-99, providing 0.076 million square feet additional constructed area for Government offices and residences at various locations.
- (ii) Funds are provided in 1999-2000 to complete 9 Government offices and buildings in Sindh Province and to speed up the implementation pace of remaining 20 on-going . Construction of the Deputy Commissioner Office at Ghotki will be taken up as a new scheme.
- (iii) 8 on-going of Govt. Servant Housing in Sindh are expected to be completed and pace of implementation on 24 schemes would be accelerated by June, 2000. In addition new projects (i) Construction of Residential Quarters for Accountant and Assistant Accountant at Mithi, and (ii) Construction of Residential Bungalow for the Honourable Chief Justice, High Court of Sindh will be initiated.

(c) **Water Supply and Sanitation**

- (i) Total funds of Rs. 101.969 million were provided to expedite implementation of 43 . Out of which 10 (2 Urban Water Supply and 8 Sanitation) completed by June, 1999 and became operational, serving 0.031 million with piped water supply and 0.071 million additional population with drainage system. Overall percentage coverage for water supply and drainage in Sindh reached to 54.39 and 53.69, respectively. An amount of Rs. 725.9 million, constituting 56 percent of PSDP allocation, was provided to rural water supply & drainage sub-sector, for implementing 183 projects (96 water supply & 87 drainage). 100 (48 water supply and 52 drainage) were completed, thus benefiting 0.165 million with water supply and 0.120 million additional persons with drainage facilities.
- (ii) The programme of rural water supply and drainage also includes implementation of World Bank assisted Water Supply and Sanitation Project initiated in 1992 to extend their coverage in rural areas and being executed by the PHED and Rural Development Department (RDA). Against the agreed targets for PHED, 480 water supply & drainage (242 new & 238 rehabilitation) are required to be taken up in whole Sindh. The 279 projects have been completed, out of which 212 are handed over to Community i.e. Village Development Associations, and 67 are under process of handing over. Also, the 111 rehabilitation stand completed and 89 projects handed over to community. With this, 0.094 million additional population is being benefitted with water supply and 0.077 million with drainage facilities. The RDA in the

field of rural water supply and sanitation has been executing 12745 non-mechanized (2745 hand pumps and 10,000 pit latrines) in Larkana & Sukkur Districts, under the project. More than 1380 hand pumps and 4600 household latrines have been installed and constructed respectively during the year, to provide facilities to the people for improving hygiene and environmental conditions of their areas.

- (iii) In the Urban Water Supply and Drainage Sub-sector, the allocations have been earmarked for implementing 21 water supply projects and Rs. 75.607 million for 21 drainage projects.
- (iv) Under the Rural Water Supply and Drainage Sub-Sector, funds are provided for 60 water supply projects and 39 drainage projects. Additional provisions have also been kept for implementing new and rehabilitation schemes of rural water supply and sanitation.

III. NWFP

14.13 Overall allocation for PP&H Programme in NWFP for the year 1999-2000 has been increased (i.e. Rs. 988 million against last year's allocation of Rs. 787 million). Major increase has taken place in case of water supply and sanitation sector, where this year's allocation has increased by 54 per cent.

(a) Urban Development

- (i) During 1998-99, the funds were allocated to various urban development agencies for completing the ongoing urban improvement projects in major cities, public parks development, traffic improvement, urban water supply and sewerage, urban management & master plan preparation amenity buildings.
- (ii) Urban development programme in the PSDP 1999-2000 covers 17 ongoing and 15 new . 6 projects have been fully funded and are to be completed in 1999-2000. These include enhancement of water supply provisions through installation of tubewells & booster; replacement of defective pipes/machinery, etc.

(b) Office Buildings and Houses

- (i) During 1998-99, various Official Buildings and some official residences at various places, including Tehsil/Distt. H.Q.Buildings, Jails; Box Rooms; Police station & Barracks; circuit houses; civil sectt. Building facilities; press club, record rooms; hostels and Mosques were constructed.
- (ii) For the Building and Housing Sector in PSDP 1999-2000, the proposed allocation caters for 28 ongoing and 10 new projects. Out of these 7 projects are to be completed during this year.

(c) Water Supply and Sanitation

- (i) Allocation has also been earmarked for Public Health Engineering Department for undertaking the Rural Water supply & Sanitation projects under the SAP (Rs. 850 million) and two urban water supply projects in Kohat and Kanal (Rs. 4 million). Out of total 553 schemes, under the SAP, the work on 485 on-going RWS&S projects would be continued, about 183 projects will be completed, and 68 new projects will be initiated.

IV. BALUCHISTAN

14.14 During 1999-2000, an overall allocation of Rs. 566 million would be provided for the following on-going and new PP&H projects in Balochistan Province.

(a) Urban Development

Quetta Development Authority would develop Bus and Truck Stands, and improve Samungli Road besides garages/workshops at Quetta.

(b) Office Buildings and Houses

- i) 3 on-going projects to be implemented during 1999-2000, i.e.:
- a) Renovation of Provincial Assembly Building and MPA's Hostel and Const. of Admn. Block Quetta.
 - b) Const. of Residential and Office Accommodation for Provincial Judiciary Department(Phases V and VI) at Quetta.
 - c) Const. of Residential Flats at Baluchistan House Islamabad.
- ii) 6 new projects included in 1999-2000 PSDP i.e.:-
- a) Construction of Police/Lines Thanas at various places in Baluchistan.
 - b) Const. of Rest House for Forest Department at Behu.
 - c) Const. of Drainage Systems for Prince, Circular and Whiet Roads and Loco-Shed area in Quetta.
 - d) Construction of High Court Bench at Sibi.
 - e) Const. of Resi Non Resi Accommodations for Jail Department in Baluchistan.
 - f) Const. of General Administration Buildings for new created Districts in Balochistan.

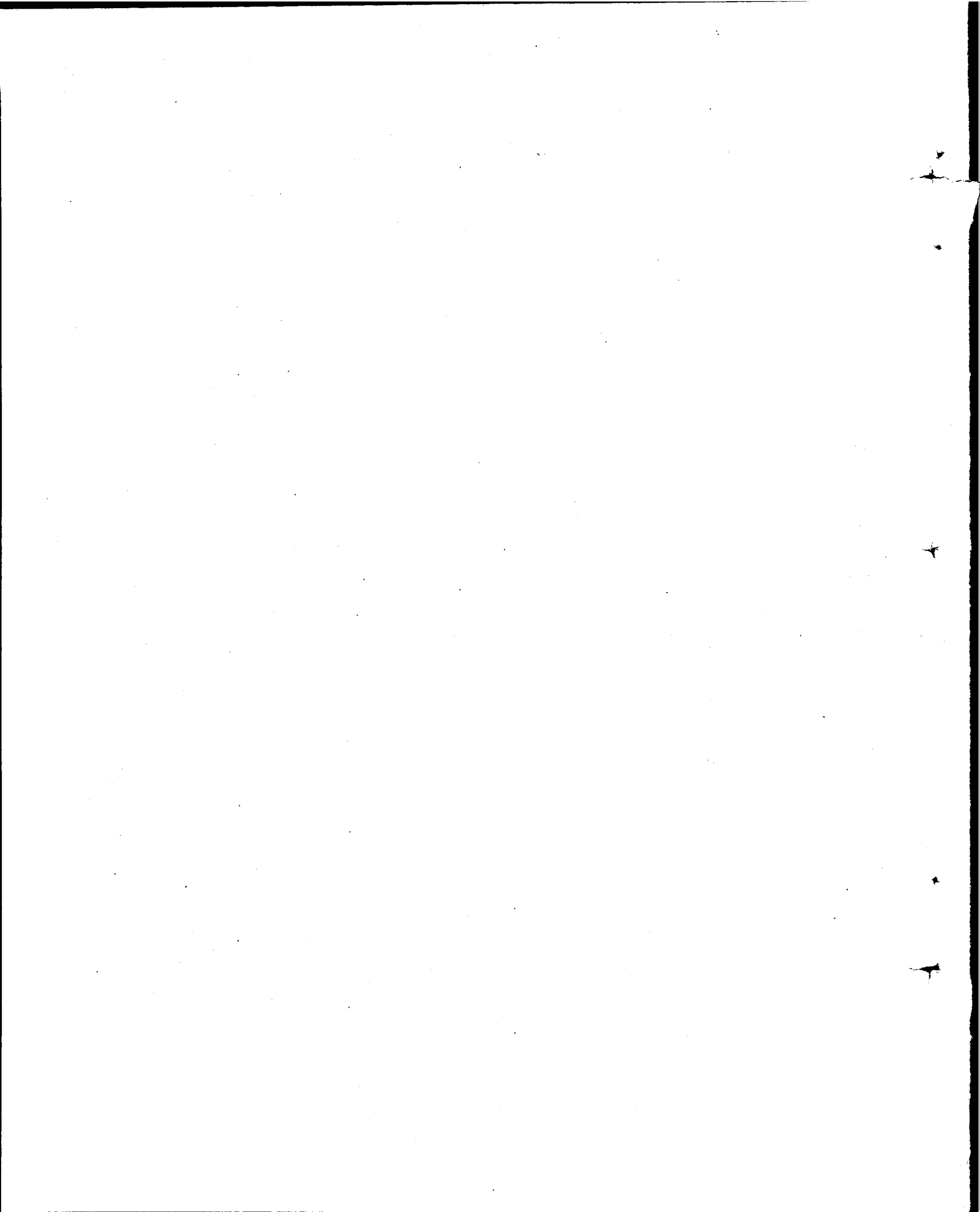
(c) Rural Water Supply & Sanitation

- (i)** Rs. 350 million are allocated in 1999-2000, to implement numerous SAP sponsored rural water supply and sanitation projects in rural areas, throughout the Baluchistan province.
- (ii)** The Balochistan WASA will implement Quetta Sewerage and Water Supply Projects, and other urban services schemes at various places.

PART-III

**HUMAN RESOURCES AND SOCIAL
DEVELOPMENT**

(157—158)



CHAPTER -15

SOCIAL ACTION PROGRAMME 1998-99

15.1 The SAP covers primary/elementary (middle and technical) including non-formal education, primary health care, rural water supply and sanitation and family planning programmes. The programme envisaged 79 percent funding through government contribution and 21 percent by the foreign donors. The SAP programme emphasizes the resolution of key implementation issues by an overall strengthening of institutional capacity to better utilize increased funds by restructuring social sector priorities towards delivery of primary level services to the beneficiary communities. The programme has helped to: (a) improve programme design to expand access to basic services for poor particularly for females and to improve service quality, (b) strengthen implementation capacity of social service programmes, (c) increase the real level of expenditure (both development and recurrent) by the government in the social sectors, particularly for key non-salary inputs, and (d) generate bureaucratic support and political will to reform social sectors for better delivery of services to the target groups. The overall emphasis of programme was to improve socio-economic conditions of the peoples of Pakistan through improvement in level of human resources development.

15.2 The success of SAP-I provided ground for launching SAPP-II for a five year time with estimated outlay of Rs 498.8 billion starting from 1997-98. The year 1997-98 was the first year of SAPP-II. The Donor assistance for SAP-II already committed comes to US \$ 99.77 billion by IDA, ADB, EU, DFID of UK and Dutch Government. Other donors who have envisaged interest in assisting SAPP-II are OECF of Japan, NORAD of Norway, CIDA of Canada, WFP and UNDP etc.

REVIEW OF SAP 1998-99

a) Financial Allocations

15.3 During 1998-99, an allocation of Rs 68.2 billion was earmarked for SAP - Rs 24.6 billion for development expenditure and Rs 43.6 billion for current budget. Against these allocations Rs 47.2 billion was spent, Rs 12.6 billion on development side and Rs 34.6 billion on recurrent side. At this level of expenditure utilization was 69.2 percent of the budget. The lower level of utilization is linked with the financial constraints and tight economic situation due to internal and external socio-economic and socio-political developments. The Table 15.1 below provides details of expenditure in respect of development, and recurrent. S.A. Table 15.1 presents the province wise, sector wise and programme wise details of SAP expenditure for the fiscal year 1998-99:

TABLE-15.1
SAP TIED DEVELOPMENT AND RECURRENT
EXPENDITURES & DISBURSEMENT 1998-99

(Billion Rs)

Agency	Budget 1998-99	Utilization 1998-99	% Utilization
A. DEVELOPMENT:	24.6	12.6	51.2
(a) Provinces	18.8	8.4	44.7
(b) F.Areas/Ministries	5.8	4.2	72.4
B. RECURRENT:	43.6	34.6	79.4
(a) Provinces	41.0	32.0	78.0
(b) F.Areas/Ministries	2.6	2.6	100.0
TOTAL (A + B)	68.2	47.2	69.2
(a) Provinces	59.8	40.4	67.6
(b) F.Areas/Ministries	8.4	6.8	81.0

Source: Provincial Governments, Area Administrations and Federal Ministries of Education, Health and Population Welfare.

b) Physical Progress

15.4 Specific achievements in the SAP Primary Education sector during 1998-99 included opening of 1,225 new primary schools and buildings for 918 shelterless primary schools. In addition to this additional class rooms were provided in 1,570 over crowded primary schools. To accommodate increasing output of primary level education, middle school education was also included in the SAP project and 406 primary schools were upgraded and 45 new middle schools opened.

15.5 Physical achievements in the Primary Health Sector during 1998-99 included construction of 73 Basic Health Units (BHUs), 35 Rural Health Centers (RHCs) and up-gradation of 171 BHUs and 35 RHCs, Immunization of 11.57 million children, training of 3,929 Traditional Birth Attendants (TBAs) and recruitment & training of 16,597 Lady Health Workers (LHWs) was also undertaken during 1998-99.

15.6 Physical progress achieved in Family Planning sector during 1998-99 in respect of establishment of service outlets in public, Non-Government Organizations (NGOs) and private sectors, i.e. involvement of Registered Medical Practitioners (RMPs), Hakeems and TBAs remained successful during the period under review. A large number of sale points were maintained under the aegis of Social Marketing of Contraceptives (SMCs) project. In addition, mobile services units, family welfare centres, reproductive health services, village based family planning workers, clinical training to Health Department personnels and others involved in family planning activities were undertaken. The Regional Training Institutes (RTIs) managed to provide facilities of training to personnels involved in management techniques. With above mentioned success the contraceptive prevalence rate of also showed some progress. This progress helped pull down population growth rate from 2.4 percent in 97-98 to 2.36 percent in 98-99.

15.7 Major physical achievements in the Rural Water Supply and Sanitation sector included provision of water supply facilities to 50.0 million rural population and sanitation facilities to 21.5 million rural population. In rural areas potable drinking water supply coverage was now as high as 59.7 percent whereas sanitation facilities coverage was 25.0 percent. A comparison of

physical targets and achievements for major components of SAP Sector programme is provided in table-16.2 and detailed physical achievement for the fiscal year 98-99 and targets for year 99-2000 are given at S.A. Table 15.3.

TABLE-15.2
PHYSICAL ACHIEVEMENTS AND TARGETS 1998-99

Item	Unit	Achievements 1997-98	Targets 1998-99	Achievements 1998-99
I. PRIMARY EDUCATION				
New Primary Schools	Nos	1555	1325	1225
Additional Class Rooms	Nos	2392	2001	1570
Buildings for Shelterless Schools	Nos	1151	1483	918
Up-gradation PS to MS	Nos	1598	1220	406
New Middle Schools	Nos	172	54	45
II. PRIMARY HEALTH				
New BHUs	Nos	81	96	73
New RHCs	Nos	79	52	35
Up-gradation of BHUs	Nos	415	197	171
Up-gradation of RHCs	Nos	67	41	35
LHW Recruited & Trained (Net)	Nos	8590	18327	16597
TBAs Trained	Nos	5063	5056	3929
Immunization	Million Nos	11.86	12.06	11.57
III. RWSS				
Rural Water Supply (Million Pop.)	Million	42.37	52.10	50.00
Rural Sanitation (Million Pop.)	Million	20.17	22.72	21.50

Source: Provincial Governments, Area Administrations and Federal Ministries of Education, Health and Population Welfare.

Policies and Implementation Strategies During 1998-99

Basic Education

15.8 School Management Committees/Parent Teachers Associations were vested with financial and administrative powers for incurring expenditures on procurement of text books, furniture, repairs of schools etc. at the rate of Rs.3300 per school per classroom. The SMCs/PTAs were imparted training in financial and administrative management. Local organizations namely NGOs and CBOs were mobilised for supporting SMCs and PTAs. Head teachers in each primary school were appointed and teachers were redeployed under a phased programme. A programme was started to open closed schools through the support of local communities. With a view to improving governance, action plans were initiated to take remedial measures on the findings of the Third Party Validation Reports of the Auditor General's Office on adherence to site selection criteria, recruitment on merit, checking of absenteeism and procurement according to rules.

Basic Health sector

15.9 Principal reforms were focussed on adequate availability of medicines and equipment in the health outlets; upgradation of BHUs and RHCs and non-construction of new BHUs and RHCs unless demand was established; use of health outlets for family planning services and training of doctors and paramedics in these services; involvement of communities in the service delivery and strengthening of existing monitoring system.

Population Welfare

15.10 Major reforms were formation of a Joint Coordination Committee of Ministry of Population Welfare and Ministry of Health to define a reproductive health policy and strategy; enhancement of NATPOW technical capacity for the involvement of NGOs and the private sector in service delivery; assurance of adequate contraceptives in the outlets both of Ministry of Population Welfare and Health Departments through rationalization of arrangements and decentralisation of authority of financial and operational management to district and divisional levels as well as RHS 'A' level.

RWSS

15.11 Major reforms were categorisation of completed water schemes according to ease of transfer to the communities; formulation of a phased programme for handing over of the completed schemes to communities, hiring of approved staff for community motivation teams, non-initiation of new schemes and initiation of monitoring and evaluation system on sector-wise basis.

PATICIPATORY DEVELOPMENT PROGRAMME

15.12 Financial assistance of Rs 198.743 million was committed to 28 NGO's sponsored projects after completion of scrutiny and site verification from over three hundred applicants. Under these projects primary schools, basic health units, population welfare facilities and water supply schemes were covered. A distinctive feature of these projects were the creation and strengthening of community based organizations to implement and manage the projects with emphasis on training and up-gradation of the skills of the people. PDP assistance to these projects was for two years and, thereafter, the sponsors and the community were expected to sustain the activity from their own resources. The assistance provided by the Government out of \$5 million soft loan from IDA for PDP support amounted to about Rs 164 million upto June 1999 to 28 NGOs selected under PDP for implementation of projects.

15.13 The programme has been budgeted during SAPP-II and responsibilities has been provincialized during the current financial year. The selection process was completed in June 99 and the proposals of 13 NGOs for PDP financing amounting to Rs. 117.8 million have been forwarded to donors for approval.

SAP PROGRAMME DURING 1999-2000

15.14 In 1999-2000, the focus of SAP will be on three aspects (i) to integrate social sector policies for improving the delivery of social sectors, (ii) to mitigate the institutional rigidity and overcome procedural inadequacies that impede efficient execution of SAP and (iii) consolidation and expansion of services/programmes launched and benefits achieved during first two years of SAP-II and (iv) supplementing policies with results of Health Management Information System (HIMS), Education Management Information System (EMIS) and Geographical Information System (GIS). These systems will be consolidated at national level for proper policy feedback and improvement in institutional and investment planning systems.

A) Implementation Framework under SAPP-II

15.15 SAPP-II has been designed for five years covering the period 1997-2002 against three years for SAPP-I (1993-96) after fairly detailed exercises carried out by the provinces, Federal Ministries of Health, Education, Population Welfare and Area Administrations i.e. FATA, FANA, AJK and ICT to programme. SAPP-II has workout physical targets and required financial allocations, alongwith a set of reforms and appropriate strategies to carry on with the SAP process with greater vigour. The year 1998-99 was the second year of SAPP-II. There are a number of points which have been agreed by the Government and the SAP Donors during SAPP-II, as discussed below:

- (a) Elimination of political interference in the implementation of the SAP. The first important steps have already been undertaken with the abolition of Social Action Boards and the restriction of the politically motivated programmes (e.g Peoples Programme) to on-going and contractual obligations before final termination;
- (b) Further decentralization of administrative and financial powers to the tehsil and district levels with enabling mechanisms to exercise them effectively. Full involvement of NGO, CBOs and beneficiary communities in better management of "Public Good".
- (c) A criteria for merit-based site selection staff recruitment, deployment and its validation by the Auditor General through sample physical checks. The auditor general under a MOU has been assigned to check attendance of teacher and health staff and to verify merit of the project site according to site selection criteria established under SAP.
- (d) Preparation of procurement plans for each sector and sub-programme and the extension of the scope of the Procurement Regulatory Authority approved recently by the Cabinet to the SAP also;
- (e) Prudent implementation of (c) and (d) requires that the SAP should not be subjected

to cuts in allocation/slow releases, recruitment bans and frequent transfers of project staff.

- (f) Setting up of Special Inspection Committees at the level of Planning and Development Departments and concerned line departments for third-party checks on staff absenteeism through linkages with communities;
- (g) Ensuring greater community participation by expanding and provincializing the implementation of Participatory Development Programme and by encouraging line agencies to enter into partnership agreements with NGOs/CBOs and communities.
- (h) Involving Private Sector through partnerships on the basis of land grant wherever possible in rural areas, one-third construction cost and imposition of minimum user charges and management of these funds with beneficiary communities.
- (i) Strengthening of Institutional arrangements for the SAP Secretariat both at Federal and Provincial levels, involving all focal points in SAP and establishment of a computerized net work i.e. Management Information System (MIS) and Geographical Information System (GIS).
- (j) Posting of Primary, Middle school teachers and paramedical staff particularly the females close to their homes.
- (k) Encouragement of unemployed educated persons with teachers training (particularly the females), to open primary and middle schools in their areas with suitable grants to be regulated through PDP and Education Foundation etc.
- (l) Use of selected "Masajids and Mosque Schools" for primary schools, wherever justified feasible.
- (m) Leasing out non-functional Basic Health Units (BHUs) to Private Practitioners for a specific period, with the condition that they would also carry out vaccination, maternity care and Population Welfare services.

B) Financial Allocations

15.16 **During 1999-2000:** The SAP has an increased focus on improving the quality of social services. Some other policy areas receiving greater and sustained attention include improving service delivery through management at local level, minimizing gender biases in the service design and delivery, improving accessibility of services for the poor and involving community in planning, designing and management of the projects through increased participation of the private sector and NGOs in community mobilization efforts and in actual service delivery. While enforcing these reforms, the overall focus will be on cost effectiveness and sustainability of social services delivery.

15.17 An allocation of Rs.67.2 billion (1.5 percent lower than 1998-99) has been provided for SAP, of which Rs.21.2 billion have been provided in development budget and Rs.46.0 billion for recurrent budget. Rs 6.2 billion or 13.5 percent of recurrent budget has been earmarked for non-salary budget. These funds are to be utilized on SAP tied development projects sponsored by the Federal Ministries of Education, Health and Population Welfare, Provincial Governments and Area/Agency administrations. The amount would be spent on development and provision of primary/middle level education, primary health care, nutrition, family planning, rural water supply and sanitation facilities. S.A Table 15.2 provides province wise, sector wise and programme wise details of the agreed budgetary allocations for 1999-2000. The Table 15.3 provides agency wise actual for 1998-99 and allocations for 1999-2000 along with amount reimbursed.

TABLE-15.3
SAP TIED DEVELOPMENT AND RECURRENT
EXPENDITURES & DISBURSEMENT 1998-99 and 1999-2000

(Billion Rs)

Agency	Allocations 98-99	Utilization 98-99	% Utilization	Budget 98-2000	% Increase Over 98-99 Allocations
A. DEVELOPMENT:	24.8	12.8	51.2	21.2	(-) 13.8
(a) Provinces	18.8	8.4	44.7	14.7	(-) 23.4
(b) F.Areas/Ministries	5.8	4.2	72.4	6.5	12.1
B. RECURRENT:	43.6	34.6	79.4	46.0	5.6
(a) Provinces	41.0	32.0	78.0	43.0	4.9
(b) F.Areas/Ministries	2.6	2.6	100.0	3.0	15.4
TOTAL (A + B)	68.2	47.2	69.2	67.2	(-) 1.5
(a) Provinces	59.8	40.4	67.6	57.7	(-) 3.5
(b) F.Areas/Ministries	8.4	6.8	81.0	9.5	13.1

SOURCE: Provincial Governments, Area Administrations and Federal Ministries of Education, Health and Population Welfare.

D) Physical Targets

15.18 During 1999-2000 following physical targets have been set for various SAP sectors. 1,508 new primary schools will be opened, 1,074 buildings for shelterless schools constructed, 881 primary schools will be upgraded and 142 new middle school will be opened. In health sector, about 14.81 million children under 5 years of age will be immunized and about 3,458 TBAs trained. 88 new BHUs and 50 RHCs will be completed and 54 BHUs and 36 RHCs upgraded. In rural water supply sector services to be extended to 55.9 million population and 26.4 million rural population will be provided with sanitation facilities. The major physical achievements for 1998-99 and Targets for 1999-2000 are given in the Table 15.4 below.

TABLE-15.4
PHYSICAL ACHIEVEMENTS 1998-99 & TARGETS FOR 1999-2000

Item	Unit	Targets 1998-99	Achievements 1998-99	Targets 1999-2000
<u>I. PRIMARY EDUCATION</u>				
New Primary Schools	Nos	1325	1225	1508
Additional Class Rooms	Nos	2001	1570	2114
Buildings for Shelterless Schools	Nos	1483	918	1074
Up-gradation P.S. to M.S	Nos	1220	406	881
New Middle Schools	Nos	54	45	142
<u>II. PRIMARY HEALTH</u>				
New BHUs	Nos	96	73	88
New RHCs	Nos	52	35	50
Up-gradation of BHUs	Nos	197	171	54
Up-gradation of RHCs	Nos	41	35	36
LHW Recruited & Trained (Net)	Nos	18327	16597	24596
TBAs Trained	Nos	5056	3929	3458
Immunization	Million Nos	12.06	11.57	14.81
<u>III. RWSS</u>				
Rural Water Supply (Million Pop)	Million	52.1	50.0	55.9
Rural Sanitation (Million Pop.)	Million	22.7	21.5	26.39

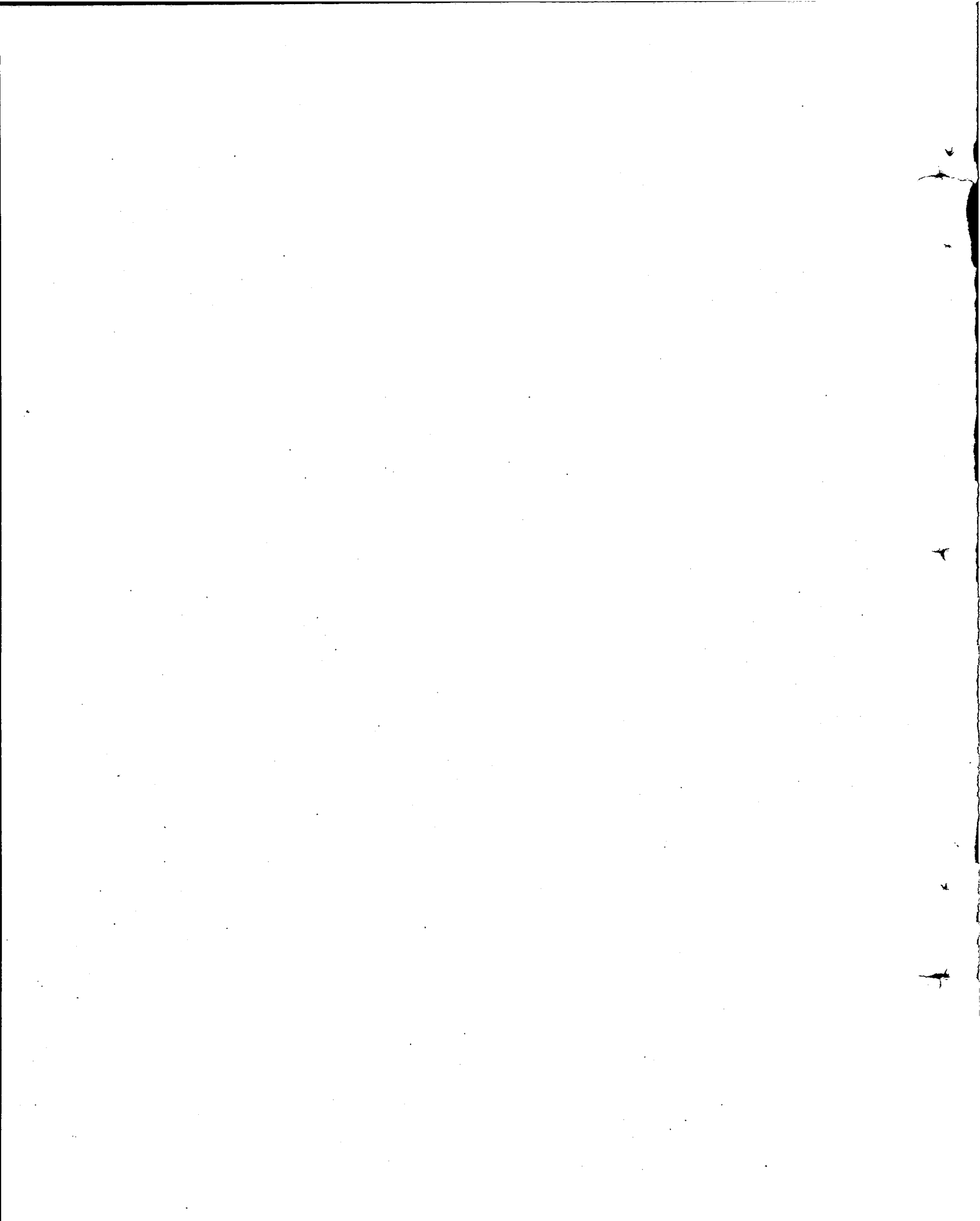
SOURCE: Provincial Governments, Area Administrations and Federal Ministries of Education, Health and Population Welfare.

CONCLUSION

15.19 During 1998-99 the pace of the on-going as well as new schemes was accelerated. In primary education sub-sectors the activities of establishment, addition of rooms, construction of buildings for shelterless primary schools, repairs and reconstruction of school buildings were carried out at national level through provincial, regional and area governments/authorities. Elementary and Non-formal Education were included in SAP and Private Sector involvement in education were promoted with financial assistance extended by Education foundations. In primary health sector, a sufficient number of Tehsil Headquarter Hospitals (THQs), BHUs and RHCs were constructed and upgraded, 11.57 million children were immunized. In the area of manpower development, about 3,929 TBAs were trained. 16,597 Lady Health Workers (LHWs) were recruited, trained and deployed within the local communities during 1998-99. To control iodine

deficiency disorder (IDD) in the endemic areas of NWFP, Northern Areas, Punjab and Balochistan, iodized salt was distributed and nutrition improvement programme started. The population welfare programme during the year concentrated on both consolidation and expansion of services. The service delivery outlets were established in both public and NGO/private sectors. Based on a mix of contraceptive offered during 1998-99 a high number of acceptors were served for achievement of targets of births aversion. In rural water supply and sanitation, it was estimated that the additional population will be covered. The target has been achieved.

15.20 As a general policy adopted for SAPP-II, during the financial year 1999-2000 focus will be on strengthening and consolidation of services already established and built during SAP phase-I. For achievement of maximum benefit the programme has been designed to include middle school, literacy and non-formal education sub-programmes in education sector, nutrition in Health Sector and urban slum in RWSS sector. The selected Basic Health, Rural Water Supply and Sanitation facilities are proposed to be strengthened. Emphasis will be on existing facilities rather than new construction. The existing RWSS schemes will be offered to communities and NGO's for management and operations alongwith responsibility of operational and maintenance (O&M) cost. In addition to this it is planned that, the goals/targets of SAP will be achieved through expenditure policy and implementation reforms in the four sectors. For better planning and management, the monitoring and evaluation system of social services delivery will further be institutionalized and annual operational plans will be used for identification, planning, designing and articulation of SAP sector reforms programme. The PDP has completed its first phase and shown positive results. A number of facilities for provision of quality social services have been established by NGOs working at national and local level in all four provinces and special areas. The Participatory Development Programme Phase-II (PDP-II) has been provincialized and included in the budget/PSDP of the Federal/Provincial governments during the financial year 1999-2000. The selection and recruitment of NGOs from the first round of invitation of proposals has been completed and the next round of invitation will be taken in hand in 1999-2000.



CHAPTER - 16

EDUCATION & TRAINING

16.1 Education is a continuous developmental process through which nations seek the best possible way of life. Investment in education is a productive activity necessary for the development and progress of a nation. Education, beyond any doubt is an investment in human resource development. It improves the knowledge and health status and raises the socio-economic level of the country as a whole. There has been unequivocal commitment by various governments to universalize primary education at the earliest possible, followed by concomitant expansion at subsequent levels of education. Deteriorating standards of education at all levels, is another increasing concern of all the stake holders. Some issues of basic education have been addressed to some extent under SAP-I. Under SAP-II, consolidation of SAP-I achievements, extension of basic programme upto elementary level, increase in female education, optimum use of existing facilities, improving delivery system and ensuring good governance are the other areas to be addressed. The non-SAP programmes, have also been given due importance to achieve the desired goals in this crucial area.

REVIEW OF 1998-99

16.2 As per revised programme an amount of Rs.9133.085 million including foreign aid was allocated for expansion of Education and Training programme in the country. Out of which Rs.7586.467 million were allocated by the provincial governments, while Rs.1445.224 million were allocated for Federal agencies i.e. Ministry of Education, Rs.852.381 million, Defence Division Rs.15.864 million, AJK Rs.230.000 million, FATA Rs.117.881 million, NA Rs.223.067 million and Establishment Division Rs.6.031 million. A lion share of the PSDP allocations have been released and utilized by the agencies concerned. Details are in Table 16.1.

TABLE - 16.1
PERCENTAGE (%) UTILIZATION OF PSDP ALLOCATION
FOR THE YEAR 1998-99 BY SUB-SECTORS & EXECUTING AGENCIES.

Sub-Sector	Punjab	Sindh	NWFP	Baloch- istan	Federal Govt.	Pakistan
Elementary	74	67	69	98	62	74
Secondary	31	34	98	98	86	86
Teacher	100	62	100	87	60	60
Technical	84	64	100	93	98	98
College	76	22	98	100	75	82
University	-	-	-	-	95	95
Scholarship	85	-	100	-	95	95
Literacy	-	-	-	-	100	100
Miscellaneous	72	42	100	77	90	90
Total:	74	61	74	97	81	76

Physical Achievements

School Education

16.3 During the year 806 new primary schools were established. Buildings of 781 shelterless primary schools were constructed and 561 Mosque schools were converted as primary schools. In over-crowded primary schools 841 classrooms were added besides improving physical facilities of 12988 primary schools. To accommodate increasing out put of primary and middle schools 440 primary and 52 middle schools were upgraded. Intermediate classes were added in existing 21 high schools. On-going works for establishment of 07 high schools, reconstruction of buildings of 01 middle and 01 high schools were completed. About 31 classrooms were added in existing overcrowded middle and high schools in addition to consolidation and improvement of 136 middle and high schools. Reforming curricula, establishment of Community Model Schools (CMS) for Girls, in-service training of school teachers, supervisors and administrative staff, provision of furniture, equipment and teaching learning material for selected schools were the other accomplishments. Province-wise break-up of major physical achievements of school education are given in S.A. Table-16.3.

Teacher Education

16.4 During the year construction work continued on the Elementary Teacher Training Colleges throughout the country. The work remained in progress on expansion and development of Federal College of Education, Islamabad. Under ADB assisted Teacher Training Project, work on establishment of Provincial Institutes of Teacher Education (PITE) is in the final stage. Other activities of Teacher Training Project i.e. revision of curricula for teacher training institutions, their staff development, strengthening of teacher training institutions remained on schedule. Master trainers were trained to conduct in-service training of primary & secondary school teachers at district level. Workshops and training activities were arranged by Curriculum Wing, Ministry of Education at Federal level and the Provincial Governments at suitable locations. About 2110 teachers have been imparted pre-service training while 8800 teachers have been extended in-service training.

Technical Education

16.5 During the year on-going work for establishment of Mono-technic Institutes; colleges of technologies and Government Commercial Institutes remained in progress. One polytechnic institute and one commercial training institute established. Four components of buildings for NISTE completed. 40 Computers purchasing contract awarded and other necessary equipments for NISTE being procured. Work remained in progress on Boys Polytechnic Institute, Islamabad.

College Education

16.6 During the year five new Inter Colleges established. Work on construction of buildings of two inter and one degree colleges and addition of classrooms in 10 colleges completed and facilities extended to improve college education.

Scholarships

16.7 Agency-wise expenditure on scholarships during 1998-99 is given below:

(Million Rs.)

Punjab	Sindh	NWFP	Baloch istan	M/o Edu.	M/o Def.	AJK	NA	FATA	Pakistan
66.0	0.0	8.132	-	164.76	0.5	0.3	-	0.0	165.56

Note: i) In the Province of Sindh scholarships are provided mainly from Zakat Fund, which are not reflected here. Scholarships in Balochistan, AJK and NA are provided under non-development budget.

16.8 During the year 164 scholars availed government sponsored studying facilities under various scholarship schemes. Under Prime Minister's directive a scheme has been launched for minority students. In addition students were awarded scholarships in different disciplines under Cultural Exchange Programme offered from different countries. Admission of about 750 foreign students was arranged in various institutions in the county on self-finance basis.

University Education

16.9 An amount of Rs.230.704 million including Rs.22.909 million foreign aid was allocated for 37 developmental schemes of universities out of which Rs.217.951 million have been utilized in this area. Development and expansion work of some University Campuses completed and some in progress. Development work for upgradation of Sindh University, Engineering College as Mehran University of Engineering & Technology continued. Immediate needs of University of Peshawar, new PTOC through Allama Iqbal Open University, Improvement of Science Labs. Staff Development Programme of Gomal University, establishment of Institute of Bio-Chemistry and Bio-Technology in the Punjab University, Lahore and provision of sports for women in Pakistani Universities through UGC, construction of Science Labs in Third World Centre and purchase of equipments, strengthening of Academic facilities of NWFP University of Engineering & Technology accomplished.

16.10 Work remained in progress on various on-going development projects of university campuses and other institutions of higher education. Linkage programme Department of Environment, Planning & Management, University of Peshawar with Norwegian Centre for

International Development remained in progress.

Literacy and Mass Education

16.11 Up to the end of the financial year 1998-99, 717 Non-formal Basic Education Schools/Centres have been established through Prime Minister's Literacy Commission (PMLC). Motivational campaign through media remained continued. Supervisory services through active involvement of NGOs improved a lot.

Miscellaneous

16.12 Under Girls Guide Scheme 10 residential rooms completed at the Headquarters, Islamabad at the cost of Rs.6.1 million. Improvement of educational facilities in Deeni Madaris, remained in progress under the scheme titled "Curricula in Deeni Madaris" is under revision and the Readers' Club Scheme was approved for its next Phase-III. Under Population Education Project textual material prepared and 60 teachers trained.

Establishment Division

16.13 Rs. 6.031 million were spent on four on-going development projects of Secretariat Training Institute, Islamabad, Improvement of roads in Pakistan Administrative Staff College Lahore, Renovation and upgradation of Hostel Block, NIPA, Lahore and renovation and upgradation of old Administration Block, NIPA, Lahore.

SPECIAL AREAS

a) Azad Jammu & Kashmir

16.14 Total allocation of Rs.230.000 million were allocated out of which Rs.91.0 million have been spent on the expansion and development of educational programmes in AJ&K. The physical performance included construction of 100 primary schools, construction of building of existing 150 shelterless primary schools, addition of 50 classrooms in over-crowded primary schools, upgradation of 10 high schools. On-going work remained in progress on Sports Stadium, three colleges and two polytechnic institutes and provision of furniture to various institutions.

b) Northern Areas

16.15 Rs.223.067 million allocated for the expansion and development of programmes of education in Northern Areas out of which Rs.147.513 utilized. The physical performance included, establishment of primary schools through community support programme, completion of ongoing works for up-gradation of primary, middle and high schools. Work on establishment of 02 elementary colleges remained in progress, construction of buildings for 16 shelterless primary schools remained in progress. Construction work of buildings of existing two high schools and a college continued.

c) FATA

16.16 Rs.117.881 million were allocated for the expansion and development of education sector programme out of which Rs.113.223 were utilized. 84 Female Communal Schools were opened, one primary schools was established, addition of classrooms in two primary schools was accomplished and consolidation and improvement of 60 existing primary and Mosque schools were made. 17 primary schools were upgraded to middle status, four middle schools upgraded to high level and one high schools upgraded.

FINANCIAL UTILIZATION OF PSDP ALLOCATION 1998-1999

16.17 Total of Rs. 9133.085 million were allocated (revised PSDP) for the development and expansion of Education Sector programmes in the country against which Rs.6967.171 million were utilized giving utilization rate of 75 per cent.

16.18 Out of total expenditure of Rs.6967.171 million in 1998-99, Rs.5694.259 million were spent in provinces. Sub-sector-wise percentage utilization for each agency are given in table 15.1 (under para 15.2) while agency-wise and sub-sector wise details of allocations and revised estimates are given in S.A.Table 16.1.

PROGRAMME FOR 1999-2000

Financial

16.19 Rs.7735.841 million including foreign aid of Rs.3469.027 million have been allocated for expansion and development of Education and Training Programme in the country. The allocation of provinces is Rs.5890.178 million including Rs.2998.933 million of foreign aid while Rs.1845.663 million including Rs.470.094 million of foreign aid have been allocated by Federal Agencies - Ministry of Education Rs.1592.554 million, Defence Division Rs.22.709 million, AJK Rs.265.0 million, NA Rs.356.124 million, FATA Rs. 186.699 million and Establishment Division Rs. 7.425 million. Sub-Sector-wise and agency-wise PSDP allocation for the year are given in S.A.Table 16.2. There are wide variations in the PSDP allocation for various executing agencies and the Sub-Sectors. Percentage share of allocation for each Sub-Sector is given in the Table 16.2 below:

TABLE 16.2
SUB-SECTOR-WISE PERCENTAGE (%) SHARE OF ALLOCATION
EXCLUDING FOREIGN AID DURING 1999-2000

Sub-Sector	PUNJAB	SINDH	NWFP	BALO- CHISTAN	FEDERAL	PAKISTAN
Elementary	65	42	89	80	37	62
Secondary	13	10	6	4	10	9
Teacher	-	10	-	8	3	4
Technical	6	18	3	-	4	6
College	7	12	1	7	7	7
Scholarships	-	-	-	-	8	2
University	-	-	-	-	19	5
Literacy	-	-	-	-	9	2
Miscellaneous	9	8	1	1	4	5
Total:	100	100	100	100	100	100

Physical

School Education

16.20 During the year 607 primary schools will be opened. Buildings of 700 shelterless primary schools will be constructed and 233 mosque schools will be converted as primary schools. In over-crowded primary schools 4969 new classrooms will be added. To accommodate the increasing output of Primary level 781 primary and 54 middle schools will be upgraded besides establishment of 10 new high schools in the country. Buildings of 21 existing middle and 37 high schools will be reconstructed while 318 new classrooms will be added in over crowded middle and high schools. Agency-wise targets for school education during 1998-99 are summarized in S.A Table-16.4.

Teacher Education

16.21 The programmes for teacher education will be of pre-service and in-service training of teachers of schools, colleges, technical institutions. About 2503 teachers will be imparted pre-service and 7000 teachers will be imparted in-service training. On-going work on elementary colleges will be continued and additional project facilities to teacher training in institutions would be continued through teacher training. The developmental schemes of Federal College of Education would be continued. Development of curricula for all Teacher Training Institutions, their staff development and the structural changes in the existing Teacher Training System will be finalized. Teaching of environmental education will be introduced for teacher trainers in colleges of education in Pakistan while training in Educational technology will be introduced in existing elementary colleges. Under the primary education projects of NWFP and Balochistan, teachers orientation programmes would be expedited to update their knowledge.

Technical Education

16.22 The Technical Education programmes, for the year include completion of construction work of 07 polytechnic institutions, 04 monotechnic institutions and 02 commercial institutions. Establishment of two Government Commercial Training Institutes and Five Vocational Institutes will remain in progress. Upgradation of three Commercial Training Centre to Institute level and construction of buildings for four Government Vocational Institutes will be continued. National Institute of Science & Technical Education (NISTE) will be strengthened through ADB Technical Education Project. The Polytechnic Institute for Boys have been made allocation to continue the construction work.

College Education

16.23 25 New Inter Colleges will be established in the country. In Punjab construction of buildings for 11 Inter/Degree Colleges, 20 additional classrooms in the existing colleges, five Hostels in the existing Inter & Degree Colleges and addition of post graduate block in one degree college would remain in progress. In Sindh, work on 35 colleges, in NWFP work on one college, in AJ&K work on 08 colleges and in NA work on 11 colleges would continue.

Scholarships

15.24 During the year Rs.145.593 million will be spent on scholarships for higher studies in the country and abroad. Under foreign scholarships 140 students will be sent abroad for higher studies in various disciplines while the scholars completing their studies will come back from foreign universities/institutions. About 1000 foreign scholars will be admitted in various institutions of higher learning on self-finance basis.

15.25 Agency-wise details of allocation for Scholarships are given below:

Punjab	Sindh	NWFP	Baloch- istan	M/o Edu.	M/o Def.	AJK	NA	FATA	Pakistan
-	1.593	-	4.000	130.000	-	-	-	10.000	194.926

Note: i) In the Province of Sindh scholarships are provided mainly from Zakat Fund, which are not reflected here.
ii) Scholarships in Balochistan, AJK and NA are provided under non-development budget.

University Education

16.26 An amount of Rs.351.488 million including 0.642 million Foreign Aid has been allocated for University Education. Total 35 Developmental schemes have been made allocations out of which 24 are on-going and 11 are new. Development and expansion work of all the

university campuses will be continued to meet their urgent needs on priority basis.

Literacy and Mass Education

16.27 Rs.157.878 million have been allocated for Non-formal Literacy programme. Work will remain in progress on the motivational campaign for provision of primary education and rural development in 35 villages of Islamabad. Primary education literacy programmes will gain momentum with the active involvement of NGOs. Social mobilization campaign, involvement of district administration in implementation of primary education and literacy programme, development of condensed curricula, teaching learning material and large scale of teacher training will augment the efforts. To improve and expand the basic education programme empowerment of local communities in implementation will go a long way in developing, designing and implementing these programmes according to local needs. In the 1st phase, out of establishment of 10,000 NFBE Schools, 7117 have been established throughout the country.

Miscellaneous Programmes

16.28 The administrative set up in all the four provinces will be facilitated fully. Training staff of Education Management Information System (EMIS) and strengthening of Planning Cells through the country will remain in progress. Work on establishment of Federal Education Management Information System will be completed. Phase-III of the readers club scheme has been launched by National Book Foundation. For the total five schemes an amount of Rs.35.976 million including F.A. of Rs.9.000 million have been allocated to achieve the targets envisaged in the current years PSDP for these schemes.

Establishment Division

16.29 Rs.7.425 million have been allocated for the development projects of Secretariat Training Institute, Islamabad; National Institute of Public Administration, Pakistan Administrative Staff College, Lahore and renovation and upgradation of old Admin Block, NIPA, Lahore.

SPECIAL AREAS

a) Azad Jammu & Kashmir

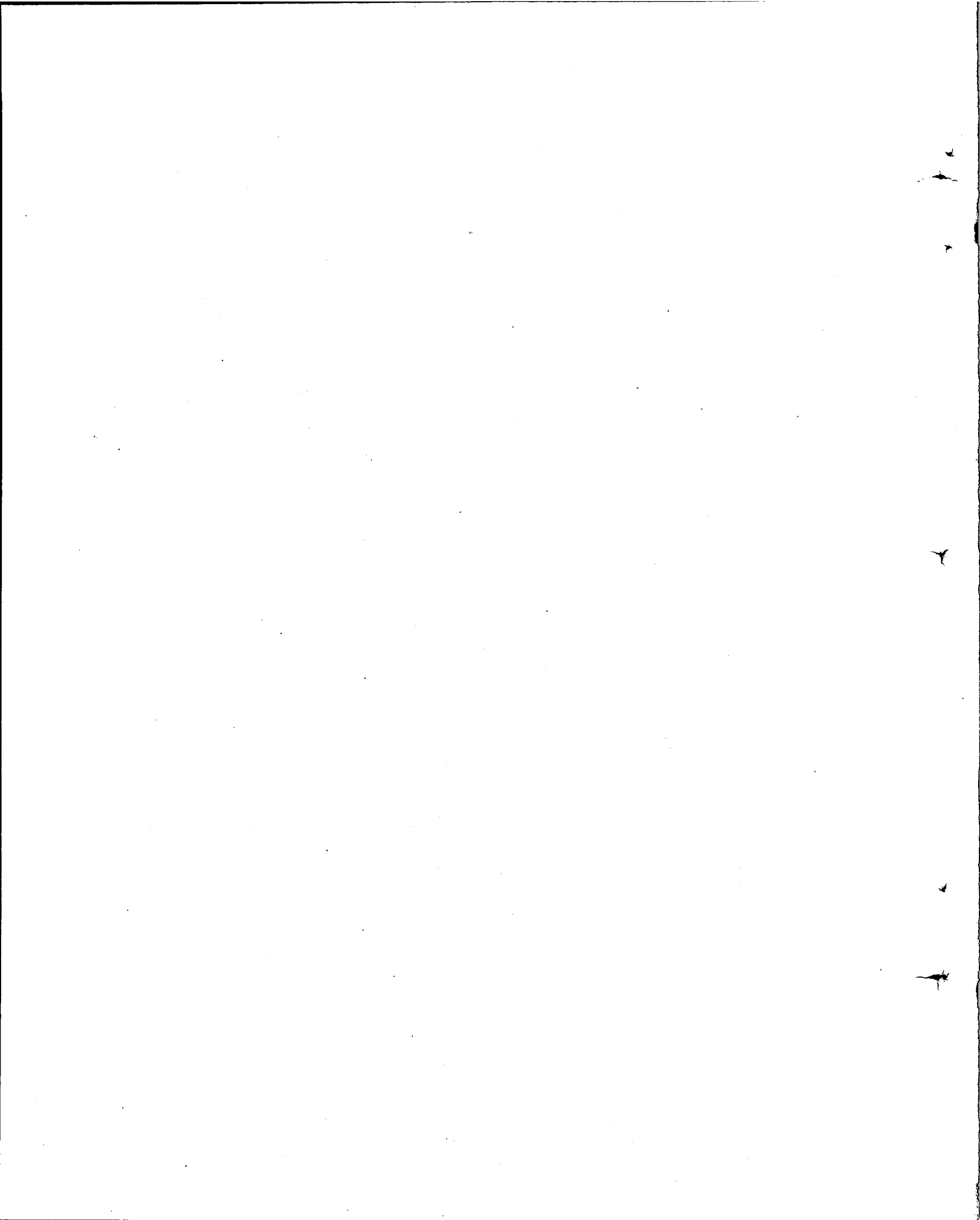
16.30 Rs.265.000 million have been allocated for expansion and development of educational programmes in AJ&K. The ongoing work of 100 primary schools, upgradation of 100 primary schools, upgradation of 50 middle schools, addition of classrooms in middle and high schools will remain in progress. The construction work of 10 high schools, three colleges and two polytechnic would continue.

b) Northern Area

16.31 Rs.356.124 million have been allocated for expansion and development of various education related programmes for Northern Areas. Work on establishment of two elementary teachers training colleges for women will be continued. Other programmes for staff development, development of teaching learning material and creation of Women Development Unit/Cell in Planning & Development Department will be accelerated. Work on construction of buildings of 16 shelterless primary schools will remain in progress. Construction of buildings of existing two high schools and a college will remain in progress.

F.A.T.A

16.32 Rs.186.699 million have been allocated for development and expansion of education related programmes. During the year 40 Communal Formal Schools, 23 new primary schools, conversion of three Mosque schools, construction of buildings for existing primary schools, construction of building of 10 shelterless primary schools, addition of classrooms in 60 over-crowded primary schools have been targeted to be accomplished. Under the Secondary sub-sector, 29 primary schools, three middle schools and six high schools would be upgraded. In addition to the above, one high school would be established and one high school would be reconstructed. In 10 middle and high schools additional classrooms would be added.



CHAPTER-17

HEALTH & NUTRITION

REVIEW 1998-99

HEALTH

17.1 Efforts have been made to address the issues of underutilization of health facilities through the activities under the Prime Ministers Programme for Primary Health Care and Family Planning and Expanded Programme of Immunization.

17.2 In the year 1998-99 there has been establishment of new health facilities in the rural areas which included construction of 24 BHUs and 14 RHCs besides, up-gradation of 48 BHUs and 40 RHCs. A total of 1900 hospital beds were added 5 million children were fully immunized, While 25 million packets of ORS were provided for management of diarrhoea among children. During the year 4200 doctors, 430 dentists, 2700 nurses 7000 paramedics and 8500 TBAs were trained. 43000 LHWs have been trained under Prime Minister's Programme for Family Planning and Primary Health Care. Physical targets and achievements appear in S.A.Table-17.1.

17.3 Total allocation for health sector was Rs.13594.684 million; Rs.8104.500 million for current budget and Rs.5490.184 million as development outlay including federal allocation of Rs.3123.184 million. Revised estimates of both development and current budget are Rs.10115.49 million, showing 75 percent utilization. Details of Physical and financial achievement and targets revised estimates 1998-99 and PSDP allocation 1999-2000 are given at S.A.Tables 17.1,17.2 & 17.3 :

17.4 SAP Allocation and Expenditure are given at S.A.Table-17.4.

FEDERAL

17.5 PSDP allocation for 1998-99 for federal areas were Rs.3123.00 million while revised estimates stood at Rs.2996.774 million showing 83 percent utilization during 1998-99. Agency-wise revised estimates are given under Table 17.1.

TABLE-17.1
AGENCY-WISE REVISED ESTIMATES OF FEDERAL PSDP, 1998-99

S.No.	Agency	Allocation 1998-99	Revised Estimates 1998-99	Percent Utilization
i)	Health Division	2329.665	1361.050	59
ii)	Islamabad Capital Territory (ICT)	1.630	1.630	100
iii)	Planning Division	40.549	3.000	8
iv)	Narcotics Division	10.000	7.000	70
v).	P.M's Secretariate (DAEC)	282.500	135.000	48
vi)	Cabinet Div.	47.000	47.000	100
vi)	Azad Kashmir	189.000	186.564	97
vii)	Northern Areas	106.200	100.000	97
viii)	FATA	118.270	105.00	89
Total:		3124.84	1946.244	63

Health Division

17.6 An allocation of Rs.2329.665 million was made through PSDP for the Health Division, against which revised estimates were Rs.1361.050 million showing 59 percent utilization. Sub-sectorwise allocation and utilization is given in Table 17.2:

TABLE-17.2
SUB-SECTOR WISE REVISED ESTIMATES OF HEALTH DIVISION'S
PSDP, 1998-99

S.No.	Sub-sector	Allocation 1998-99	Revised Estimates 1998-99	Percent Utilization
i)	Hospital beds	353.316	251.00	71
ii)	Health Manpower	130.600	117.34	89
iii)	Preventive	696.200	171.630	25
iv)	Rural Health	1108.00	1160.00	99
v)	Miscellaneous.	40.549	10.666	26
Total:		2329.665	1554.680	67.

17.7 Priority was accorded to the Rural/Health Programmes; major activities were malaria control and immunization of children against six preventable diseases and pregnant women for tetanus toxoid.

Major Projects of Health Sector are as follows:-

- Prime Minister's Programme for Family Planning and Primary Health Care was allocated Rs.1100.00 million and Rs.1100.00 million were utilized on the training of LHWs and procurement of medicines and equipment.
- Malaria Control Programme was allocated Rs.100.00 million for equipment and selective spray at Country level to control malaria and Rs.90.00 million were utilized for those activities.

Planning Division

17.8 PSDP allocation was Rs.4.00 million for nutrition activities including provision of iodized salt to endemic areas. Revised estimates were Rs.3.00 million showing 98 percent utilization. Iodized salt, through utility store corporation is supplied on subsidized price to the Northern parts of the Country for reducing iodine deficiency disorders while Private Sector is supplying the Iodized Salt in the Country.

Azad Jammu and Kashmir

17.9 Against PSDP allocation of Rs.189.000 million, revised estimates were Rs.186.564 million, showing 99 percent utilization of the allocation. Sub-sector wise break-up of revised estimates appear in Table-17.3.

TABLE 17.3
SUB-SECTOR WISE REVISED ESTIMATES OF AJK'S PSDP 1998-99

S.No.	Sub-Sector	Allocation 1998-99	Revised Estt. 1998-99	Percent Utilization
i)	Rural Health	135.646	100.00	74
ii)	Hospital beds	25.646	40.00	155
iii)	Preventive	10.247	20.000	100
iv)	Health Manpower	15.00	20.00	195
v)	Miscellaneous	4.00	6.564	160
Total:		189.00	186.564	99

17.10 During the period under review, 3 BHUs, and 2 RHCs were completed with addition of 110 beds.

Northern Areas

17.11 Revised estimates were Rs.55.00 million, against PSDP allocation of Rs.103.00 million, showing 47 percent utilization. Break-up of allocation and revised estimates is given in Table-17.4:

TABLE-17.4
**SUB-SECTOR WISE REVISED ESTIMATES OF NORTHERN AREA'S
PSDP,1998-99**

S.No.	Sub-Sector	Allocation 1998-99	Revised Estimates 1998-99	Percent Utilization
i)	Rural Health	21.00	20.00	99
ii)	Preventive Program.	17.200	12.00	71
iii)	Hospital Beds	10.000	7.00	70
iv)	Health Manpower Development.	4.800	6.00	120
v)	Miscellaneous	50.000	10.00	20
Total:		103.00	55.00	47

F A T A

17.12 PSDP allocation was Rs.118.270 million, revised Estimates were Rs.88.000 million during the period under review. Breakup is given in Table-17.5.

TABLE-17.5
SUB-SECTOR WISE ALLOCATION AND REVISED ESTIMATES OF
FATA PSDP FOR, 1998-99

S.No.	Sub-Sector	Allocation 1998-99	Revised Estimates 1998-99	Percent Utilization
i)	Rural Health	42.818	30.00	70
ii)	Preventive Program.	18.852	20.00	105
iii)	Hospital beds	42.595	15.00	33
iv)	Health Manpower	6.884	10.00	142
v)	Miscellaneous	7.130	5.00	71
Total:		80.270	68.000	67

Punjab

17.13 An amount of Rs.1450.000 million, have been allocated to health sector during 1998-99. The revised estimates were Rs.1071.289 million showing utilization of 74 percent during the period under review. Sub-sector wise revised allocations and expenditure of the development budget are given in Table-17.6.

TABLE-17.6
SUB-SECTOR WISE REVISED ESTIMATES, PUNJAB PSDP 1998-99

S.No.	Sub-Sector	Allocation 1998-99	Revised Estimates 1998-99	Percent Utilization
i)	Hospital beds	718.764	400.500	56
ii)	Health Manpower	289.687	280.689	97
iii)	Preventive	214.915	200.00	93
iv)	Rural Health	78.173	180.00	30
v)	Miscellaneous.	148.461	10.170	7
Total:		1450.000	1071.289	74

17.14 Physical achievements during the period include establishment of 4 RHCs, 8 BHUs, and up-gradation of 21 RHCs and 30 BHUs and 2 Urban Health Centres. 770 hospitals bed were added besides 1500 doctors, 159 Dentists 1140 nurses 3000 Paramedics and 3200 TBAs were trained. 2.7 million children were immunized and 10.6 million packets of ORS were distributed for the management of diarrhoea among children.

Sindh

17.15 The allocation for the year 1998-99 were Rs.360.00 million, while revised estimates were placed at Rs.242.174 million showing utilization of 67 percent. Subsector-wise allocation and revised estimates are given in Table-17.7.

TABLE-17.7
SUB-SECTOR WISE REVISED ESTIMATES, OF SINDH PSDP, 1998-99

Sl. No.	Sub-Sector	Original Allocation 1998-99	Revised Estimates 1998-99	Percent Utilization
i)	Hospital Beds.	50.00	70.090	140
ii)	Health Manpower.	50.00	53.728	107
iii)	Rural Health.	130.00	89.384	68
iv)	Preventive Program.	100.00	25.00	25
v)	Miscellaneous.	3.972	3.972	10.
T o t a l		360.00	242.174	67

17.16 Physical achievements include establishment of 450 hospital beds, 3 RHCs and 12 BHUs. Upgradation of 18 BHUs and 20 RHCs and establishment of 2 Urban Health Centres. 150 hospitals beds were added besides 3500 TBAs 1750 Doctors, 145 Dentists, 1000 Nurses, 2500 Paramedics were trained. 1.010 million children were immunized against six preventable diseases; and 2.6 million ORS packet were distributed for management of Diarrhoea among children during the period under review.

N W F P

17.17 An amount of Rs.198.00 million was allocated through PSDP for 1998-99 while revised estimates were Rs.252.228 million showing utilization rate of 45 percent. Sub-sectorwise allocation and estimated utilization is given in Table-17.8.

TABLE-17.8
SUB-SECTOR WISE REVISED ESTIMATES, OF NWFP PSDP FOR 1998-99

Sl. No.	Sub-Sector	Original Allocation 1998-99	Revised Estimates 1998-99	Percent Utilization
i)	Hospital Beds.	18.523	57.017	307
ii)	Health Manpower.	110.099	154.941	140
iii)	Rural Health.	28.523	49.478	173
iv)	Preventive.	26.501	9.226	35
v)	Miscellaneous.	14.226	0.00	0.00
T o t a l		198.00	270.662	136

17.18 Physical achievements include completion of 2BHUs and 3 RHCs. 180 hospital bed were added besides 500 doctors, 26 dentists, 300 nurses, 1500 paramedics and 850 TBAs were trained. Besides immunization of 00.5 million children against six million prevenable diseases.

Balochistan

17.19 During the year 1998-98, Rs.359.00 million were allocated while revised estimates were Rs.445.995 million Sub-sectorwise allocation and utilization is given in Table 17.9.

17.20 Physical achievements include establishment of 100 hospital beds, 2 RHCs & 4 BHUs and upgradation of 5 RHCs and 16 BHUs besides 340 TBAs were trained. Immunization coverage of children under one year was 0.600 million children during 1998-99. 1.00 million packets of ORS were distributed for the management of diarrhoea. On the manpower side 120 doctors, 160 nurses, 50 dentists and 530 paramedics were trained.

TABLE-17.9
SUB-SECTOR WISE REVISED ESTIMATES OF BALOCHISATAN'S
PSDP 1998-99

S.No.	Sub-Sector	Allocation 1998-99	Revised Estimates 1998-99	Percent utilization
i)	Rural Health	55.120	62.380	112
ii)	Preventive Prog.	50.409	89.825	181
iii)	Hospital Beds	110.00	29.00	26

iv)	Health Manpower Div	113.383	191.5	169
v)	Miscellaneous	30.082	73.290	243
Total:		359.00	445.995	123

PROGRAMME FOR 1999-2000

17.21 In order to provide efficient and effective health care delivery efforts will be made to address the issues of under utilization of rural health facilities by further consolidating/strengthening the Prime Minister's Programme for Primary Health Care and Family Planning, Expanded Programme of Immunization and with the commencement of Women's Health Project.

17.22 The physical targets for 1999-2000 include the new construction of 34 RHCs and 18 BHUs. Upgradation of 33 RHCs and 53 BHUs, construction of 07 Urban Health Centres and addition of a total of 2750 hospital beds. Expected manpower production targets are graduation of 4400 doctors, 440 dentists, 3000 nurses 6800 paramedics, and 9600 TBAs Immunization programme has plans to protect 5 million children while management of diarrhoea through ORS will be supported by provision of 30 million ORS packets.

17.23 Total allocation of Health sector for 1999-2000 stands at Rs.14598.897 million Rs.9051.00 million and Rs.5547.00 million on account of non-development and development respectively. Details of financial and physical achievements during 1998-99 and targets set for 1999-2000 by various executing agencies and by sub-sectors are given at S.A.Tables-17.1,17,2 and 17.3.

Federal

17.24 Allocation for various federal executing agencies including Health Division is Rs.3274.998 million. Details are given in Table-17.10.

TABLE-17.10
AGENCY WISE PSDP ALLOCATION FOR FEDERAL AREAS, 1999-2000

S.No.	Executing Agency	Allocation 1999-2000	Percent Share
i)	Health Division	2567.481	78
ii)	Narcotics Control Divn.	9.000	0.27
iii)	Islamabad Capital Territory.	4.600	0.13
iv)	Pakistan Atomic Energy Commission.	63.917	1.95
v)	Planning Division	5.000	0.10
vi)	Cabinet Division.	85.000	3
vii)	Azad Jammu & Kashmir	170.000	5

viii)	Northern Areas	190.000	6
ix)	F A T A	180.000	5.64
----- Total:		3274.998	100.00

Health Division

17.25 PSDP allocation in 1999-2000 for the health sector Development Projects is Rs.2329.665 million against the revised estimates of Rs. 2000.725 million during 1997-98.

TABLE-17.11
SUB-SECTOR WISE PSDP ALLOCATIONS FOR HEALTH DIVISION, 1999-2000

S.No.	Sub-Sector	Allocation 1998-99	Percent Share
i)	Preventive Programme	972.04	39
ii)	Hospital beds	143.241	6
iii)	Health Manpower	71.00	3
iv)	Rural Health	1350.00	50
v)	Miscellaneous.	33.00	2
----- Total:		2567.781	100.00

17.26 Priority is accorded to the Rural Health programmes followed by preventive programmes. Main preventive and Rural Health programmes are as follows:-

- Prime Minister's Programme for Family Planning and Primary Health Care has been allocated Rs.1300.000 million which will be utilized for the training of Lady Health Workers and purchase of material, medicine and equipment.
- A sum of Rs.800.00 million have been earmarked for EPI programme for purchase of vaccines, syringes, cold chain and training.
- Malaria Control Programme has been provided Rs.90.00 million for procurement of equipment, larvicide and selective spray to control malaria.
- To addresss the issues of Women Health the proejct of Women Health has been started with allocation of Rs.50.00 million .

Cabinet Division

17.27 An amount of Rs.85.00 million has been provided in the PSDP for Upgradation of the Institute of Nursing and Health Services, Sheikh Zayed Hospital Lahore.

Narcotics Control Division

17.28 Realizing the importance of drug addiction and its magnitude, an amount of Rs.9.00 million has been allocated for the new schemes of Mass awareness Programme besides schemes of community participation and demand reeducation.

Planning & Development Division

17.29 Rs.5.00 million have been allocated for provision of iodized salt to endemic areas in the northern parts of the country and Pakistan Nutrition Project. Details appear in the chapter on nutrition.

Pakistan Atomic Energy Commission (PAEC) P.M's Secretariat :

17.30 Rs.63.917 million have been provided for Nuclear Medicines and Diagnostic equipment for cancer for various schemes of Pakistan Atomic Energy Commission.

Azad Jammu & Kashmir

17.31 An amount of Rs.170.00 million have been provided in the PSDP, Sub-sectorwise break-up is given in Table-17.12.

TABLE-17.12
SUB-SECTOR WISE PSDP ALLOCATIONS, AJ&K, 1999-2000

S.No.	Sub-sector	Allocation 1999-2000	Percent Share
i)	Rural Health	100.468	60
ii)	Hospital beds	30.472	18
iii)	Preventive	15.460	9
vi)	Health Manpower	12.60	7
v)	Miscellaneous	11.00	6
Total:		170.00	100

Northern Areas

17.32 PSDP allocations are Rs.190.00 million. Detailed break-up of allocations is given in Table-17.13

TABLE-17.13
SUB-SECTOR WISE PSDP ALLOCATIONS, NORTHERN AREAS, 1999-2000

S.No.	Sub-sector	Allocation 1997-98	Percent share
i)	Rural Health	50.00	26
ii)	Hospital beds	50.00	26
iii)	Health Manpower	30.00	16

iv) Preventive Programme	50.00	27
v) Miscellaneous	10.00	5
Total:	190.00	100

F A T A

17.33 Rs.180.00 million have been provided through PSDP 1998-99.

17.34 Sub-Sector wise allocations are given in the Table-14 :

TABLE-17.14
SUB-SECTOR WISE PSDP ALLOCATIONS, FATA, 1999-2000

S.No.	Sub-sector	Allocation 1999-2000	Percent share
i)	Rural Health	60.00	34
ii)	Preventive Programme	50.00	28
iii)	Hospital beds	30.00	16
iv)	Health Manpower Development.	30.00	6
v)	Miscellaneous	10.130	6
Total:		180.00	100

Punjab

17.35 An amount of Rs.1310.495 million, have been earmarked during 1999-2000 for the Health Sector in the total Public Sector Development Programme. Sub-sector Wise allocation is given in Table.17.15.

TABLE-17.15
SUB-SECTOR WISE ALLOCATIONS, PUNJAB PSDP 1999-2000

S.No.	Sub-sector	Allocation 1999-2000	Percent Share
i)	Hospital beds	200.00	15
ii)	Health Manpower	250.00	19
iii)	Rural Health	500.00	38
iv)	Preventive	350.00	27
v)	Miscellaneous.	10.495	1
Total:		1310.495	100

17.36 During 1999-2000, 10 RHCs and 6 BHUs will be completed, while 9 RHCs and 20 BHUs will be upgraded. On the hospital side, 850 hospital beds will be added, 3200 TBAs will be trained. 2.6 million children will be immunized and 10.6 million packets of ORS will be distributed. 2000 doctors 1400 nurses, 226 Dentists and 4450 paramedics will be trained and

03 Urban Health Centres will be established.

Sindh

17.37 An allocation of Rs.360.000 million has been made in the Public Sector Development Programme 1999-2000 :-

TABLE-17.16
SUB-SECTOR WISE PSDP ALLOCATIONS, SINDH PROVINCE, 1999-2000

S.No.	Sub-sector	Allocation 1999-2000	Percent Share
i)	Hospital beds	60.00	17
ii)	Health Manpower	41.61	12
iii)	Rural Health	120.00	34
iv)	Preventive Programme	73.185	21
v)	Miscellaneous	45.050	13
Total:		360.00	100

17.38 Under the Primary Health Care Programmes, 5 BHUs, 12 RHCs, 3 urban health centres will be completed while 18 BHUs and 10 RHCs will be upgraded. Target for Immunization is 1.087 million children and mothers 4.5 million packets of ORS will be distributed.

17.39 During the year 660 hospital beds will be added 1850 doctors, 190 Nurses, 160 dentists, and 1150 paramedics are expected to be graduated from the provincial medical schools and colleges, besides training of 3000 TBAs.

N W F P

17.40 An amount of Rs.198.00 million have been allocated during 1999-2000. Sub-sector wise breakup of allocations is in Table 17.17.

TABLE 17.17
SUB-SECTOR WISE PSDP ALLOCATION, NWFP PROVINCE 1999-2000

S.No.	Sub-Sector	allocation 1999-2000	Percent Share
i)	Hospital Beds	35.964	18
ii)	Rural Health	107.488	55
iii)	Preventive Programme	11.898	6
iv)	Health Manpower	36.795	18
v)	Miscellaneous.	5.855	3
Total:		198.000	100.00

17.41 There will be addition of 290 hospital beds. Other physical targets include improvement/reconstruction of 6 RHCs. During the year 749 Doctors 400 Nurses, 760 paramedics, and 1500 TBAs/CHWs will be trained. Targets on the preventive side include immunization of 0.636 million children and 2 million packets of ORS for management of diarrhoea.

Balochistan

17.42 An allocation of Rs.402.104 million (Table 17.18) have been made during 1999-20009.

TABLE-17.18
SUB-SECTOR WISE ALLOCATIONS, BALOCHISTAN PROVINCE 1999-2000

S.No.	Sub-Sector	Allocation 1999-2000	Percent Share
i)	Rural Health	120.00	30
ii)	Preventive Programme	120.00	30
iii)	Hospital Beds	100.00	25
iv)	Health Manpower Div:	50.00	12
vii)	Miscellaneous	12.104	3
Total:		402.104	100

17.43 Physical targets include completion of 12 RHCs and 7 BHUs, upgradation of 8 RHCs and 15 BHUs.

17.44 There will be addition of 120 hospital beds on the manpower side the expected output includes graduation of 171 doctors 24 dentists 300 Nurses 340 Paramedics & 400 TBAs Immunization programme is expected to protect 0.236 million new borns.

NUTRITION

REVIEW OF 1998-99

17.45 An amount of Rs.3 million was allocated for nutrition programmes in the federal PSDP during 1998-99 of which Rs. 2.72 have been utilized. The shortfall in the expenditure was low because the allocation (Rs. 37 million) made for Pakistan Nutrition Project SAP-II was not released due to non-approval of the project. A review of programmes under-taken during 1998-99 is given below:-

a. Iodine Deficiency Disorder (IDD) Control Programme

17.46 Iodine deficiency is responsible not only for widespread goitre and cretinism but also for retarded physical growth and intellectual development including a variety of other

conditions. These conditions together are termed as iodine deficiency disorder (IDD). IDD is more common in northern hilly areas of Pakistan and AJK. Universal consumption of Iodized Salt is long term intervention to combat the problem. Therefore, supply of iodized salt in the market is a monitoring indicator for the physical achievements of this intervention. With the technical inputs of Nutrition Section of Planning Division, Utility Stores Corporation and the private sector an annual production capacity of about 135,000 tonnes of iodized salt has been achieved, which is 33% of the total salt production per annum. About 315 salt processors (69% of total) are presently participating in the production and marketing of iodized salt. Further to increase the demand, promotional campaign was carried out through 17 radio stations and TV network besides printed material and inter-personal communication. The quality control activities to improve the quality of iodised salt were undertaken.

b. Protection and Promotion of Breastfeeding

17.47 One of the important aspect of maternal and child health and nutrition is the promotion of breastfeeding. The nutrition programme therefore promotes the adoption of breastfeeding policy by all the health institutions. Those hospitals/institutions adopting the policy and meeting all criteria are awarded as baby friendly hospitals. Baby Friendly Hospital awards, up to end of 1998-99, have been extended to 52 hospitals while 19 hospitals received certificate of commitment. Promotional activities have been carried out through multi-media campaign. The Breastfeeding Act to control/streamline the promotion of infant formulae by the manufactures has been submitted through the Health Division for further processing and approval.

c. Prime Minister's Programme for Family Planning and Primary Health Care

17.48 Support has been provided to 43,000 LHW's in Prime Minister Programme to deliver inputs and nutrition services for benefits of women and young children. Training have also been imparted to LHWs for promotion of breastfeeding and create demand for iodized salt in the country.

d. Development of Indicators for Monitoring, Evaluation of Social Action Programme

17.49 Monitoring of a programme is important to know its progress. Detailed sectoral indicators for monitoring and evaluation of SAP programme has been developed. These indicators would supplement the existing SAP indicators and help to develop a comprehensive sectoral baseline for monitoring and evaluation of programme.

e. Food Fortification

17.50 To cope with micronutrient malnutrition, food fortification is a short term measure. The micro-nutrient (Iron and Vitamin A) fortification project was initiated with UNICEF/MI assistance. A situation analysis of the ghee/edible oil manufacturing and the flour milling industry was conducted. Consultative meetings on Vitamin A fortification of edible oil; and iron fortification of wheat flour were held in order to design a policy and Plan of Action for

future activities. A research study on stability of vitamin A in edible oil during cooking has been completed as feasibility background for launching programme.

f. Food Availability/Consumption

17.51 As shown in Table-17.19 below, the overall food availability during 1998-99 increased by 2.92 percent over 1997-98. Per capita availability of wheat, rice, other grains, pulses, milk, vegetable ghee/edible oil, meat, fruit and vegetables increased in 1998-99, while the per capita availability of sugar decreased over 1997-98. As a result of this the per capita availability of calories and protein in 1998-99 increased to 2796 and 71.09 grams from 2655 calories and 68.37 grams protein in 1997-98.

TABLE-17.19
AVAILABILITY OF ESENTIAL ITEMS OF CONSUMPTION

S.No.	Items	Unit	1997-98	1998-99 Provisional	%Change in 1998 99 over 1997-98
1.	Wheat	Kgs/Annum	134.17	140.82	(+) 4.96
2.	Rice	"	15.07	19.80	(+) 31.39
3.	Other Grains	"	10.50	10.58	(+) 0.76
4.	Pluses	"	5.92	7.03	(+) 18.75
5.	Milk	Litre/Annum	81.45	81.94	(+) 0.60
6.	Vegetable Ghee				
	Edible Oil	Kgs/Annum	11.62	12.26	(+) 5.51
7.	Meat(Beef, Mutton,Poultry Fish & eggs)	"	20.03	20.39	(+) 1.80
8.	Fruits & Vegetables"		78.71	79.00	(+) 0.37
9.	Sugar	"	32.75	32.78	(-) 1.13
Weighted Growth Rate					(+) 2.92
Availability of					
	Calories		2655	2796	
	Proteins (grams)		68.37	71.09	

PROGRAMME FOR 1999-2000

Food Availability/Consumption

17.52 The overall production and availability of major food items has been targeted to provide the required level of calories and protein in 1999-2000 as shown in Table-17.20.

17.53 The average food availability will decrease by 2.22 percent in 1999-2000. The availability of essential food commodities except wheat, rice, pulses and sugar would increase. On individual basis the per capita availability of milk, meat, vegetable ghee/edible oil, fruits and vegetables will increase in 1999-2000 over 1998-99. The per capita availability of calories in 1999-2000 will decrease to 2715 calories from 2796 calories but that of protein will remain unchanged. However the overall availability of calories during 1999-2000 would be adequate to meet the nutritional needs of different segments of population.

Table-17.20
Availability of Essential Items of Consumption

S.No.	Items	Unit	1998-99 provisional	1999-2000 Targets	%Change in 1999 2000 over 1997-98
1.	Wheat	Kgs/Annum	140.82	132.72	(+) 5.75
2.	Rice	"	19.80	16.68	(+) 15.76
3.	Other Grains	"	10.58	11.38	(+) 7.56
4.	Pulses	"	7.03	6.65	(+) 5.40
5.	Milk	Litre/Annum	81.94	90.13	(+) 10.00
6.	Vegetable Ghee				
	Edible Oil	Kgs/Annum	12.26	12.66	(+) 3.26
7.	Meat(Beef, Mutton,Poultry Fish & eggs)	"	20.39	22.42	(+) 9.96
8.	Fruits & Vegetables"		79.00	79.26	(+) 0.33
9.	Sugar	"	32.38	30.77	(-) 4.97
Weighted Growth Rate					(+) 2.22
Availability of					
	Calories		2796	2715	
	Proteins (grams)		71.09	71.03	

17.54 An amount of Rs.3 million have been allocated for nutrition programmes for 1999-2000. The following programmes will be implemented during 1999-2000.

a.Micronutrient Deficiency Control Programme

i)IDD Control Programme

17.55 Production and marketing of iodized salt throughout the country will continue. The private salt processors will be motivated to produce and market iodized salt. Promotional campaign through multimedia including radio and TV network and mass media will continue. The quality control system for iodized salt will be strengthened to improve the quality of iodized salt. A study to know the availability and awareness of Iodised Salt in Punjab will be completed.

ii) Anaemia Control Programme

17.56 A programme for anaemia control through food fortification on pilot scale will be initiated and field assessment of flour milling sector and quality control agencies will be conducted to develop a programme for iron fortification of wheat flour. The programme would be developed initially on pilot basis at two places. The countrywide Iron Fortification of Wheat Flour Programme will be developed on the evaluation of all aspects of the pilot phase.

iii) Vitamin A Deficiency Control Programme

17.57 The fortification of edible oil/ghee with vitamin A had already been legislated and standards formulated through Pure Food Rules, 1965. However, the required level of vitamin A is not added by the manufacturers. An assessment of quality control and technical operations for vitaminization of edible oil will be conducted to strengthen the ongoing programme. Necessary technical support to oil manufacturers and the quality control agencies will be provided to improve the quality of the product to control vitamin A deficiency which is sub-clinical at present but may emerge as a public health problems in the future.

17.58 Side by side a Vitamin-A Supplementation Programme for vulnerable population will initiated with its integration on National Immunization Days, with the assistance of UNICEF/MI/Ministry of Health, as a short term measure.

b. Promotion and Protection of Breast-feeding

17.59 The Baby Friendly Hospital Initiative will be extended to more hospitals in all the provinces. Promotional activities will be carried out through multi-media campaign. The breast-feeding act would be finalized in consultation with Health Division to control and streamline the production of infant formulas by the manufacturing companies.

c. Prime Minister's Programme for Family Planning and Primary Health Care

17.60 Technical support will be provided to LHWs in Prime Minister Programme to deliver inputs and nutrition services for the benefits of women and young children. The programme will cover the majority of rural population which remains unserved through the static basic health service.

d. Monitoring and Evaluation of Social Sector Programmes

17.61 The collaboration of the Government of Pakistan and UNICEF for monitoring and evaluation of social sector programme will continue. The social indicators developed will be finalized, printed and circulated to the concerned agencies for collection of base-line information for monitoring of the social sector programmes.

e. National Nutrition Survey

17.62 A National Nutrition Survey will be planned to assess the national nutrition situation in the country. The survey will include assessment of macro and micro-nutrient status of population. This will also help to set up a baseline information which will be used for formulating future programmes. The Nutrition Survey will be conducted with the collaboration of Health Division, National Institute Health (NIH) and the provincial governments.

f. SAP-II Nutrition Programme

17.63 Provincial governments will be assisted to develop provincial nutrition programmes and P-C-I documents for improvement of nutritional status of vulnerable groups on sustainable basis. This project would strengthen institutions, the concerned line departments and involve NGOs and private sector to improve coordination and delivery of nutrition services to the vulnerable groups. The project will include programmes for combating micronutrient and protein-energy malnutrition, and improving food security and strengthening information, education and communication, institutional capacity and research.

CHAPTER-18

POPULATION WELFARE PROGRAMME

POPULATION AND DEVELOPMENT

18.1 Pakistan has quadruppled its population size from 33.8 million (1951) to 130.6 million (1998), during a period of five decades. Because of a sharp decline in mortality since 1950s, accompanied by a corresponding change in fertility until the late 1980s, the growth rates ranged between 2 percent in the 1950s to over 3 percent in 1960s, 70s and 80s - one of the highest in the world. Although slow-paced, the demographic transition has started and the growth rate has declined to an estimated 2.4 percent in 1998.

18.2 A number of factors are attributed to the high growth and fertility rates including the socio-cultural and economic factors effecting demographic behavior in pakistan. In this context, the role of specific socio- cultural factors such as literacy, age at marriage, women's status and autonomy, preference for sons, family structure, decision making and related matters are responsible for high growth profile.

18.3 Considering the above factors, Pakistan's population programme stands at a threshold alongwith other programs in the social sectors, where conducive policies and programmes are needed to be framed. With almost universal knowledge about family planing, only 24 percent (PFFP 1996-97) of couples are reported using contraceptives, indicating a large unmet need of about 38 percent for services.

REVIEW OF 1998-99

FINANCIAL

18.4 The financial performance of the Programme of Ministry of Population Welfare remained low, as it utilized Rs.1401.625 million (70.1%) upto June, 1999. Some of the reasons for low utilization are (i) delay and short releases of funds and (ii) ban on purchase of equipments and machinery.

Sub-sector-wise allocation and utilization of MOPW is given in Table-18.1.

TABLE-18.1
SUB-SECTOR WISE ALLOCATION AND UTILIZATION
1998-99

(Million Rupees)				
S.No.	Name of Sub-sector	Allo cation	Utili zation	Percent Utili zation
1	2	3	4	5
1.	Administrative Organization	416.500	284.765	67
2.	Population Welfare Services	1049.500	790.213	75
3.	IEC Programme	112.000	80.334	72
4.	Training	82.000	58.152	71
5.	Research	54.000	20.103	37
6.	Logistics & Supplies	272.000	154.058	57
7.	Construction	14.000	14.000	100
Total		2000.000	1401.625	70

18.5 The Sub-sector-wise financial performance ranged between 37 percent in research and 100 in construction. A shortfall of 63 percent in research and 43 percent in logistics, depicts a poor picture. The short fall was due to delay on the part of programme administration, in fulfillment of procurement requirements.

PHYSICAL PERFORMANCE

18.6 During the period under review, the delivery of services was strengthened. The programme involved 1500 Family Welfare Centres, retained 131 Mobile Service Units (MSUs) and 101 Reproductive Health Service "A" Centres, recruited and deployed 11538 FP Workers. The programme also involved 7008 service outlets of health and Provincial Line Departments, 335 outlets of Target Group Institutions (TGIs), 13935 Private Registered Medical Practitioners (RMPs), 12678 Hakeems and Homoeopaths and 479 Service Outlets of NGOs. For the easy delivery of conventional contraceptives the programme utilized 3842 sale points. In private Sector the Social Marketing Pakistan involved 900 private Lady Medical Practitioners, under the brand name "Green Star Clinics." Details are given in Table-18.2.

TABLE-18.2
PHYSICAL PERFORMANCE
1998-99

(Accumulative Number)

Sl. No.	Name of Service	Target	Achievement	%Achievement Outlet
01.	Family Welfare Centres	1510	1500	100
02.	Reproductive Health 'A' Centres	101	101	100
03.	Mobile Service Units	131	131	100
04.	Village Based Family Planning Workers	12012	11538	96
05.	Involvement of NGOs	500	479	100
06.	Involvement of pro- vincial Line Deptts.	168	168	100
07.	Hakeems & Homeopath	20591	12678	62
08.	Target Group Institutions	500	335	67
09.	Involvement of Private Medical Practitioners.	21905	13935	64
10.	Involvement of Health Sector Service Outlets	6673	6673	100
11.	Traditional Birth Attendants	7096	7096	100
12.	Sale points of SMC	53000	38042	72

CONTRACEPTIVE AND DEMOGRAPHIC PERFORMANCE

18.7 The contraceptive performance remained satisfactory, except the performance of oral pills which remained at 48 percent. The performance of IUDs was appreciable. It achieved 116 percent results. Method wise details are given in Table-18.3.

TABLE-18.3

CONTRACEPTIVE PERFORMANCE 1998-99

(Figures in Million)

S.No.	Name of Method	Target	Achievement	% achievement
01.	Condoms (units)	184.671	117.701	64
02.	Oral Pills (cycles)	5.948	2.829	48
03.	IUD (cases)	0.902	1.047	116
04.	Injectables (vials)	2.198	1.969	90
05.	Contraceptive Surgery (cases)	0.153	0.126	83
06.	Users	3.799	2.963	78

PROGRAMMES FOR 1999-2000

ALLOCATIONS

18.8 The Government has earmarked a PSDP allocation of Rs.3589.71 million for the national programme of Population Welfare, for 1999-2000 giving an overall increase of 38 percent over the previous year's utilization of Rs. 2601.0 million. Ministry- wise details are given in Table-18.4. below.

TABLE-18.4

SECTOR- WISE UTILIZATION AND ALLOCATION

(Million Rs)

S.No.	Name of Ministry	Utilization (1998-99)	Allocation (1999-2000)	% change (+/-)
1	2	3	4	5
01.	Population Welfare	1401.63	3040(Revised)	117
02.	Health (PM's,s)	1100.00	1200.0	9
03.	Education (Population Edu)	13.75	10.0	(-)27

04.	Labour & Manpower (Workers Population Education)	13.12	17.4	24
05.	NATPOW	81.51	162.31	99
	Total:	2610.01	4429.71	70

Details of sub-sector-wise utilization for financial year 1998-99 and allocation for 1999-2000 of Ministry of Population Welfare are given in Table- 18.5 .

TABLE- 18.5
MINISTRY OF POPULATION WELFARE
SUB-SECTOR WISE ALLOCATION
1999-2000

(Million Rupees.)

S.No.	Name of Sub-sector	Utiliz- ation 1998-99	Alloca tion -2000 (Revised)	Percent increase/ decrease (+/-)
(1)	(2)	(3)	(4)	(5)
01.	Administrative Organization.	284.765	450-.00	58
02.	Pop. Welfare Services	790.213	1940.00	146
03.	IEC Programme	80.334	164.000	104
04.	Training	58.152	134.00	130
05.	Research	20.103	52.000	159
06.	Logistics and Supplies	154.058	300.00	95
07.	Construction	14.0	-	
		1401.625	3040	117

PHYSICAL TARGETS

18.9 During 1999-2000, the Ministry of Population Welfare envisages to add 21 static centres, while Ministry of Health is not establishing new service delivery outlets in public sector and NGOs will increase the number of centres to 600. Involvement of number of Registered Medical Practitioners (RMPs) will be increased to 13935, Hakeems & Homeopaths to 12678,

in addition Ministry of Health will maintain existing 43000 LHWS. Details are given in Table-18.6:

TABLE- 18.6
TARGETS FOR SERVICE OUTLETS
1999-2000

Sl.No.	Service outlets	(Accumulative Number)	
		1998-99	1999-2000 (Targets)
1	2	3	4
1.	Mobile Service Units	131	131
2.	Family Welfare Centres	1500	1723
3.	Reproductive Health Services Centres (RHS)	104	114
4.	Village Based Family Planning Workers	11538	17112
5.	Target Group Institutions	335	550
6.	Involvement of Health outlets in Population Welfare Programme	6673	7147
7.	Hakeem & Homoeopaths	12678	22710
8.	Involvement of Private Medical Practitioners.	13935	23510
9.	NGOs	479	629
10.	Sale Points of SMC	38042	64300
11.	Lady Health Workers.	43000	43000

CONTRACEPTIVE TARGETS:-

18.10 Details of method wise contraceptive targets for the period 1999-2000 appear in Table-18.7.

TABLE 18.7
CONTRACEPTIVE TARGETS
1998-99

(Figures in Million)

S.No.	Methods	Achievement 1998-99	Targets 1999-2000	Percent (+/-) Increase/ decrease
01.	Condoms (Units)	117.701	204.2	74
02.	Oral Pills (Cycles)	2.8293	7.605	169.0
03.	IUDs (Cases)	1.047	1.0	(-) 5
04.	Injectable (Vials)	1.969	2.765	40
05.	Contraceptive Surgeries	0.126	0.2	59
06.	Contraceptive Users	2.963	4.380	48

1. Administrative Organization

Programmes for 1999-2000: Sub-sectorwise Programmes of MOPW during 1999-2000 appear in the following paras:

This sub-sector includes administrative organization setup from Federal to tehsil level. This is responsible for the management and monitoring of the field activities. A PSDP allocation of 450.0 million has been earmarked for this sub-sector for 1999-2000, which is 58 percent higher than the financial utilization of the previous year (1998-99).

Service delivery

This sub-sector includes all the projects which deal with service delivery. These include the following projects:

- a) Family Welfare Centres; A total of 1723 centres at selective places, throughout the country, will be established to provide Family Planning services to eligible couples on voluntary basis. These will also provide MCH Services in their respective areas.
- b) Reproductive Health Services:- All 114 RHS 'A' centres will continue to provide voluntary sterilization services. Extension teams will also be

despatched for sterilization of women at distant places.

- c) Target group institution:- These will provide family planning services.
- d) AJK/NA:- This component is responsible to provide F.P services in AJK and NA.
- e) Hakims and RMPS:- This component includes involvement of Hakeems, Homeopaths and RMPs at the local level, for providing contraceptives to the eligible couples.

A PSDP allocation of 1699.36 million has been earmarked for this sub-sector for 1999-2000, which is 115 per cent higher than the financial utilization of the previous year (1998-99).

TRAINING

18.11. The Ministry of Population Welfare envisages to impart clinical training/orientation to personnel through RTIs. It will also provide training to personnel in management techniques, IEC and monitoring & evaluation through the PWTIs. A PSDP allocation of Rs.144.676 million has been earmarked for this sub-sector for 1999-2000. Which is 80 percent higher than the financial utilization of the previous year (1998-99).

2. INFORMATION, EDUCATION AND COMMUNICATION (IEC)

18.12 The component covers information, education and communication (IEC) activities to be undertaken at federal and provincial level. An allocation of Rs. 164.436 million has been made for the component. The provision covers mass media campaign through radio, T.V and press, production and printing of motivational material, documentation of information through PPTC network and production of motivational and educational films, give away, arranging seminars, conventions and provision for awards to the journalists for writing on population and consultancy services. Expertize of the private sector would be utilized to enrich and improve the motivational campaign.

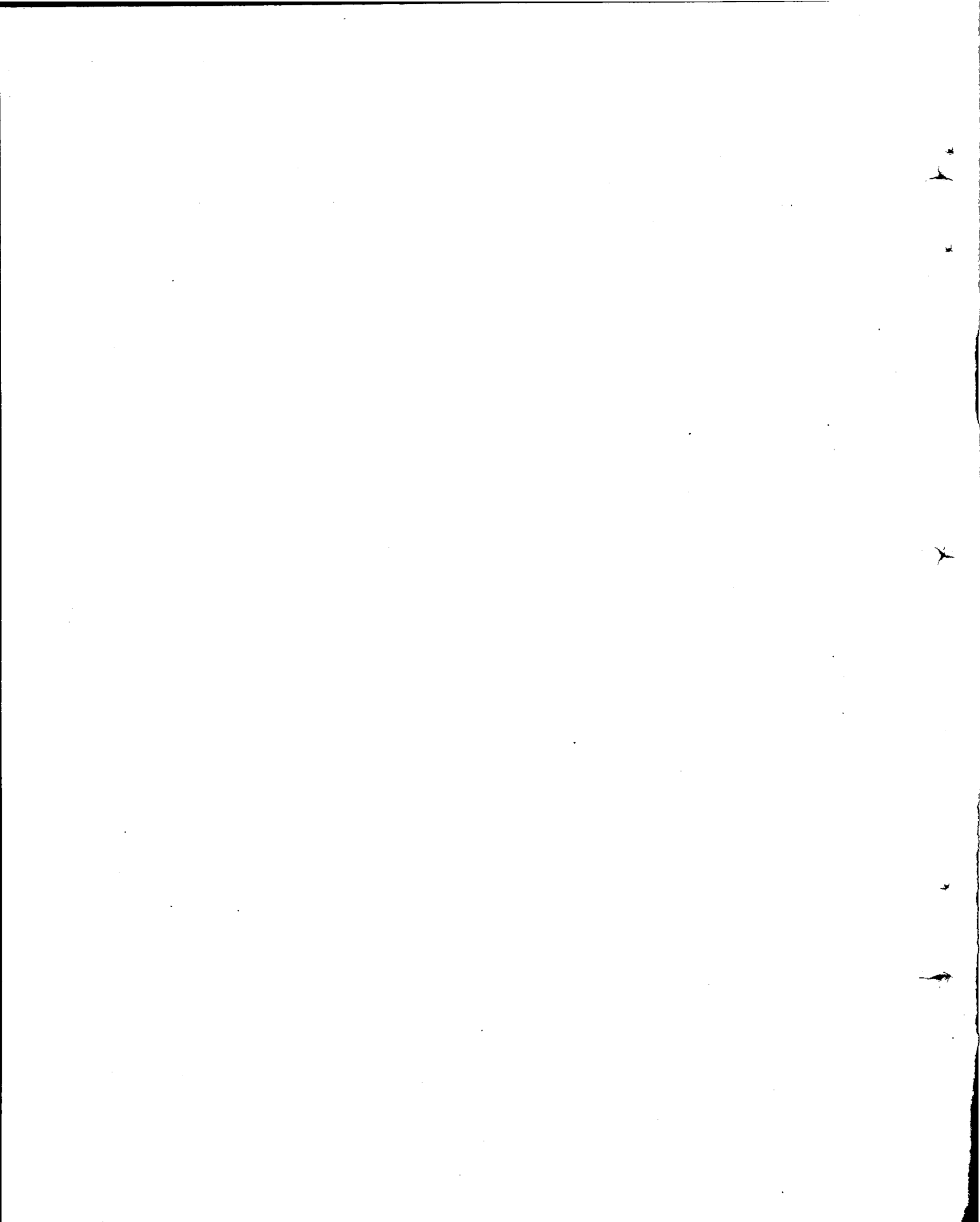
RESEARCH & MONITORING

18.13 More Research efforts will be made in the areas of clinical studies, field trials, demographic studies, data analysis, surveys and birth/ death registration. Two existing institutions i.e. National Research Institute of Fertility Control(NRIFC) and National Institute of Population Studies (NIPS) will carry out the research work. The monitoring & evaluation wing of the Ministry of Population will be strengthened. The monitoring and evaluation of various components of the Population programme will be completed. Field studies will be undertaken to identify the weaknesses. Special surveys and impact studies of the Population programme will be conducted. A comprehensive study will be undertaken to assess the

contribution of each component. An amount of Rs.52.000 million have been earmarked for this sub-sector in the PSDP 1999-2000.

LOGISTICS & SUPPLIES

18.14 The entire requirement of contraceptives and logistics is met through this component. Various contraceptives are procured which are distributed by the service outlets in public , NGOs and private sectors. A PSDP allocation of Rs.300.00 million has been earmarked for this Sub-sector.



CHAPTER-19

WOMEN DEVELOPMENT

19.1 Pakistan is committed to raise the status of women in the society. As a developing country, it too experiences the problems faced by women of other developing countries. These problems relate to poverty, illiteracy, malnutrition, discrimination, lack of participation in decision making and many more. The present Government is committed to solve all these problems so that women of Pakistan can become fully productive members of our society. This will contribute to the economic progress and prosperity of Pakistan, a mission to which Present government attaches the highest priority.

19.2 Keeping in view, the needs of women, the Government of Pakistan has decided to expand income generating activities for women through credit marketing, training in business management & accounting, and management of micro enterprises. The Ministry of Women Development, Social Welfare and Special Education(Women Development Wing) is making all out efforts to mainstream women concerns in all the Sectors. Measures, proposed include an increase in women's access to credit through a variety of measures including special windows for lending to women at all banks, network with NGOs to identify female borrowers, simplification of loan applications and sanction procedure.

19.3 The Ministry of Women Development (Women development Wing) being the national focal point for women, requires a network of officers not only in the Federal Ministry but also in the Provincial set up as well as other agencies so as to facilitate the task of women development. Through prolonged and persistent follow up the Provincial Governments have created the Women Development Departments. In the Federal Government, the Ministries have also established focal points by designating a senior level officer to coordinate with the Ministry of Women Development on Women Issues and review various activities of the Ministry in line with national policy on women. So far nineteen focal points have been designated in various Ministries/Divisions through which the Ministry for Women Development plans to start a systematic Gender Sensitization Training Programme for officers of various Ministries in the Federal Government and Provincial Departments to improve upon the existing process of identification, planning, implementation and performance evaluation of women's programmes and projects. The plan when implemented will help in making the role of the Ministry effective and simultaneously bringing about substantial improvement in women's share in public sector employment and training.

19.4 Synchronizing with the government policies, the Ministry for Women Development has taken initiatives in the fields of Economic Empowerment, Relief in Crises, Skill Development, Literacy and Education and Gender Integration in Programmes and Policies related to all development sectors. A lump provision of Rs.50 million has been made in the current financial year (1999-2000) for the development programme for Women Development Wing. Playing the role as a financier to fill the gaps in the national planning and programming relating to women, an amount of Rs.46.4 million has been spent during 1998-99 on funding women's development projects all over the country. The major areas of funded projects are: health care, support services for working women, education, skill development, water supply,

income-generating and relief in crises.

19.5 Funds have also been provided to NGOs for launching Credit Programme for Women on soft terms, in order to enable them to initiate income generating activities. Women Development Wing has assigned priority to extend small credit to women through DFIs and NGOs. Measures are being taken to ensure integration of women's concerns in all the development sectors. Focal points have been designed in the federal Ministries for the purpose.

19.6 The present Government aims at improving the status of the women by reducing gender gap and ensuring better quality of life for women. The following major initiatives have been undertaken during 1998-99 to make the Women fully productive members of the society:-

a) Economic Empowerment of Women

- i) Export Trade Houses have been established at Lahore and Islamabad for women entrepreneurs;
- ii) Micro credit amounting to Rs. 14 million has been provided to 568 women through First Women Bank Limited.
- iii) Separate enclosures for women have been set up in weekly bazaars;
- iv) An allocation of Rs. 30 million has been made for women development in PSDP in 1999-2000 as against Rs. 76 million in 1998-99. During 1998-99, the Women Development Wing has, inter-alia, continued funding of women's development ongoing projects in all parts of the country including AJ&K. The projects being funded during 1998-99 are in the field of education and training, mother and child health care, skill development, extension of micro-credit, relief to women in distress and consciousness raising and awareness for women's rights & responsibilities through mass media.

b) Social Empowerment of Women

- i) Crisis Centres for Women in Distress have been established one each at Islamabad and Vehari. These Centres have helped in coating violence against women and rehabilitation of affected women.
- ii) The National Plan of Action (NPA) for Women was launched on 14th August, 1998. The project seeks to establish a Coordination Unit, Monitoring and Evaluation Unit, Resource Centre and Gender Management Unit with corresponding staff at the federal provincial and district levels for effective implementation of the NPA. Foreign Specialists in MIS, Monitoring and Evaluation, Institutional Strengthening, Capacity Building, and Publicity Promotion have also been proposed for enhanced implementation and training of local experts to assess the impact of the NPA.

- iii) In term of UN Convention on Elimination of all Forms of Discrimination Against Women (CEDAW), ratified by Pakistan since March, 1996, an implementation report has been finalized and submitted to Pakistan Mission in Geneva.
- iv) The recommendations contained in the Report of the Commission of Inquiry for Women have been taken up with the concerned quarters for their implementation.
- v) Efforts are being made to streamline procedures of disbursement of Rs.50 million Fund for Women in Distress and Detention being operated by the Law, Justice and Human Rights Division and disbursement of funds to women in distress would be started soon.
- vi) A project titles "Gender Sensitization Training Programme for Officers of Federal and Provincial Governments" with the Canadian Intentional Development Agency's financial assistance of Rs.2.8 million has been launched.

FINANCIAL ALLOCATION AND UTILIZATION

19.7 The projects for the current year were prepared keeping in view the improvement in the conditions of poor/ needy women & children, development programme for overall welfare of female population. The PSDP allocation for the year was Rs. 75.982 million for regular programme and Special Women Action Programme(SWAP) for 53 schemes Federal funded schemes in sectors like Education, Health, Community Development and Technical Training. The projects forwarded by the line departments and NGOs, have achieved the targets, by utilizing the released funds during the financial year 1998-99. The revised expenditure against on going project's allocation is Rs 46.4 Million on 36 schemes at federal funded schemes and Rs 1.84 million on Provinces own schemes. The total allocation for the year 1999-2000 is Rs 34.05. Financial allocation and utilization and Sectoral Physical achievement are given at S.A.Tables 19.1 & 19.2.

ANNUAL DEVELOPMENT PROGRAMME 1999-2000

19.8 The Women Development Wing on receipt of performance reports from executing line departments processed the cases of 22 projects under Public Sector Programme, and 14 projects under Special Women Action Programme, in the Provinces, Federal Area, Northern Area and AJ&K in various sectors like Education, Health, Community Development and Technical Training.

19.9 No new scheme was approved in the year 1998-99 against allocated funds amounting to Rs.25.982 million earmarked for new projects. The funds were withdrawn by the

Finance Division due to weak utilization position in the first half year.

19.10 The scheme wise allocation of funds amounting to Rs. 30 million (Rs. 22.00 million for PSDP and Rs. 8.00 million for SWAP) for meeting the liability of 52 projects has been made in 1999-2000 which will be utilized to complete the on-going projects at Federal scheme and Rs. 4.05 million on Provincial projects.

CHAPTER-20

MANPOWER DEVELOPMENT AND EMPLOYMENT POLICY

Employment Policy

20.1 The main reasons for growing unemployment are fast expanding labour force, relative decline in the absorptive capacity in agriculture and large scale manufacturing sectors, low level of skills/ productivity and inflexibility in the rural market. The 9th Plan has postulated a strategy aiming at promotion of labour intensive activities through industrial expansion, particularly in informal/small-scale sectors and programmes of self-employment and skill development. The shift towards labour intensive sectors is to be achieved through emphasis on provision of more infra-structural, financial and training facilities.

20.2 The Government has embarked upon a series of economic and social reforms such as, decentralization, privatization and deregulation to improve the environment of savings/investment and growth, to improve efficiency and equity, and to transform the agrarian economy into an industrial open state.

20.3 Besides growing unemployment, the economy is also facing a number of structural problems like low productivity, low level of skills, higher and rising unemployment rates among the youth and educated persons particularly in urban areas, pressure on Government jobs, employment pressures from improved participation by women, neglect of rural sector, and declining opportunities of overseas migration.

20.4 In line with the present policy, the employment policy of the Government will continue to focus on promotion of investment and growth, encouragement of labour intensive sectors, viz. small scale industry, social sectors and rural development, provision of credit facilities for self-employment, encouraging overseas migration and expansion of technical training facilities. The policy will, however, lay more emphasis on decentralized decision making and involvement of the private sector to arrest the increasing unemployment

I. Existing Employment Policies and Programmes

20.5 Small and Medium Enterprises Development Authority (SMEDA) has been created to promote small and medium scale industries. Resources have been allocated in domestic credit line for the programme. So far disbursement has been in excess of Rs.4.0 billion. This programme is meant for the educated unemployed and has an urban bias. The aim of providing opportunities to educated unemployed target group is a major challenge to deal with in the coming years as more persons are added to this segment.

Employment Creation Strategy for Poverty Reduction

20.6 Given the demographic structure of the country and the economic growth pattern employment generation is going to be the major theme of the government. Employment target of the last five years was about 6.2 million. Despite a number of schemes for self-employment,

slowdown of the economy has possibly added to the backlog of the unemployed. The extent of un/underemployment is currently estimated at 15 percent of the labour force. Given the demographic pattern some 1.3 million persons would be entering the job market each year in addition to those that are already un/underemployed. Unusual economic situation of the immediate past has also necessitated contractionary measures creating a relatively grim situation that would need extraordinary efforts for the economy to bounce back.

20.7 Economic reforms in the context of liberalization and globalization have also caused some problems, particularly redundant labour in the organized sector. Similarly, there have been uncertainties about the global competition effecting growth in the organized sector and likely to slowdown the growth of regular wage employment. With the labour force increasing from 38.3 million in 1997-98 to 43.9 million by 2002-03 the problem of unemployment may intensify further.

20.8 Employment generation has, therefore, assumed the centre stage as a means of dealing with income poverty as well as targeted safety net for category of households likely to fall below the poverty line. It is also perceived as necessary for absorbing the educated unemployed preventing this social problem from getting out of hand.

Women as Partners in Development

20.9 Women's role in development is a key area of concern. Women in terms of their involvement in non-remunerative work, paid employment, caring for the family, and productive activities is key to development. Female labour participation rate in 1994-95 remained stagnant at 7.6 percent. Concern for mainstreaming woman is reflected in the strategy as a cross cutting issue with particular emphasis is SAP where major projects focus on women. Past history suggests that attempts at affirmative action under the existing institutional arrangements have not been fruitful in mainstreaming women. Making them the major stakeholder in the social agenda can make this an achievable target in the long run. Diversity of opportunities for skills and income generation is more likely to empower women, similarly making women a part of the community organizations where this is possible and allowing for creation of women's community organizations where a mix is not possible is a good way of dealing with cultural hurdles. This strategy is built into community development model.

20.10 In our setting apex organizations such as the Pakistan Poverty Alleviation Fund (PPAF) and its partner organizations are strategically placed to accomplish this task. First Women Bank has also gained experience to formulate targeted programmes creating access to resources and imparting basic skills to women. Micro credit amounting to Rs 14.4 million has been provided to 568 women through First Women Bank.

20.11 Gender based improvements have started with improved enrollment of the girl child at the elementary level. Significant break-through has been made in Balochistan where coeducation at the elementary level has established itself breaking longstanding traditions of the past. Tribal area resistance to change is fading. Awareness for having smaller families is increasing and unmet demand for family health of women in Pakistan has risen significantly over a five year period. Life expectancy of females increased from 61.2 in 1993 to 63.3 in 1998.

Maternal mortality rate declined from 300 per 100 thousand to 150 per during this period. Many improvements are required to make women as partners in development. Human development programme has also provided job opportunities to women. There are now 11,443 female family planning workers, 43,000 lady health workers, 115,000 trained birth attendants.

II. Employment Generation Programme

20.12 Public works to increase employment and income generation opportunities and productivity is a central theme of the government's human development and poverty reduction strategy. It can be accomplished within the existing institutional framework with addition of strong monitoring and reporting systems to ensure transparency and accountability forms a major thrust of the strategy. Thus, multi-dimensional nature of the programme will assist in providing a safety net for the poor. At the same time, it will create a systematically improving environment for revival of the economy. The characteristics of the programme are:-

- . labour intensive
- . largely self-targeting
- . enables the economic revival

20.13 The budgetary constraints and indigenous capabilities of directing expenditures appropriately, and monitoring mechanisms will determine limitations to the size of this intervention and subsequent impact.

20.14 The public sector with declining resources and pressure on budget cannot address the problem of unemployment by itself. The sustainable answer to the problem is in the rapid growth of private sector. many jobs can be created at a local level, by local initiative through participatory development by mobilizing communities. Creation of such employment in the rural area will have the added advantage of stopping further urbanization and its attendant problems, especially reducing the poverty. Small and medium-sized enterprises (SMEs) and self-employment are venues for additional employment but a planned and time bound effort will be necessary and results will occur in the medium term. Transitory policies for employment generation will be critical.

20.15 Both Federal and Provincial Governments are strengthening their training institutions to meet the training requirements both within and outside the country. The National Vocational Training Project, Phase-II is almost complete and will start impart training in the newly established 21 centres including five for women. The estimated enrollment is about 13000 trainees per annum. The project was provided Rs.32.2 million in 1998-99. The PSDP allocation for the year 1999-2000 is Rs.84.2 million out of which 32 million will be spent on NVTP Phase-II.

20.16 The Government has already announced the outline of the labour policy which contains various measures for the welfare of the labour class. The Labour Productivity Council, Minimum Wage Council and National Safety and Health Council are being set up to formulate a comprehensive National Policy on Occupational Safety and Health, to enhance the productivity

and improvement of the quality of products of the labour output and to undertake review of Minimum Wages for un-skilled workers to made recommendations to the Government.

REVIEW OF PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP) 1998-99

20.17 An allocation of Rs. 51.5 million was made for the Federal Manpower Sector in 1998-99. Thrust continued to be on skill development programmes. Details are given at S.A.Table-20.1.

I. NATIONAL VOCATIONAL TRAINING PROJECT PHASE-II

20.18 The project was initially approved by ECNEC in March, 1987 at a total cost of Rs.2041.353 million with an FEC of Rs.1171.409 million. The Restructured/ Revised project was approved by ECNEC on February 11, 1993 at total cost of Rs. 2882.18 million including FEC of Rs. 1884.02 million.

20.19 The project utilized an allocated amount of Rs. 32.2 million for completion of remaining construction work at TTCs at Toba Tek Singh and Jaranwala by the respective provincial Governments, civil of main office of National Training Bureau and National Staff Training Institute were continued. An allocation of Rs. 17.00 million is provided for installation of equipment and completion of some remaining civil work at TTCs Jaranwala and Toba Tek Singh in 1999-2000.

II. WORKER'S POPULATION EDUCATION PROGRAMME

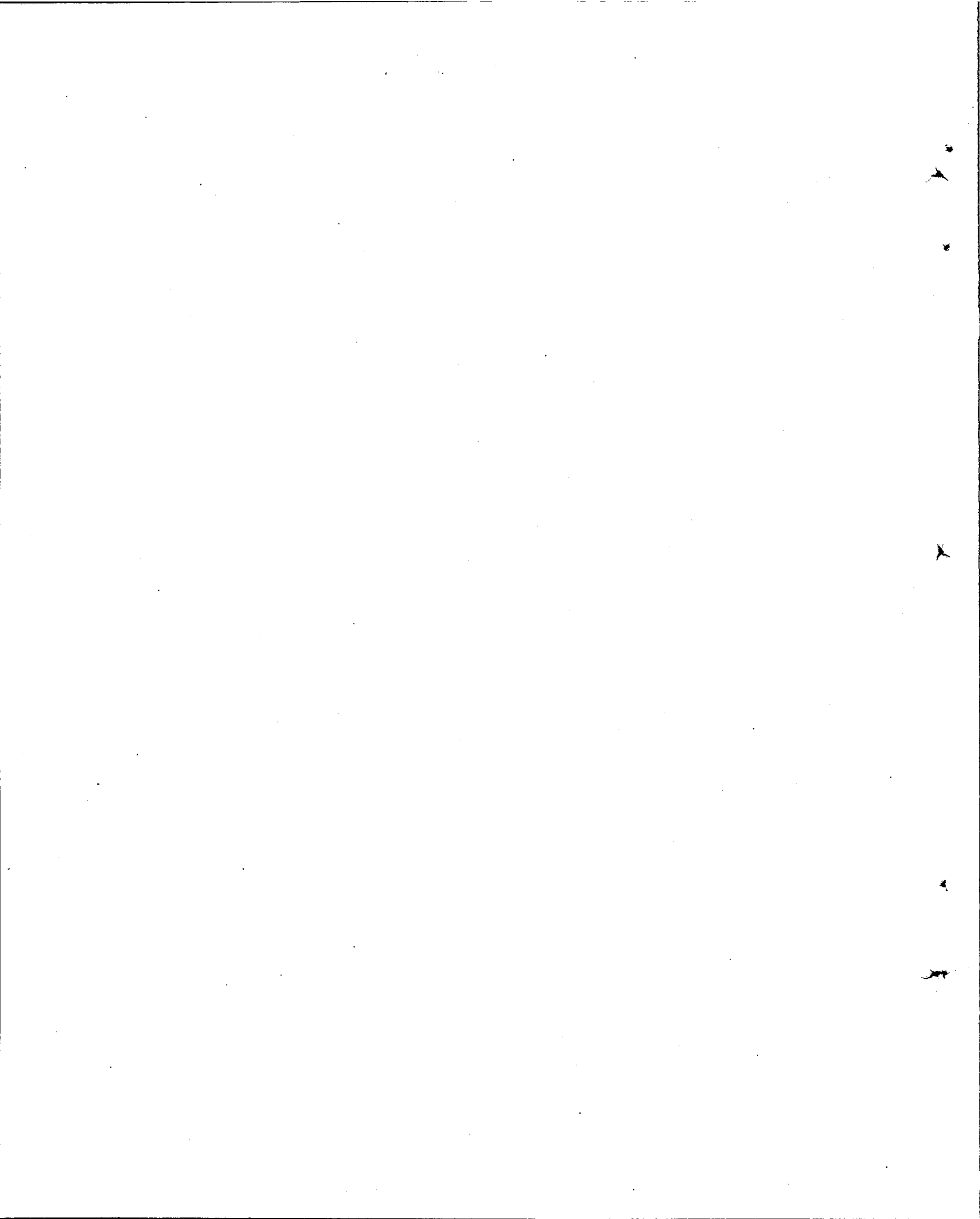
20.20 The project with the assistance of UNDP was approved in February, 1993 at a cost of Rs. 43 million with UNFPA grant of Rs. 30 million. The PSDP of Rs. 14.2 million including FEC of Rs. 12.2 million for 1998-99 was allocated with the aim to expand the scope of workers population education to new areas, i.e. Hub, Haripur (Hattar), D.I. Khan and Sukkar and is expected to be utilized fully. An allocation of Rs. 2.40 (local only) has been made for 1999-2000. The UNFPA grant of Rs. 15 million will be disbursed by donors as usual.

III. CONSTRUCTION OF HOSTEL BUILDING FOR PAKISTAN MANPOWER INSTITUTE

20.21 The original project was approved by DDWP in May, 1991 at a total cost of Rs.12.42 million. The revise PC-I was approved in March, 1995 amounting Rs 19.104 million. The revised project was approved by the CDWP on 16-3-98 at cost of Rs 26.555 million. The project utilized an of Rs 18.70 million up to June, 1997. An amount of Rs. 7.854 millon were made during 1998-99 to complete the remaining civil work. The project will be made fully operational from July, 1999.

PUBLIC SECTOR DEVELOPMENT PROGRAMME 1999-2000

20.22 An allocation of Rs.19.4 million has been provided for two on-going schemes. The schemes titled National Vocational Training Project (Phase-II) (Rs.17 million) and Workers Population Education Programme DWE. (Rs. 2.40 million).Allocation for 1999-2000 is given at S.A.Table-20.2.



CHAPTER-21

SOCIAL WELFARE AND SPECIAL EDUCATION

21.1 Social Welfare has been recognized as an essential activity in all societies from the least developed to the most developed. Social Welfare as a process of social development provides tools and skills for installing self-confidence in a person to cope with the pressure of dis-orders and dis-ruptions caused by forces of social change. It helps the individuals, groups and communities to solve their problems by mobilizing local and Government resources to meet both long term and short term needs.

21.2 In the year 1998-99 Rs. 109.996 million were allocated against which Rs. 109.376 million were utilized. Table 21.1 presents the position with regard to Federal and Provincial allocation % utilization during the last fiscal year.

TABLE-21.1

FEDERAL AND PROVINCIAL ALLOCATION/UTILIZATION

Federal Provincial	Allocation (Revised)	Utilization	%
1. Federal/ Provincial	71.865	71.586	99.6%
2. Punjab	16.565	16.236	98.1%
3. Sind	5.010	5.010	100%
4. NWFP	2.810	2.798	99.6%
5. Baluchistan	13.746	13.746	100%
Total:	109.996	109.376	99.4%

21.3 The over all pace of utilization against the revised allocation can safely be treated as satisfactory. The Federal Agencies utilized Rs. 71.586 million i.e. 99 percent of the allocation of Rs. 71.865 million Special Education Rs. 51.835 million, Social Welfare 0.721 million, National Council of Social Welfare Rs. 2.000 million and Staff Welfare Organization Rs.17.030 million. The Provinces utilized Rs. 37.790 million which comes to 99.09 percent (Punjab Rs.16.236 million, Sind Rs. 5.010 million, NWFP Rs. 2.798 million and Baluchistan Rs.13.746 million).

21.4 The trend of inadequate funding to Social Welfare sector continued during previous year, which had an adverse bearing on the physical progress. Resultantly only the on-going projects could be continued. The major emphasis at Federal level remained on the completion of construction work in progress. The construction work of the buildings of Special

Educations Centres for Visually Handicapped, Hearing Impaired Children and Mentally Retarded Children, Islamabad was completed. The Staff Welfare Organization also completed the construction work of Community Centre Lahore, Ladies Industrial Homes Islamabad Community Centre G-9/2, Hostel for Working Women Islamabad and Holiday Home Ziarat. The National Council of Social Welfare provided financial assistance to 199 Voluntary Social Welfare Agencies as compared to the 380 NGOs who have applied for assistance which shows that the Council could cater to the requirements of about half of the NGOs which was due to paucity of funds.

21.5 The pace of utilization of funds in Punjab was quite satisfactory 98.1 percent. All the on-going projects of Social Welfare were completed as per target. In the field of Special Education out of the eleven projects, three relating to school for deaf Rajan Pur, blind school Multan and Resource and Guidance Centre for the disabled could be completed. In Sindh out of the six on-going projects three could be completed. In the province of Sind the allocation was enhanced as compared to last year's allocation of Rs. 4.916 to Rs. 5.010 (revised) which was fully utilized. Out of the six on-going schemes three were completed. In NWFP there was slight increase in the allocation in 1998-99. Out of the revised allocation to Rs. 2.810 million an amount of Rs. 2.798 was utilized on the continuance on-going programmes. No financial assistance could be provided to NGOs. The financial utilization in Balochistan was Rs. 13.746 million which was fully utilized as well.

PROGRAMME FOR 1999-2000

21.6 During the current financial year Rs. 136.817 have been provided to the Social Welfare Sector under the Annual Development Programme as compared to last year's utilization of Rs. 109.376 million which is 25.09 percent higher than the actual utilization of the last year. There has been a drastic reduction in the budgetary allocation of Baluchistan which has been slashed down by 49.9%. The budgetary allocation in Punjab also reflects a declining trend of 21.95 percent which would obviously have a negative affect on the delivery of social services to the target groups. The detail of Federal and Provincial allocations is reflected in Table-21.2.

TABLE-21.2

FEDERAL AND PROVINCIAL ALLOCATION 1999-2000

S. No.	Federal Provl.	Utili- zation 98-99	Allocation 1999-2000 Orgl.	Revised	% Increase/ Decrease over Utilization in 1998-99
1.	Federal Agencies	71.586	95.075	95.075	(+) 32.81
2.	Punjab	16.236	13.673	13.673	(-) 21.95
3.	Sind	5.010	8.400	8.400	(+) 67.8
4.	NWFP	2.798	12.787	12.787	(+) 357.01
5.	Baluchistan	13.746	6.882	6.882	(-) 49.9
Total:		109.376	136.817	136.817	(+) 25.08

21.7 The sub sectoral analysis of the budgetary allocation reveals that highest priority has been given to the education and rehabilitation services to the handicapped as 64.13% (Rs.87.741 million) of the funds have been allocated to it. The allocation for social welfare services constitutes 16.81 percent (23.001 million). The allocation of staff welfare remained constant (Rs. 23.575 million) 17.23%. The NGOs sector carries the lowest priority being 1.83% (Rs. 2.500 million) of the total allocation.

21.8 The Annual Development Programme for 1999-2000 largely consists of on-going projects which will be contained, strengthened and completed within the financial resources. The development budget of NWFP contains a provision of Rs. 9.131 million for the seven new schemes. The Punjab province has provided an amount of Rs. 1.00 million for one new scheme of the special education sub sector. No provision for the social welfare sub sector has been made in the Punjab. The sub sector wise position of the projects included in the current year's Annual Development Programme are as under:

Special Education Programme

21.9 The purpose built buildings under construction for the Physically and Mentally Retarded children at Islamabad will be completed, fully equipped and furnished. The building of Special Education Centre at Faisalabad will be commissioned to cater to the training needs of the handicapped children. The 6th and 7th batch of M.A. students in special education will complete their Master's Degree Course from the Punjab University. In Punjab five on-going projects relating to establishment of Primary Schools for the Blind at Chakwal, Deaf School Pak-Pattan and Khushab, Blind School, Dera Ghazi Khan will be established whereas the construction work of Braille Printing Lahore and Deaf School Faisalabad will be completed. The work relating to establishment of Deaf School at Kanalia and installation of Computer Laboratory at Lahore will be started. In NWFP the Rehabilitation Centre for the Deaf will continue to provide services and work relating to establishment of Special Education Centres at Divisional level will be taken in hand. The grant-in-aid programme for the Special Education will continue.

Social Welfare

21.10 The scheme of Social Services for Children in Difficult Circumstance will continue to provide needed services to the disadvantaged and neglected children at the Federal level. No provision for social welfare services exist in the development budget of Punjab due to moratorium on new projects. In Sindh the work relating to construction of eight buildings for the sub divisional offices will be continued. Five new projects relating to Pilot Social Welfare Complex, Hyderabad, Rehabilitation Centre for Mentally Retarded Children, Malir Karachi, Industrial Home Landhi, construction of socio-economic centre at Shanti Nagar Karachi and construction of women and child welfare centre at Malir Karachi are included in the current year's development programme. The NWFP development programme for social welfare contains three on-going projects and four new projects relating to the continuance of RCD Project, Bannu, Welfare Home Naushera, Charsadda, Grant-in-Aid Programme to NGOs and new projects of shelter workshops at Peshawar, Drug Rehabilitation Centre for addicts, rehabilitation centre for special persons, Haripur and establishment of two orphanages one male and one female at Peshawar. No new programme is proposed in Baluchistan.

Staff Welfare Services

21.11 The Staff Welfare Programmes included in current fiscal year consists of equipping and furnishing of Community Centre, Lahore, Ladies Industrial Home, Islamabad, Holiday Home Keenhar Lake, Community Centre G-9/2, Trade Training Centre, Islamabad, Hostel for Working Women, Islamabad and Holiday Murree, Ziarat. Stipendiary support for the purchase of reference books and text books to the low paid Government Employees will be provided. The other programmes include skill development training, provision to transport ambulance services and provision of rehabilitation aids to Federal Government Employees.

21.12 Details of Agency wise and sub sector wise Financial and Physical achievements during 1998-99 and targets for 1999-2000 are given in S.A. Tables 21.1 and 21.2.

CHAPTER-22

CULTURE, SPORTS, TOURISM AND YOUTH

Overview

Culture

22.1 In culture sector, preservation and restoration of cultural heritage requires huge funds, which can be generated only with private sector participation. The cultural activities have not been made capable of generating resources to meet recurring expenditure. Publicity and promotional activities along with NGOs and private sector involvement is needed badly.

Sports

22.2 Major sports are managed by the Pakistan Sports Board and Sports Federations. Training facilities at community level are not available. Sports activities should be able to generate funds at grass root level by associating the NGOs/local community, in view of the fact that government funds cannot go a long way to support such activities.

Tourism

22.3 Promotion of tourism has been predominantly a public sector sponsored activity, particularly in northern areas. The hotel and transport business is in the hands of private sector, which has not contributed much in meeting the development costs. The Tourism Development Corporation created at federal and provincial levels have not proved very helpful in the promotion of tourism. As a result, the public sector initiatives for tourism in the form of creation of motels and roadside facilities have not been economically viable.

Youth

22.4 The youth are exposed to economic and social insecurity, un-employment and under-employment, inadequate access to basic education and a high percentage of illiteracy, lack of vocational training, sports and recreational facilities and vulnerability to drug abuse. Gender discrimination in terms of equal opportunities and access to education, health, sports, excursion etc., lack of guidance and counseling services are other problem areas.

REVIEW OF 1998-99

22.5 During the year 1998-99, the total allocation (federal plus provincial) was Rs 305.131 million against which an expenditure of Rs 152.336 million were incurred showing 50 percent utilization. The details of allocation and utilization during 1998-99 are given in S.A.Table-22.1. The sub-sectoral performance is given below:

Federal PSDP (1998-99)

22.6 An allocation of Rs 212.721 million was made for Culture, Sports, Tourism, and Youth Affairs under Federal PSDP, 1998-99 which was reduced to Rs 168.72 million, against which an amount of Rs 94.137 million was spent with 44% utilization.

Culture

22.7 During 1998-99 Rs 60.647 million was allocated with the estimated expenditure of Rs 37.034 million showing utilization of 61% for various projects of preservation and restoration at Lahore Fort, Jehangir's Tomb, expansion of Taxila Museum, Mughal Gardens, Wah and Quaid-e-Azam's Residency at Ziarat. The only project completed was of survey of archaeological sites in ancient Ghandhara. Civil works on the ongoing projects of National Art Gallery Islamabad, and repair and maintenance work on monuments in Lahore, Umarmkot and D.I. Khan continued during 1998-99.

Sports

22.8 An allocation of Rs 86.886 million was allocated for sports projects; out of which Rs 8.884 million were allocated for laying of Hockey Turf at Bannu and Rs 78 million for the payment of custom duty for Electronic Score Board and Display Screen at Pakistan Sports Complex, Islamabad. Only Rs 1.998 million were spent for the laying of Hockey Turf at Bannu showing utilization of 2.3 percent.

Youth

22.9 In youth sector, an expenditure of Rs 4.5 million was made against an allocation of Rs 4.5 million showing 100 percent utilization of funds. Youth Hostel at Jamshoro. Youth Development Centre at Quetta and Youth Hostel at Gilgit utilized the funds.

Tourism

22.10 An expenditure of Rs 50.605 million was incurred against an allocation of Rs 60.690 million including an Austrian Grant of Rs 35.00 million during 1998-99 showing utilization of 83 percent. This was mainly utilized for Pakistan Austrian Institute of Tourism and Hotel Management at Swat and Pakistan Institute of Tourism and Hotel Management, Karachi.

The other projects included motels at Satpara Lake, Phandar, Bumborate, Mastuj, Gupis, Besham, Birmoglast, Rama Lake, Khaplu, Chakdara, Dir, Saidu Sharif, Hunza and Chitral.

Provincial Programme (1998-99)

Punjab

22.11 The revised estimates for the year 1998-99 are Rs 9.500 million against an allocation of Rs 24.00 million showing utilization of 40%. Information and Cultural Complex, Rawalpindi, Phase-I utilized Rs 9.500 million and achieved overall physical progress of 43 percent,

while there was no expenditure on Multan Arts Council and on air-conditioning of permanent Art Gallery, Lahore.

Sindh

22.12 Against an allocation of Rs 20.00 million, the revised estimated expenditures were Rs 26.500 million showing utilization of 133%. The folk crafts museum at Sehwan utilised Rs 2.770 million taking the overall progress upto 100%. The Community Centre at Bhan Saeedabad spent Rs 0.522 million and Rs 7.828 million with physical progress of 88%. Children's Dictionary, extension of Sindh Archives, mini stadium at Nawabshah and repair of Rani Kot (Fort) consumed Rs 8.498 million each. The Sindhi language authority utilised Rs 1.500 million on the revised estimates of Sindh College of Arts and Crafts in Hindu Gymkhana at Karachi.

NWFP

22.13 Against an allocation of Rs 44.534 million, the revised estimates were Rs 22.199 million showing utilization of 50%. Rs 10.0 million were consumed by Conservation of historic buildings in Peshawar (Sethi House, Gor Khatree, Kotla Mohsin Khan). Whereas Rs 10.0 million & Rs 5.0 million were spent on new projects of improvement of sports facilities in NWFP, improvement of Shahi Bagh, Peshawar and Rs 3.0 million for sports Stadium at Bannu and Peshawar.

Balochistan:

22.14 The Culture, Sports and tourism sector was allocated Rs 3.876 million. There was no utilization on promotion of sports and games at the Provincial government, district and divisional levels.

PROGRAMME FOR 1999-2000

Federal PSDP (1999-2000)

22.15 The culture, sports, tourism and youth sectors has been allocated Rs 176.429 million for the year 1999-2000 against last year's allocation of Rs 212.721 million reflecting decrease of Rs 17 percent. It included Rs 31.210 million of foreign assistance. Details are given at S.A.Table-22.2. The Sub-sector-wise allocation is as follows:

Culture

22.16 The allocation for Culture sector is Rs 52.615 million against last years allocation of Rs 60.617 million which shows decrease of 15 percent. The amount will be spent on completion of ongoing projects for conservation and restoration of Jehangir's Tomb, Lahore Fort, Expansion of Taxila Museum, and survey of archaeological sites. An amount of Rs 51.115 million for sixteen ongoing schemes and Rs 1.5 million for one new scheme for the improvement of Library of Iqbal Academy Lahore has been allocated for the year 1999-2000.

Sports

22.17 The Sports sub-sector has been allocated Rs 22.197 million against an allocation of Rs 86.886 million showing 74% decrease. Rs 4.197 million have been allocated for two on-going schemes for payment of customs duty on account of import of electronic score board and display screen for Pakistan Sports Complex and Rs 18.0 million for new scheme namely synthetic turf for hockey stadium Sialkot.

Tourism

22.18 The allocation for Tourism is Rs 95.617 million for 1999-2000 against an allocation of Rs 60.690 million of last year showing an increase of 57 percent. This includes Rs 95.617 million with foreign exchange component of Rs 31.210 million for thirteen ongoing schemes including two schemes on Institute of Tourism and hotel management at Karachi and Swat, one for the preparation Tourism Master Plan, ten PTDC motels.

Youth

22.19 Youth sub-sector is allocated Rs 6.0 million against an allocation of Rs 4.5 million last year i.e. an increase of 33 percent. Rs 6.00 million for three on going schemes of construction of youth hostels at Gilgit, Jamshoro and Quetta.

Provincial Programme for 1999-2000

Punjab

22.20 The allocation for the year 1999-2000 is Rs 5.470 million. There is a block allocation of Rs 0.470 million for Tourism. Information and Cultural Complex, Rawalpindi, and Rs 5.00 million on Ustad Fateh Ali Khan Auditorium at Faisalabad.

Sindh

22.21 The allocation for culture, Sports and Tourism sector is Rs 30.00 million of which Rs 1.930 million are allocated to Academy for folk Music of Sindh, Karachi for completion of the project. The Community Centre Bhan Saeedabad will also be completed by spending Rs 0.522 million. Rs 8.498 million are earmarked for repair of Rani Kot Fort where the physical progress will be taken upto 26%. Folk Crafts Museum at Sehwan has been allocated Rs 1.5 million for 86% overall progress. Furthermore, Arts and Crafts College at Hindu Gymkhana Karachi will attain 66% progress by spending Rs 1.5 million.

Balochistan

22.22 The allocation of Rs 9.3 million has been made for three projects in Baluchistan during 1999-2000 in Culture, Sports, Tourism and Youth sector. Rs 4 million are allocated to one ongoing scheme of promotion of games at district and divisional level and Rs 5.3 million for

two new schemes for completion of Saifullah Khan Magsi Badminton Halls/ complex at Ayub Stadium, Quetta”, and “construction of Boat House at Hanna Lake, Quetta”.

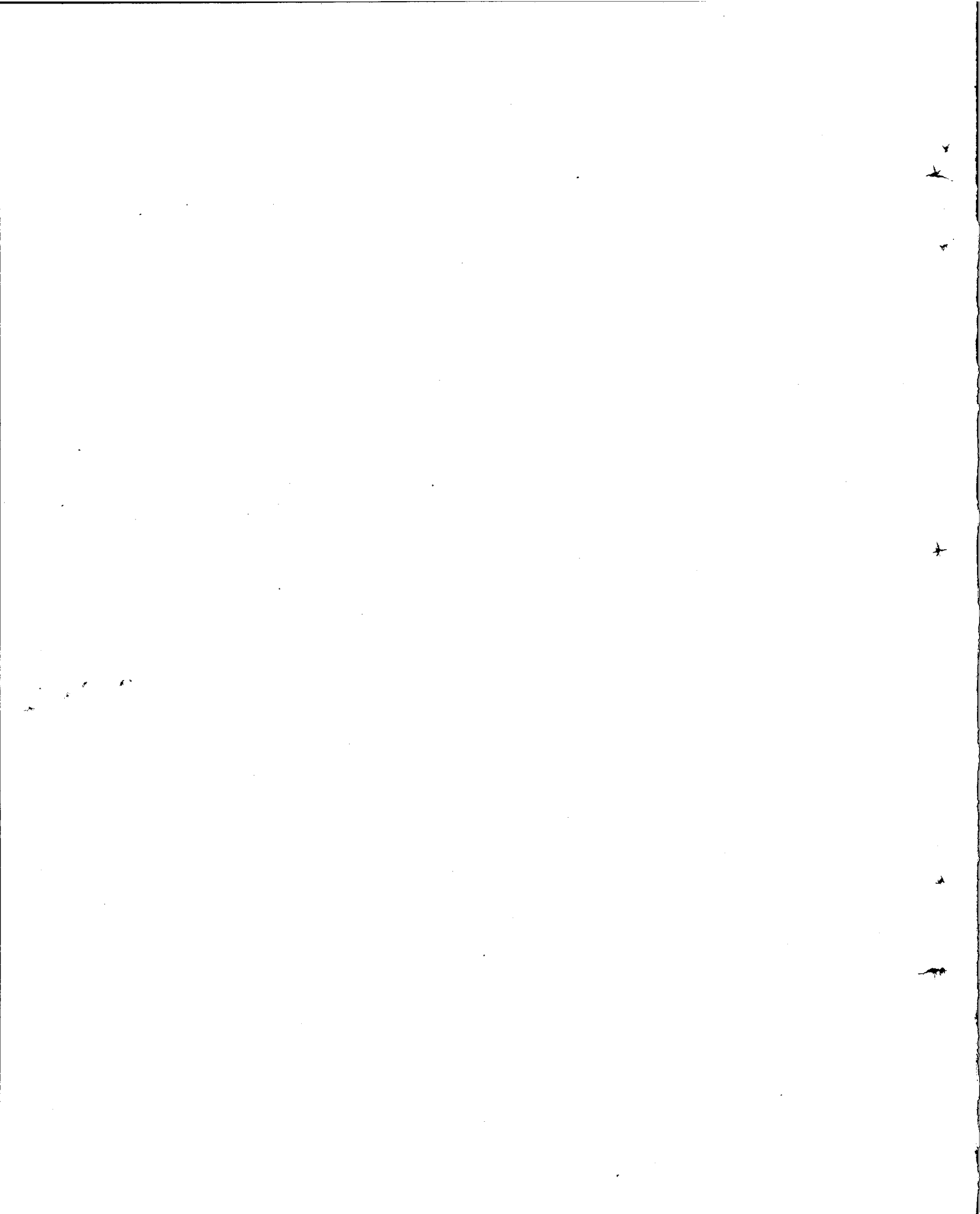
NWFP

22.23 The sector has been allocated Rs 27.623 million for ongoing and new projects. This include Rs 6.944 million for promotion of sports and games at district and divisional level and Rs 4.430 million for new and on-going schemes in Tourism sector for the development of Ski Centre at Ayubia, and creation of planning cell and Tourism Development activities in NWFP. Rs 2.5 million were allocated for conservation of historic buildings in Peshawar. The new projects of improvement of sports facilities in NWFP, improvement of Shahi Bagh Peshawar received Rs 2.5 million and Rs 3.015 million respectively. Sports stadium at Bannu and Kohat have been assigned Rs 2.735 million each and Rs 3.093 million were allocated to Sports Stadium at Abbottabad and Rs 1.116 million for the improvement of sports facilities in NWFP.

TOURISM MASTER PLAN

22.24 Tourism Master Plan aims to provide a systematic and scientific frame work for the planned, orderly and co-ordinated development of tourism as an important sector of the country's economy. The planned tourism will assist in the conservation and preservation of the country's natural environment and cultural heritage. In addition the project will motivate the private sector to invest in tourism related projects. The project aims both at institution building and support to the Government of Pakistan by WTO/UNDP.

22.25 The project will be funded by World Tourism Organization/United Nations Development Programme and Government of Pakistan. It is under implementation and the consultants have started their work in collaboration with their national counter-part at Ministry of Culture, Sports and Tourism and Youth Affairs.



CHAPTER-23

RURAL DEVELOPMENT

23.1 Rural Development is a multi-sectoral approach for development of physical and social infrastructure with a view to realize full productive potential of rural areas and spread benefits of development to the rural population which currently forms about 68% of total population. Despite the emphasis of spreading the benefits of development to the rural areas in the past, the availability of social services is still lacking in the rural areas and the physical infrastructure is yet to be developed so as to bring out the full potential of these areas. The rural areas continue to lag behind in the availability of educational facilities, commercial energy i.e. electricity & gas, safe drinking water, health & population facilities although the Annual Plans & Mid Term Plans set specific targets for rural development.

23.2 The strategic elements of planned rural development consist of (i) substantial public sector development investment in agriculture and water sectors. Currently these two sectors are on the average allocated about 41.5 percent of total public sector expenditure. The growth of agriculture affects progress in rural development through increased productivity and employment. (Details of targets and programs in these sectors can be seen in the respective chapters). (ii) rural areas are specially targeted with regards to the provision of social amenities like safe drinking water, sanitation, rural electrification and education through Social Action Programme (SAP) and non SAP expenditures (Details of these programmes can be seen in the respective chapters).

23.3 In addition to the specific targets for provision of social and physical infrastructure, two programmes of farm-to-market/rural roads and multi-sectoral development projects are undertaken by the Provincial Governments for the uplift and development of the rural areas. These two Programmes concentrate on farm-to-market/rural roads and provide other social and physical infrastructure in specified areas.

REVIEW OF 1998-99

23.4 During the financial year 1998-99, 1900 Kms of farm-to-market/ rural roads were constructed against the target of 2066 Kms. 28 rural health centers were established/ upgraded against the target of 7.00. Similarly 6.59 million of additional rural population was provided with safe drinking water against the target of 30.00 million and 49.00 number of villages were electrified against the target of 5100 villages. Targets and achievements during 1998-99 in different sectors are summarized in Table-23.1.

TABLE-23.1
TARGETS & ACHIEVEMENTS OF SOCIAL & PHYSICAL INFRASTRUCTURE
FOR RURAL AREAS DURING 1998-99.

S.No.	Sector	Unit	Target	Achievement
A.	Construction of farm-to-market Rural Roads.	Km.	2066	1900
B.	Rural Water Supply & Sanitation			
	(i) Rural Water Supply	Addl. Pop. served in million.	7.700	6.59
	(ii) Rural Sanitation	-do-	1.77	1.50
C.	Rural Health			
	(i) Basic Health Units.	Nos	80	72
	(ii) Rural Health Centers	Nos	30	28
D.	Village Electrification	Nos	5100	4900

23.5 The following paragraphs describe financial allocations & utilization and physical targets as well as achievements in respect of farm-to-market/rural roads and integrated area development projects during 1998-99.

23.6 An allocation of Rs. 9155.019 million was made in 1998-99 for the construction of farm-to-market/rural roads and provision of social & physical infrastructure under integrated area development projects against which Rs. 10232.074 million were incurred showing utilization of 111 percent. Agency-wise details are presented in Table-23.2.

TABLE-23.2
FINANCIAL ALLOCATION AND UTILIZATION

(Million Rs.)

Sl. No.	Agency	1998-99		
		Allocation	Utilization	%
1.	Federal	2735.239	3460.930	126
2.	Punjab	4530.510	4530.338	100
3.	Sindh	651.338	1119.666	172
4.	NWFP	926.185	809.393	87
5.	Balochistan	311.747	311.747	100
	Total:-	9155.019	10232.074	111

Source:- Federal/Provincial PSDPs.

FEDERAL

23.7 During the financial year 1998-99, an amount of Rs. 2735.239 million including foreign aid of Rs. 2706.760 million was allocated for rural development sector. Out of Rs. 2735.239 million, Ministry of Environment, Local Government & Rural Development was allocated Rs.2550.000 million including Rs. 2541.00 million of foreign aid for ADB Assisted and Japanese Assisted Farm-to-Market/Rural Roads Construction projects. Interior Division was allocated Rs. 5.263 million for rural roads projects and Narcotics Control Division was provided Rs.179.976 million including Rs.165.760 million of foreign aid for projects which aim at eradication of poppy cultivation by providing alternative means of income to the poppy growers. The over and above utilization is due to ADB, Japan assisted rural roads projects; these project utilized move foreign aid against the allocation during 1998-99. Agency-wise allocation and utilization is given in Table-23.3.

TABLE-23.3
ALLOCATION AND UTILIZATION IN 1998-99 AT THE FEDERAL LEVEL

(Million Rupees)

Sl. No.	Agency	Allocation (1998-99)		Utilization (1998-99)	
		Total	F. Aid	Total	F. Aid
1.	2.	3	4	5	6
1.	Ministry of Envir. Local Govt. & Rural Dev.	2550.000	2541.000	3277.000	3268.000
2.	Narcotics Control Division	179.976	165.760	180.330	0.000
3.	Interior Division.	5.263	0.000	3.600	0.000
Total:-		2735.239	2706.760	3460.930	3434.140

23.8 It is estimated that the Ministry of Environment, Local Government & Rural Development would utilize Rs.3277.00 million including Rs.3268.00 million of foreign aid for the construction of about 400 kilometer of farm to market/rural roads under ADB Assisted farm to Market Roads & Japanese Assisted Rural Roads Construction projects. Narcotics Control Division is expected to utilize Rs.180.330 million including Rs.166.114 million of foreign aid on integrated area development projects in Bajaur, & Mohmand agencies and Dir district in NWFP. Interior Division will be able to utilize Rs.3.600 million for the construction of about 2 Km of rural roads in Islamabad capital Territory.

PROVINCIAL

Punjab

23.9 Government of the Punjab utilized the entire amount of Rs.4530.338 million allocated during 1998-99 for rural development projects. Major portion of this expenditure was incurred on the construction/improvement of about kilometers of farm-to-market/rural roads, repair and construction of school buildings and pavement of streets in the backward rural areas.

Sindh

23.10 The Government of Sindh was able to utilize Rs.1119.666 million during the financial year 1998-99. The funds were utilized on construction of farm to market/rural roads and minor projects of Sindh Arid Zone Development Authority. Utilization is over than allocation due ADB and Japan assisted projects which assigned allocation were not referred in a PSDP 1989-99 documents preparation.

NWFP

23.11 The Government of NWFP utilized the entire amount of Rs.809.074 million allocated during 1998-99. This amount was utilized mainly for the construction of farm to market/rural roads, integrated area development projects in Chitral and Mansehra districts and carrying out of small village level schemes including the community uplift programme and Tameer-e-watan programme.

Balochistan

23.12 The Government of Balochistan utilized Rs.311.747 million for Rural Development. This amount is spent on construction of farm-to-market/rural roads, village electrification programme, Area development programme & BIAD reflected in rural Development sector. Out Government of Balochistan entire amount allocated for rural development sector included area development programmes of farm-to-market roads.

PROGRAMME FOR 1999-2000

23.13 An amount of Rs. 12769.454 million has been allocated for rural development during the current year. Major projects under this programme include improvement/rehabilitation and construction of farm-to-market/rural roads, matching grants to District Councils, grant-in-aid to local councils and small village level schemes. Agency/province-wise allocation during 1999-2000 is shown in Table-23.4.

TABLE-23.4

FINANCIAL ALLOCATION DURING 1999-2000

(Million Rupees)

Sl. No.	Agency	Allocation
A.	Federal	
i.	Ministry of Environment, Local Government & Rural Development.	2620.000
ii.	Interior Division	4.900
iii.	Narcotics Control Division	112.264
	Sub-Total Federal	2737.164
B.	Provincial	
i.	Punjab	6725.629
ii.	Sindh	1359.999
iii.	NWFP	1216.878
iv.	Balochistan	729.784
	Sub-Total Provincial	10032.290
	Grand Total	12769.454

FEDERAL

23.14 During 1999-2000, an amount of Rs. 2737.164 million has been allocated for Rural Development sector at the Federal level. Out of this, Ministry of Environment, Local Government & Rural Development have been provided Rs. 2620.00 million including Rs. 2610.00 million in foreign aid for construction/rehabilitation of farm to market/rural roads, under ADB Assisted and Japanese Assisted Rural Roads Construction Project. Construction work on these projects has been started and expected that total 400 km of roads will be constructed during 1999-2000. The programme will be implemented by the district development committees. The Interior Division have been provided Rs. 4.90 million for the construction of Roads under on going rural roads projects and Women income generating projects implementing in rural areas of Islamabad. Under this programme about 3 Kilometers of

rural roads will be constructed in the Islamabad Capital Territory and establishment of 6 Women Community Centre in ICT. The Narcotics Control Division have been allocated Rs 112.264 million including Rs. 105.593 million of foreign aid for Agricultural and Area Development projects in the poppy growing areas of NWFP. In addition to that Rs. 3500.00 million has been provided for Integrated Rural & Urban Development Programme. The main aim of the programme is to alleviate poverty from the country. Agency-wise financial allocation at the federal level is given in Table-23.5.

TABLE-23.5

FINANCIAL ALLOCATION FOR 1999-2000 AT FEDERAL LEVEL.

(Million Rupees)

Sl No.	Agency	Allocation 1999-2000	
		Total	F. Aid
1.	2.	3.	4.
1.	Ministry of Environment Local Government & Rural Dev.	2620.000	2610.000
2.	Narcotics Control Division	112.264	105.593
3.	Interior Division.	4.900	0.000
Total:-		2737.164	2715.593

Source: Federal PSDP 1999-2000.

PROVINCIAL

23.15 Rural Development has been accorded a high priority by the provincial Governments during 1999-2000. The total Provincial Programme has been kept at Rs. 10032.29 million including foreign aid of Rs.3263.897 million. Details of Province-wise utilization during 1998-99 and allocation for 1999-2000 are given in Table-23.6.

TABLE-23.6

**PROVINCE-WISE UTILIZATION FOR 1998-99
AND ALLOCATION FOR 1999-2000**

(Million Rupees)

S.No.	Sub-sector	Revised Estimates 1998-99	Allocation 1999-2000
1.	Punjab	4530.338	6725.629
2.	Sindh	1119.666	1359.999
3.	NWFP	809.393	1216.878
4.	Balochistan	311.747	729.784
Total:-		10232.074	10032.290

Source: Provincial PSDPs

Punjab

23.16. Government of the Punjab have allocated Rs. 6725.629 million including Rs. 1857.809 million of foreign aid for rural development programme during 1999-2000. Out of this, Rs. 2040.500 million (about 25 per cent) have been earmarked for the construction/rehabilitation/improvement of farm-to-market/rural roads in the Province. Revised estimates for the 1998-99 and allocations for 1999-2000 under various sub-sectors are shown in Table-23.7.

TABLE-23.7
FINANCIAL ALLOCATION
(GOVERNMENT OF PUNJAB)

(Million Rupees)

S.No.	Sub-sector	Revised Estimates 1998-99	Allocation 99-2000		
			Total	Local	F.Aid
1.	Farm-to-Market Roads Including ADB & Japan assisted Project.	1000.000	2040.500	766.500	1274.000
2.	Priority Programme	600.000	700.000	700.000	0.000
3.	Regional Planning	430.510	785.189	201.380	583.809
4.	Matching Grant to Local Councils	500.000	785.189	201.380	0.000
5.	Rural Development Pro.	2000.000	3000.000	3000.000	0.000
6.	Un-Funded Schemes	0.000	200.000	200.000	0.000
Total:-		4530.510	6725.689	4867.880	1857.809

Source: Provincial PSDP

23.17 During 1999-2000 priority has been accorded to on-going programmes including schemes under Asian Development Bank Assisted Rural Access Roads Project & Japanese Assisted Rural Roads Construction Project Phase-I. It is estimated that about 1000 kilometers of farm-to-market roads would be constructed/ improved in the Province during 1999-2000 against the achievement of 1000 kilometers during 1998-99. Priority programme has been allocated Rs. 700.000 million, Rs.3000.00 million has been provided for district development to projects. No allocation has been allocated for Rural development Programme. A sum of Rs. 785.189 million including Rs. 583.809 million has been earmarked for Regional Development Programme, which includes of foreign aid integrated area development projects.

Sindh

23.18 Government of Sindh have allocated Rs.1359.999 million including Rs.767.999 million of foreign aid for rural development during 1999-2000. Out of this Rs.1187.999 million (about 69 percent) have been earmarked for the construction/ rehabilitation/ improvement of farm-to-market/ rural roads in the Province. Revised estimates for the year 1998-1999 & allocation for 1999-2000 under various sub-sectors are shown in Table-23.8.

TABLE-23.8

**FINANCIAL ALLOCATION
(GOVERNMENT OF SINDH)**

(Million Rupees)

Sl. No.	Sub-sector	Revised Estimates 1998-1999	Allocation 99-2000		
			Total	Local	F.Aid
1.	Rural Roads Farm-to-Market Road	1017.917	1187.999	420.00	767.999
2.	SAZDA	101.749	100.000	100.000	0.000
3.	Rural Support Prog.	0.000	10.000	10.000	0.000
4.	Aid to Local Bodies.	0.000	2.00	2.000	0.000
5.	Sustainable activities in less dev. Area Priority Programme	0.000	60.000	60.000	0.000
Total:-		1119.666	1359.999	592.000	767.999

Source: Provincial PSDP.

23.19 The emphasis on the construction of farm-to-market roads will continue during the year. Allocation of Rs.1187.999 million includes, with inter alia, schemes under the Federal Projects being implemented in the Province. The Federal Projects are being funded by the Asian Development Bank and the Government of Japan. Main policy underlying the programme for 1999-2000 is to complete the maximum number of on-going schemes, especially those that have attained advanced stages of completion. It is expected that approximately on-going schemes will be completed and 350 kilometers of farm-to-market roads will be constructed during 1999-2000. Rs.10.00 million have been provided for small level schemes in rural areas and Rs.60.00 million has been prepared for priority programme in sindh rural support programme.

**Sindh Arid Zone Development
Authority (SAZDA)**

23.20 A block allocation of Rs.160.00 million has been provided for implementation of on-going development works of Sindh Arid Zone Development Authority (SAZDA). An amount of Rs.100.00 million has been provided for rural roads and other rural development schemes reflected in the rural development sector.

NWFP

23.21 A sum of Rs.1216.878 million including Rs.310.165 million of foreign aid has been provided for rural development activities in the NWFP. Details of sector wise programmes are given in Table-23.9

TABLE-23.9
FINANCIAL ALLOCATION
(GOVERNMENT OF NWFP)

Sl No.	Sub-sector	Revised Estimates 1998-1999	Allocation 99-2000		
			Total	Local	F.Aid
1.	Farm to Market Roads/Rural Roads including ADB and Japan assisted projects	249.395	420.209	291.209	129.000
2.	Community Uplift Development Programme.	30.000	63.00	0.000	63.000
3.	Block allocation against counter-part funds for World Food Programme.	0.000	0.100	0.100	0.000
4.	Pak. German Integrated Rural Development Programme Phase-V.	8.100	9.000	9.000	0.000
6.	Area Development Programme	121.898	324.179	206.004	118.165
7.	Tamer-e-Watan Programme	400.000	0.000	0.000	0.000
8.	Other Programme	0.000	400.000	4000.000	0.00
Total:-		809.393	1216.878	906.313	310.165

Source: Provincial PSDP

23.22 The above table shows that Rs.420.00 million including Rs. 129.000 million of foreign aid have been provided for the construction/improvement of about 100 kilometers of farm-to-market/rural roads under ADB Assisted Farm to market Roads, Japanese Assisted Rural Roads Construction project, Rural Access Roads project Phase-I and other minor black topping of rural roads in the NWFP province. An amount of Rs.324.179 million including Rs. 118.165 million of foreign aid have been provided for integrated areas development projects, which include green sectors, and provision of social infrastructure in the poppy growing areas & less developed areas of NWFP. Rs.63.00 million including foreign aid have been provided for community uplift Programme. Under this programme funds will be utilized

on rural development works including construction of shingle/katcha/jeepable roads, pavement of streets, construction of drains, culverts, water tanks, water wells and footpaths in the rural areas.

Balochistan

23.23 Government of Balochistan have allocated Rs.729.784 million including Rs. 327.924 million of foreign aid for the development of rural areas. This amount is in addition to funds that will be spent through other sectors like water, agriculture, education, health, transport and communication. Sub-sector wise details of revised estimates for 1998-99 and allocations for 1999-2000 are given in Table-23.10.

TABLE - 23.10
FINANCIAL ALLOCATION
(GOVERNMENT OF BALOCHISTAN)

(Million Rupees)

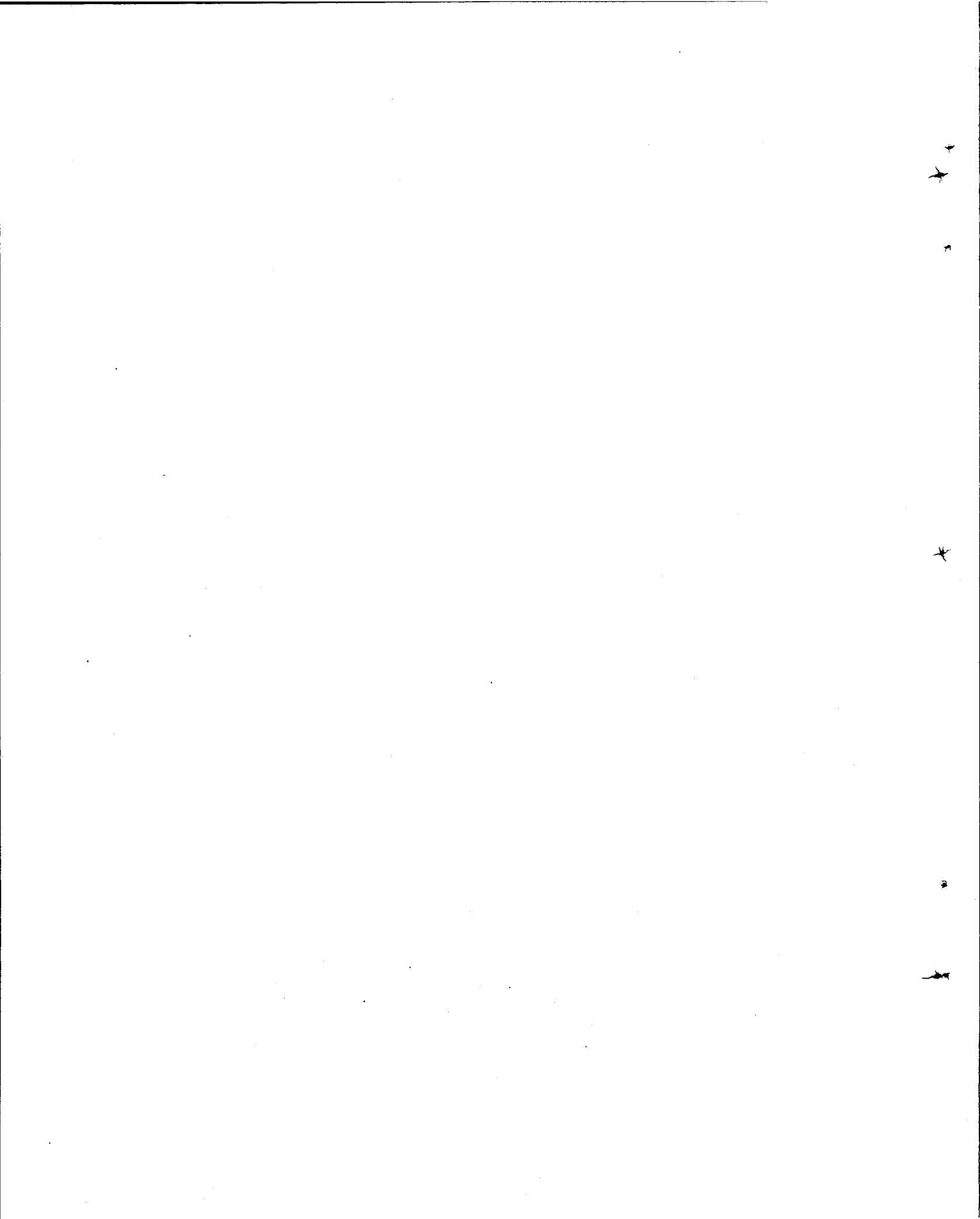
S.No.	Sub-Sector	Revised Estimate 1998-99	Allocation 99-2000		
			Total	Local	F.Aid
1.	grant-in-aid for Rural/Urban Councils	10.000	20.000	20.000	0.000
2.	Area Development Programme	98.247	139.000	51.000	87.924
3.	Rural/ Farm-to-Market Roads	47.000	275.000	35.000	240.000
4.	Grant to village Dev. Prog.	0.000	40.000	40.000	0.000
5.	Priority programme	0.000	15.000	15.000	0.000
6.	Rural Electrification	110.000	10.500	10.500	0.000
7.	Progress for neglected Area	0.000	15.000	15.000	0.000
8.	Public Feed back programme	0.000	215.000	215.000	0.000
Total:-		311.747	729.284	496.360	327.924

Source: Provincial PSDP.

23.24 For the current financial year an amount of Rs.20.00 million is allocated for grant-in-aid to rural and urban councils. Rs.275.00 million including Rs.240.00 million of foreign aid have been allocated as provincial share for the construction of farm-to-market

roads with the assistance of Asian Development Bank and Rural Access roads project. Under this programme approximately 75 Km of rural roads has been proposed to construct in financial year 1999-2000. An amount of Rs.139.00 million including Rs.87.924 million of foreign aid has been allocated for Area Development programme in Balochistan. Rs.40.00 million is allocated for grant to village development committee Rs.15.00 has been provided for priority programme of Rs.10.50 million has been provided for rural electrification in Balochistan. In addition Rs.15.00 million has been provided for less development area which were neglected in past Rs. 215.00 million has been provided for the public feed back programme, implement by the public representative in their respective areas of Balochistan province.

23.25 Physical achievements during 1998-99 and targets for 1999-2000 in respect of sectors aiming at provision of social & physical infrastructure in rural areas is given at S.A Table-23.1.



CHAPTER-24

REGIONAL DEVELOPMENT

24.1 Special Areas which include Azad Kashmir, Northern Areas, FATA and FATA DC receive special allocations through Federal Public Sector Development Programme. During 1999-2000 Rs. 4189.00 million were allocated for the development programmes of these areas. This shows an increase of 6.10 percent over Rs. 3948.019 million allocated for 1998-99. The details of area wise allocation and utilization are given in Table-24.1.

TABLE 24.1
ALLOCATION AND UTILIZATION FOR 1998-99 AND 1999-2000

Areas	1998-1999		% Utilization 1998-99	(Million Rs)	
	Allocation	Utilizations		Allocation 1999-2000	% Change in Allocation
AJK	2034.719	1857.767	91.30	2213.719	8.79
Northern	865.70	676.35	78.12	868.68	0.344
FATA	923.00	685.92	74.31	982.02	6.4
FATA D.C	124.6	116.754	93.70	124.58	-0.016
TOTAL	3948.019	3336.791	84.518	4189.00	6.10

24.2 The allocations are constant over the previous year except for Azad Jammu & Kashmir and FATA, where there is an increase of 8.79 % and 6.4 % respectively.

AZAD JAMMU AND KASHMIR REVIEW OF 1998-99

Financial

24.3 An amount of Rs.2034.79 million including Foreign Aid component of Rs.795.000 million was allocated for financing the development schemes of AJ&K against which 1857.767 million has been utilized. In percentage terms the level of utilization works out to be 91.30%. Power, Resource Management, Rural Development T&C, Health and Education Sectors received priority in sectoral PSDP allocations during 1998-99. An amount of Rs.348.678 million has been utilized against allocation of Rs.548.570 million (146 % approx utilization) for Power, Rs. 587.984 million has been utilized against the allocation of Rs.562.678 million (105% utilization) for Foreign Aided Projects, Rs.263.840 million has been utilized against the allocation of Rs.264.906 million (100% utilization) for Rural Development, Rs.217.241 million has been utilized against the allocation of Rs.217.696 million (100% utilization) for T&C, Rs.95.718 million has been utilized against the allocation of Rs.91.054 million (105% utilization) for Education Sector & Rs.181.063 million has been utilized against the allocation of Rs.186.564 million (103% utilization) for Health sector. The Sector-wise detail of allocations 1998-99(Rev) and 1999-2000 (Estimates) is provided in Table-24.2.

TABLE - 24.2
SECTORAL ALLOCATION AND UTILIZATION (AJK)

(Million Rs)

S.NO	Sector	(1998-99)		% Utilization 1998-99	(1990-2000)	
		Allocation	Utilization		Allocation	Percentage change allocation
1	Agriculture	62.75	62.74	99.98	95.40	52.03
2	FA	562.24	587.98	104.58	451.09	-19.76
3	Industry	14.22	14.19	99.79	43.55	206.25
4	Education	91.05	95.72	105.12	274.989	202.01
5	Health	186.56	181.06	97.05	176.29	-5.50
6	Water	4.23	4.24	100.31	5.185	22.57
7	Power	548.57	348.68	63.56	241.621	-55.90
8	T&C	217.70	217.24	99.79	366.098	68.81
9	PP&H	66.66	70.10	105.16	123.403	85.12
10	LG&RD	264.91	263.84	99.60	462.539	74.63
11	S.Welfare	3.37	2.54	75.50	3.11	-7.71
12	Research	5.15	4.69	91.01	13.19	156.83
13	SDP	7.28	4.741	65.09	7.259	-0.288
Total:		2034.69	1857.767	92.81	2263.719	11.25
Operational		--	--	--	50.00	--
Net PSDP:		2034.69	1857.767	92.81	2213.719	8.79

Physical Achievement

24.4 In Agriculture Sector at ESMA Ghari Dopatta training programme for farmers, field assistant stock assistant, Women Extension Worker has been completed and 130 trainees has successfully completed the above mentioned trainings. In Animal Husbandry sector 95% constructional work has been completed, Poultry equipment, feed and medicines, hatchery & farm equipment have been purchased under the project of ?enhancement & Strengthening of Poultry Services. In Health Sector 6 BHU, 30 MCH Centre, 2 THQ hospitals has been completed and 18 Nos. Ambulances purchased and provided to different hospitals. In Education Sector 115 buildings for primary schools were completed, constructional work for main building, student staff hostel is in progress. Under Education Sector 50 primary, 50 Middle, 7 High schools, 6 Inter Colleges were upgraded as per scheduled. Under power sector 40813 service connections were provided, 117 transformers were installed and renovated the 11 kV & 0.4 KV lines. Estt. Of 200 KW Hydel station at Kundal Shahi District Muzaffarabad has been completed. 95% work of Neelum Valley Hydel Project Jagran has been completed. 90% work of the scheme Estt. 1.6 MW hydro Electric Project at Leepa District Muzaffarabad has been completed during the year 1998-99. In the T&C sector 8 Km Single Lane to Double Lane road & 10 Km Fair-weather road was completed. 40 Km link road was metalled while RCC bridges suspension and sub-Mersible bridges were constructed. In PP&H sector 81700 sft office & 25220 residential accommodation was constructed 3 schemes of Water Supply & one scheme of Sewerage has been completed and facility has given to the Urban Population. Under Rural Development sector 590 Water Supply Schemes, 115 Primary School buildings and 122 Km Fair-weather roads were constructed. In Forestry sub-sector about 23 million plants were

raised and 5.784 million cft Soil conservation work was carried out and 4 KM forest roads were constructed. In industries sector development of Industrial Estates, Vocational & Skill training programs and exploration/extraction of minerals continued as programmed.

PROGRAMME FOR 1999-2000 FINANCIAL

24.5 An amount of Rs.2213.719 million (excluding operational short fall of Rs 50.00 million) has been allocated for 1999-2000 for the Development Programme in Azad Jammu & Kashmir against the allocation of Rs. 2034.719 million during 1998-99. The sector-wise allocation alongwith & % age change are given in the **Table-24.2**.

24.6 During 1999-2000 highest priority has been assigned to followed by Resource Management Project, T&C, Education & Health sector. Except for Water and Power the relative share of all the sectors has been increased. Among Social Sector, Primary Education, Primary Health Care and Rural Water & Sanitation have been given special importance.

PHYSICAL

24.7 Agriculture sector feed and medicine will be purchased. 60 Dairy, 30 Sheep & Goat farms will be established. Training will be provided to progressive farmers and prizes will also distributed among good farmers. In Forestry sub-sector about 22.000 million plants will be produced and 5.00 million cft. Soil conservation works will be carried out. Under Education sector building s for 150 Primary schools, 50 Middle schools, 35 High schools and 13 colleges will be constructed. In Health sector construction work of 10 BHUs, 02 RHCs, 57 MCH centres and 60 First Aid Posts will be completed besides purchase of 21 ambulances. In T&C sector 120 Km roads of different specifications will be constructed and metalled. 7 bridges of different specification will be completed. In PP&H sector 18700 Sft. Constructional work of office and 25220 sft residential accommodation will be carried out and work on flood protection project will remain in progress. The 3 numbers of Water Supply schemes to be completed and 5 schemes work in progress. Under Rural Development sector 720 Water Supply Schemes, 102 Primary schools buildings and 118 Km Fair-weather roads are to be completed. In Power sector 4967 electricity service connections will be provided and 227 Km HT & LT lines will be erected. In Industries sector development of industrial estates, vocational & Skill training programs & exploration/exploitation of minerals will remain continue.

NORTHERN AREAS REVIEW OF 1998-99

24.8 An amount of Rs 865.70 million (which include Rs 68.300 million as special grant to Northern Health Project NHP) was allocated to Northern Areas under PSDP 1998-99 against which an amount of Rs 676.352 million was utilized showing utilization of 78.12 %. During 1998-99 highest priority was accorded to T&C Sector which was allocated Rs 227.29 million indicating 26.25% of the total allocation. This was followed by Primary Health Rs 159.71. Power Sector which was earmarked Rs 138.27 million, for Education Rs 67.03 million, PP&H Sector Rs 46.58 million. Besides these an amount of Rs 74.52 million,

Rs 159.71 million and Rs 22.98 million were allocated to Basic Education, Health and RWSS respectively under Social Action Programme. The Sectoral Allocation and utilization are given in Table-24.3. Some utilization in sectors like Agriculture, Animal Husbandry, Fisheries, Water, was poor.

TABLE 24.3
SECTORAL ALLOCATION AND UTILIZATION
NORTHERN AREA

(Million Rs)

S.NO	Sector	(1998 -99)		(1990-2000)	Percentage	% Utilization
		Allocation	Utilization	Allocation	Change in allocation	1998-99
1	Agriculture	18.63	9.541	15.00	-19.49	51.21
2	Animal Husbandry	11.80	6.954	6.80	-42.37	58.94
3	Fisheries	2.48	1.399	2.00	-19.49	56.32
4	Forestry	16.15	12.719	12.00	-25.68	78.77
5	Industries	6.21	5	15.00	141.54	80.51
6	Health	19.87	15.757	-	0.00	79.29
7	Water/Irrigation	23.12	13.806	16.50	-28.63	59.71
8	Power	138.27	136.637	142.00	1.25	98.82
9	T&C	227.29	185.79	208.43	-8.30	81.74
10	Education	67.03	64.6	58.45	-12.80	96.37
11	PP&H	46.58	33.74	43.00	-7.68	72.44
12	LB&RD	24.84	19.82	33.50	34.86	79.79
13	NAs Dev. Project	6.21	6.75	45.00	624.62	108.69
14	Portfolio of New	0.00	-	10.00	0.00	0.00
15	Basic Education	74.52	49.935	100.00	34.19	67.01
16	Primary Health	159.71	97.517	140.00	-12.34	61.06
17	Rural W/Supply &	22.98	16.387	20.00	-12.96	71.32
	Total	865.69	676.35	868.68	1.072	78.181

PHYSICAL ACHIEVEMENT

24.9 During 1998-99 in Agriculture sector 1625 MT of Potato seeds were marketed in down country, and 12000 Kg Vegetable seeds 11932 Kg improved wheat seeds were distributed among the farmers. 43000 fruit plants grafted/budded and 132000 fruit plants were raised and distributed. In forestry sector 400 acres was brought under afforestation. In industries sector 95% of the area of survey of economic mineral in NAs was completed, and 190 samples tested of anomalies for gold silver and copper in Lab. Peshawar. In water/Irrigation sector 12 Km irrigation channel was constructed and 3000 Rft pipe line were laid down. In power sector 55 power houses were established and 10 power channels constructed, 2000 Mtrs, penstock pipe 80 Km transmission lines, 70 Km distribution lines, 6 T.G. Sets 20 transformers and 2 project completed. In T&C sector 110 Km jeepable road 25 metalled road 5 suspension bridges 5 truss bridges and 5 RCC bridges were constructed, and 10 residential quarters 10 non residential quarters 5 settling tank and 15 chambers were repaired/renovated. In Education sector main block of Cadet College at Skardu is at completion stage, 4 additional class rooms constructed at Post Graduate College Gilgit 5 high Schools and one Girls Degree College and one Girls Inter College opened. To improve basic Health facilities 18 LHVs trained 71 doctors appointed 25 midwives trained, 30 MCH centre constructed 35 FAPS repaired and 18509 children were immunised under EPI programme. 18 Water Supply schemes has been

completed.

PROGRAMME FOR 1999-2000

24.10 During 1999-2000 an amount of Rs 868.68 million (which include Rs 50 million as Foreign Aid) has been allocated for development programme of Northern Areas. Highest priority is accorded to T&C Sector which allocated Rs 208.43 million. This was followed by Power Rs 140.00 million. Besides this an amount of Rs 140.00 million and Rs 100.00 million were allocated to Primary Health, and Basic Education, respectively under Social Action Programme. Sector-wise allocation is given at Table-24-3.

FEDERALLY ADMINISTERED TRIBAL AREAS (FATA)

REVIEW OF 1998-99

Financial

24.11 An amount of Rs. 923.00 million was allocated to FATA under PSDP (1998-99) against which an amount of Rs. 685.919 million was utilized i.e 74.31%. Highest priority was accorded to power sector which was allocated Rs. 251.79 million and which performed poorly (16.76%). Agriculture (13.05%), Forest (55.48%), Housing (9.10%) and R&D (20.53%) also performed poorly. The performance in utilization by the Communication (250%), Public Health (241.03%) has been phenomenal.

TABLE- 24.4
SECTORAL ALLOCATION AND UTILIZATION
(FATA)

S.NO	Sector	(Million Rs)				
		(1998-99) Allocation	Utilization	% Utilization 1998-99	(1999-2000) Allocation	Percentage change allocation
1	Agriculture	185.54	24.215	13.05	28.95	-84.39
2	Forest	118.28	65.619	55.48	70.27	-40.59
3	Communication	89.33	224.092	250.86	289.62	224.21
4	Power	251.79	42.192	16.76	40.50	-83.39
5	Public Health	34.81	83.902	241.03	103.76	198.07
6	Housing	53.85	4.9	9.10	37.25	-30.82
7	Education	30.31	66.114	218.13	208.00	586.24
8	Health	61.32	104.823	170.94	114.33	86.44
9	Research	33.30	6.835	20.53	11.95	-64.11
10	LG&RD	19.50	14.583	74.78	28.15	44.35
11	Regional	45.00	48.644	108.10	49.17	9.26
	Total:	923.00	685.919	74.31	982.02	6.4

Physical Achievements

24.12 During 1998-99 in agriculture extension 120 scholarship were awarded and 7 agriculture shows were held 196100 fruit plants were distributed and 8440 plots were

developed. For the development of Livestock and Dairy 10 scholarships for DVM degree course were awarded. 193287 animals were treated and 832 were inseminated, with a view to promote forestry 9947 acres of blocks plantation and 24.20 acres of nurseries were developed. 40000 mulberry plants and 350 PKT silk seeds were also distributed. In power sector 55.99 miles H.T. lines and 50.11 mile L.T. Lines were erected and 62 transformers were procured, and electricity was provided to 27 villages. In communication sector 30.82 Kms of shingled roads, 60 Km of black topped roads and 4 bridges were constructed beside the extension of 33.50 Km of roads. In education sector 4 schools were upgraded to high schools and one high school was upgraded to secondary status. In health sector 2 hospitals and 12 civil dispensaries were established.

PROGRAMME FOR 1999-2000

24.13 During 1999-2000 an amount of Rs 982.02 million has been allocated for FATA area. The sectorwise allocation alongwith the percentage changes are given in Table-25.4. During 1999-2000 major sectoral allocation in order of priority are communication (29.49%), Education (21.18%), Health (11.64%), Public Health (10.56%), Forest (7.15%). There is sharp rise for allocations for Communication, Public Health, Education and health.

FATA D.C

REVIEW OF 1998-99

24.14 During Financial year 1998-99 an amount of Rs 124.60 million including Rs 23.00 million Foreign aid was allocated for FATA DC against which Rs 116.754 million including foreign aid of Rs 12.374 million were utilized, showing 93.74 percent. This amount was provided for 35 number of schemes including water, Hydel power, Minerals, Industries and for establishment. Three main donors i.e. KFW, Japan and World Bank provide foreign aid for the FATA DC projects.

PROGRAMME FOR 1999-2000

24.15 An amount of Rs 124.58 million including Rs 10.960 million of foreign aid has been allocated for FATA DC in PSDP 1999-2000. This allocation is same over the last year allocation. Out of total allocation Rs 54.608 million including Rs 10.960 million of foreign aid has been provided for water Sector and Rs 69.972 million for Hydel power, Mineral, Industry and Establishment.

CHAPTER-25

SCIENCE AND TECHNOLOGY

25.1 It is now universally recognised that science and technology provide the most potent means of achieving progress, self reliance, national harmony and security. Every developing country is endeavouring to acquire and develop modern science and technology system. In recognition of the importance of S&T, a steady tempo of progress has been maintained in Pakistan with establishment and expansion of institutions for research and development. The measures also included S&T manpower development, information services, testing and quality control, equipment manufacture, S&T database, consultancy services and R&D activities at the universities. In the field of technology development, considerable progress has been achieved through enhancement of indigenous technological inputs.

REVIEW OF 1998-99

25.2 The allocation for Science and Technology during 1998-99 was Rs 170.060 million, against which an expenditure of Rs 123.062 million has been made showing a utilization of 72 percent. Allocations and utilizations for the respective sub-sectors are given in Table-25.1.

TABLE-25.1
FINANCIAL REVIEW 1998-99

Sub-Sector	Allocation	Utilization	%Utilization
Education and Training	80.000	54.000	68
Industries	31.360	30.362	97
Biotechnology	30.000	30.000	100
Water and Oceanography	28.700	8.700	30
Total:	170.060	123.062	72

25.3 Ministry of Science and Technology continued implementation of Technology Development Action Plan, under which consultancy services were provided to industry for improvement of quality and production. Private sector was encouraged to take part in research and development activities. Third model of shuttleless looms developed and preparatory work started for their commercial production. Ministry of Science and Technology in collaboration with Ministry of Commerce provided financial assistance to export oriented industries for hiring of consultants to guide them for obtaining ISO-9000 certification. Pakistan Council for Appropriate Technology (PCAT) completed civil works and fabricated machinery for three micro-hydel power plants. Survey for new sites for installation of plants was also undertaken.

25.4 National University of Sciences and Technology (NUST) is an institution of high learning. Out of the total 1864 students in the undergraduate and 297 in postgraduate programmes, 505 and 41 students completed MS/PhD studies respectively. Under split programme of NUST, 47 students completed their studies and returned from abroad. In addition,

NUST supported R&D projects of national importance. A major breakthrough was made in solar energy technology by indigenously producing solar cookers, shamsi Mashk, etc.

25.5 Pakistan Council of Scientific and Industrial Research (PCSIR) continued R&D activities in the field of minerals, foods and vegetables, oils and fats, leathers, solar energy, drugs and chemicals. PCSIR Labs, Quetta provided consultancy and testing facilities to various agencies like WASA, SAINDAK, etc. The Technical Training Centre in PSTC provided short training courses in control technology and computer aided machining. Institute of Industrial Electronic Engineering (IIEE) inducted new equipment to its laboratories to provide upto date training in the field of industrial electronics for the award of bachelors degree in engineering. The design and fabrication of incineration chamber for disposal of infectious waste of hospitals has been completed. National Institute of Oceanography (NIO) under Pak-US Cooperative Programme completed monitoring of inshore effluent and offshore marine ecosystems.

25.6 National Institute for Biotechnology and Genetic Engineering continued R&D activities in DNA and gene cloning. Work on isolation, identification and characterization of cotton leaf curl virus has been completed. Virus resistant transgenic cotton plants have been developed and their second generation is being tested under green house and field conditions. To reduce the cost in chemical fertilizers, low-cost biofertilizer for rice, pulses and fodder crops has been developed. Efficient microbial strains were developed for production of gas and alcohol and were supplied to sugar industry.

PROGRAMME FOR 1999-2000

25.7 The allocation for Science and Technology Sector during 1999-2000 is Rs 258.250 million, which is 210 percent of 1998-99 expenditures. An amount of Rs 130.00 millions has been allocated for new programmes. This quantum jump in budget allocation shows government's commitment towards promotion of science and technology. The details of allocations for science and technology is given in S.A.Table-25.1.

25.8 The Ministry of Science and Technology will continue providing support to scholars pursuing higher studies abroad. Various students under split PhD programme in high technology fields will be sent to collaborating universities in the developed countries.

25.9 National University of Sciences and Technology (NUST) will provide undergraduate and postgraduate training in high technology fields. Procurement of equipment and construction of civil works will be undertaken at the new constituent colleges. Under NUST phase-II, the facilities will be extended to civilian students in medical, aeronautical and marine engineering. The scholars will be sent abroad under split programme for higher studies in engineering disciplines such as computer, mechanical, electrical, avionics, aerospace and environmental engineering. NUST will also provide training and consultancy services to industrial and business organizations. In addition, R&D work will continue on the projects of solar energy, telecommunication, software development and defence. The laboratory equipment will be provided for the continuing MS programme in environmental engineering and cryptology.

25.10 Pakistan Council of Scientific and Industrial Research (PCSIR) will procure equipment through Spanish Credit for Technical Training Centre in PSTC for Process Control Instrumentation, where short and long courses are being conducted regularly. Institute of Industrial Electronics Engineering will strengthen its laboratories with equipment and consumable material. Furnishing of auditorium, class rooms and library will be completed. Quality control and small scale production of electronic components, devices, equipment and systems would be undertaken. PCSIR Laboratories Quetta will initiate work on fabrication and commissioning of the copper ore processing pilot plant. Procurement and erection of the required equipment, glassware, chemicals and other consumable items would be completed. The Central Testing Laboratories will complete renovation work in addition to commissioning of Hydraulic Dynamometer with assistance of UNDP. The fabrication of pilot plant and its test run for disposal of infectious solid waste of hospitals would be completed.

25.11 Pakistan Council of Research in Water Resources (PCRWR) will undertake survey, monitoring and evaluation of tile drainage units and documentation of results. Research studies on leaching, salt balance and salt tolerance of crops would be taken up. Research assignments on water evaluation, consumptive use of water, irrigation design for agriculture farm and alternative pump system would be initiated. PCRWR will also develop catchment for storage of rainwater in the ponds. Four thousand trees of different species having value for timber, fuel, furniture and fruit and to improve micro-climate, would be planted.

25.12 Council for Works and Housing Research (CWHR) will continue R&D work on development of appropriate construction materials and technologies for low cost housing and its dissemination to end users. Pakistan Council for Appropriate Technology will install/disseminate 3500 cook stoves of various designs and will undertake demonstration-cum-training programmes all over the country. Five micro-hydro power plants of various capacity would be installed in the Northern Areas of NWFP.

25.13 At National Institute for Biotechnology and Genetic Engineering (NIBGE) genetically engineered plants are under trials. Molecular virology studies of cotton, tomato and some other alternative hosts are being pursued. Identification and characterization of rhizobial and PGPR strains from different rhizospheres will be continued. Colonization studies of different PGPR strains with rice and wheat will be done. In the area of health biotechnology, research is being carried out on the molecular epidemiology of tuberculosis, hepatitis C and typhoid. Molecular characterization of mutations causing beta-thalassaemia in Pakistan and biocontrol of malaria vector would be undertaken. In the area of environmental biotechnology, development of bacterial consortium for detoxification of hazardous industrial effluent is undertaken. New methods of detecting genotoxicity like comet assay will be established. Production of important chemicals and enzymes for industry using microorganisms, will continue. The processes for recovery of valuable metals like gold, silver, etc. are being optimized, and upscaling of copper recovery by bioprocessing of ores from Saindak Mines will be continued. Biotransformation of products for production of value-added compounds shall be initiated. Work for upscaling of desulphurization of indigenous coals will be continued.

25.14 Under the new initiatives, announced by the present government, Ministry of Science & Technology is being strengthened through creation of new Divisions such as

Telecommunications Division and Information Technology Division. This programme envisages promotion of Information Technology (IT) and electronic commerce. Industry and production sector will be acquainted with the new concepts of total quality management and ISO 9000 systems. In compliance with WTO agreements, the quality of our national products would be brought at par with international standards.

CHAPTER-26

INFORMATION TECHNOLOGY

REVIEW ACTIVITY IN 1998-99

26.1 The field of information technology has progressed more than any other discipline in today's culture of globalization. The rapid strides in this field are rendering conventional channels of communication obsolescent. The concept of E-commerce, E-government, E-Education and Tele-medicine are the buzzwords of today. It has become imperative for all the developing nations today to face the challenges of next millenium by extensive and intelligent use of IT.

26.2 Inaction in taking timely initiatives in the field of IT has resulted in Pakistan lagging far behind. The activities which were undertaken in IT in 1998-99 were based on attempts made individually in Government Departments and in the private sector with no government level coordination. Thus importance of IT in the improvement of efficiency and transparency of working in the Government Sector was not recognized. For this reason there is a requirement for generating maximum momentum with a view to entering 21st century fully prepared.

26.3 The information policy would be launched during 1999-2000. Its effective implementation will usher an era of electronic government, electronic commerce, electronic education and tele medicine, to name but only a few benefits of the IT revolution.

PROGRAMMES FOR 1999-2000

26.4 The present government realizing IT needs, for the first time has laid highest priority to this area. A New Division namely "IT Division" has been created under the Ministry of Science and Technology. Many public and private sector development projects will also be initiated during 1999-2000. The other likely interventions are as follows : -

i) **Ministry of Information**

During the year Ministry of Information will prepare an extensive and massive media campaign to include tutorials and advertisement in print and news media, TV and radio for educating the masses about benefits of information technology.

ii) **Ministry of Science & Technology**

Ministry of Science and Technology will make efforts to recognise all institutes disseminating IT education in Pakistan and grade them in different classes/categories. This grading will be published on yearly basis. Further, the Ministry during 1999-2000 will standardize all IT related syllabi and will bring all institutes under the government sponsored Boards and University Grants Commission. It will also issue yearly targets of producing IT professionals to all IT training institutes, colleges and

universities. Moreover, the Ministry will facilitate establishment of centers of excellence, one at Federal and one each at Provincial levels.

iii) **Ministry of Education**

Initiatives taken up by Ministry of Education for the years 1999-2000 include courses such as; i) HND (Higher National Diploma) Computer Applications (self-financing programme), ii) Diploma in Computer Software and Hardware, iii) Various short courses (Rs 0.8 million are allocated for this project). This project includes arrangement of courses on: a) computer based instructions, b) computer based drafting/designing, iv) use of computer in libraries, and v) use of computer in management and decision making.

iv) **Pakistan Computer Bureau (PCB)**

- a) A five years National IT plan covering all the Ministries/Divisions and Government offices will be prepared by PCB. For this purpose the Ministries/Divisions will be divided into functional groups. For each group, a team of consultants comprising system analysts and headed by an IT expert will be deputed to complete the work on target date. The work of all teams will be integrated to develop a national plan. The objective of the plan is to promote the use of IT in the Government and improve the service delivery to the public through the use of IT. While developing the plan, needs of the private sector will be given due importance.
- b) Information about IT professionals working in Government will be collected and comprehensive database of IT professionals will be created. The database will be maintained in the PCB and updated biannually. The database will become a pool of IT human resource and will be useful in future for creating a separate cadre for the IT professionals working in the Government.
- c) An extensive IT awareness and training programme will be launched which will cover all officers working at top, middle and lower levels in the government. The training programme will be designed in such a way that courses will be conducted simultaneously for all levels of management. The learning of Software "MS office" will be mandatory for all the levels. The top and middle management levels will also be given exposure to the use of information browsing tools on Internet. The emphasis will be on acquiring skills in the use of IT facilities. The training of the staff employed in government organizations will also be simultaneously undertaken on the same lines.

v) **Pakistan Software Export Board (PSEB)**

Pakistan Software Export Board will undertake the following projects during the year 1999-2000 :-

a) **Software Technology Park (STP), Islamabad**

With the effort of PSEB, a prestigious building in Islamabad has been converted into the first STP of Pakistan. The PSEB is now marketing the STP to local as well as foreign software companies. Space in STP is already being occupied by major software companies of Pakistan. With the availability of international connectivity on demand, the STP Islamabad has become the most attractive space for software companies. The PSEB plans to set up similar Parks in other cities of Pakistan.

b) **Marketing of Pakistan's Software Industry Abroad**

The PSEB is in contact with different organizations abroad for exploring the possibility of marketing of Pakistani software in USA, UK and in Asia-Pacific region. In this regard the PSEB is in contact with large groups of information technologist and software experts in USA having wide range of experience and requisite contacts in this field. PSEB is endeavoring to form joint ventures with such foreign companies who would like to utilize the services of Pakistani professionals in IT on performance basis and act as a catalyst for business promotion to Pakistani software exporting companies.

c) **International Data Connectivity Project**

Under an agreement with the PTCL, the PSEB is now providing international bandwidth to Software Houses, Internet Services Providers (ISPs), Educational Institutes and Call Centres from 33.6 kbps or higher to IT companies within a timeframe of 7 to 15 days under one-window operation. Connectivity at 33.6 kbps is available on demand on dialup basis while higher bandwidths are made available through local leased lines. The bandwidth rates charged by PSEB are quite competitive as compared to the rates available to software companies in other countries of the region. The PSEB provides round the clock technical support to its customers.

d) **Human Resource Development**

Pakistan Software Export Board (PSEB) has sponsored an educational program namely "Action Learning Centers of Software" (ALCOS). Under this programme, the private sector training institutes are training Pakistani students in Computer Science in accordance with curricula prescribed by the PSEB. On the completion of training these students will be awarded Post Graduate Diploma in Computer Sciences. The ALCOS programme is now being extended to a number of cities in Pakistan. This Program would increase the number of IT professionals and would go a long way in achieving Pakistan's targets in the IT field.

In order to give credibility to the programme, an arrangement is being made with the Foundation for Advancement of Science and Technology (FAST), a reputable IT training institution, for certification of ALCOS students. This would ensure that the Post-Graduate Diploma (PGD) earned by the graduates of ALCOS has a national and international recognition.

vi) **Ministry of Labour**

Ministry of Labour and Manpower during 1999-2000 will devise career structure and manpower development policy for all IT professionals in Government services. The database of PCB will form basic input for future placement and career planning to disseminate IT knowledge and to make the field attractive,

vii) **Ministry of Law**

Ministry of Law will frame legislation during the year to allow colleges and University teachers and Government employees in IT profession, to undertake consultancy, with industry and software houses. This Ministry will also undertake legislation to enable implementation of E-Commerce in the country.

viii) **University Grants Commission (UGC)**

University Grants Commission (UGC) will set criteria for registration and complete the registration of all accredited and non-accredited Universities active in Pakistan

ix) **Information Technology Commission**

The Federal Cabinet directed the IT Commission to undertake computerized motor vehicle registration and tax management system for the whole country. IT Commission has already started the work to develop a coordinated computerized system for Motor Vehicles Registration and Management of Tax in all four provinces, AJK, and the Islamabad Capital Territory. The project would be carried out with the help of provincial authorities who have already made some progress in this respect.

New Projects

26.5 In addition to the above continuing development programmes of major IT Institutions, the following new projects have been recently approved for the promotion of Information Technology :-

i) **Upgradation of the Computer Science Departments**

Adequate allocation has been made in the current year's budget for upgradation of the computer science departments of major universities including the Quaid-e-Azam University, Quetta University etc.

ii) **Electronic Government**

A pilot project was approved for the Computerization and Networking of all the offices of Planning and Development Division. The project involves the establishment of LAN & WAN facilities. The project would enable sharing of information between different department by developing a central Management Information System (MIS) and enabling the government offices to download information from the Internet. Simplification of existing procedures of inter departmental communication through electronic messaging and human resource development through intensive training are the major components of the project. The project will promote the concept of open government by establishing intimate contact of the public with the government through Internet. After being successful, the project will be replicated in other Ministries.

iii) **National Information Technology Policy**

Work on the preparation of a National Information Technology Policy was undertaken and a draft was prepared in consultation with the experts in Public & Private Sectors. It contains a number of incentives and concessions for the promotion of Information Technology. Recently, the division of IT has also been created under the Ministry of Science and Technology. This Division would now take up the issue of getting the policy approved from the Cabinet and then implementing this policy in the true spirit.

iv) **National Information Technology Project**

This project being undertaken by the Pakistan Computer Bureau in collaboration with various ministries involves a total cost of Rs 500 million. The project envisages the development of following systems on urgent basis to bring about an instantaneous change in the efficiency, transparency and accountability of the present manual systems in government to electronic ones.

- a. Electronic Judicial System
- b. Electronic Police Information System
- c. Electronic District Management System
- d. Electronic Foreign Missions Information Management System
- e. Electronic Driving License Services
- f. Electronic Post Office Management System
- g. Geographical Information System

v) **Investment in IT in Private Sector**

IT being the most rapidly growing sector in today's culture of globalization and the investment of private sector in this area not being available yet it is estimated that the investment made by the private sector in IT in Pakistan is many times the investment of government in this sector.

26.6 The targets for the production of I.T. engineers and technicians, number of internet connections, the connection of towns on internet and the value of software exports for 1999-2000 are set as follow:-

PHYSICAL TARGETS FOR 1999-2000

S.No.	Item	Units	Targets for 1999-2000
1.	Number of I.T. professionals (Annual Output)	No.	600-800
2.	Number of Towns connected with 64 kbps Links for internet purposes	Nos.	30
3.	Number of internet connectors (cumulative).	Nos.	135,000
4.	Software Export 1999-2000.	US \$	35 million

FINANCIAL ALLOCATION FOR 1999-2000

(Million Rs)

.No	Name of the Project	Allocation For 1999-2000
1.	National Institute of Science and Technical Education, Ministry of Education	0.8
2.	Pakistan Computer Bureau	14.5
3.	Information Technology Commission	14.2
4.	Electronic Government Phase-I for Planning Commission	4.00
5.	Software Export Board	15.33
6.	Up gradation of Computer Science Deptt. in Quaid-e-Azam University, Islamabad	15.00

CHAPTER-27

ENVIRONMENT

27.1 Pakistan is a densely settled land, facing rapid population increase and highly dependent on natural resources, with severe physical capital scarcities and limited skill development. As such, it is likely to suffer disproportionately from climatic changes and other global environmental problems. The implications of greenhouse effects for Pakistan are difficult to predict, but could potentially be large affecting patterns of agriculture, fisheries and forestry, arid zone areas, increased glaciers melting, water logging and salinity reducing cultivable agriculture area and agriculture produce, industrial pollution, air pollution, health and sanitation etc. In terms of global cooperation, Pakistan is a Contracting Party to a number of international conventions but on several others like the Ocean Dumping, global environmental characters and Agenda 21, are still to be new international initiatives.

27.2 The country has great variety and richness in flora and fauna, wet lands, wildlife habitats and landscapes which need serious thought for protecting its biological resources, yet the coverage of the ecosystems in the country's national parks and protected areas are far from comprehensiveness. Pakistan has no overarching policy that has been primarily and specifically conceived in the interest of conserving and developing its natural resources sustainably. In the plan, there are complex and forceful linkages between economic policy instruments, allocations and the conservation of the environment. In the absence of an explicit policy framework, economic and sectoral policies have worked at cross-purposes with respect to environmentally sustainable development and management.

27.3 The economic development has resulted in wide spread environmental degradation in developed as well as developing countries. The conventional development, which doesn't take care of negative effects of economic growth, is progressively becoming unacceptable. Aid giving agencies and United Nations are impressing upon the developing countries to internalize the negative externalities of development. Sustainable development which asserts the need to exploit the natural resources in a way that they gain in value, both now and in future, is considered the new development paradigm globally.

27.4 The country since its inception, was primarily agricultural based but the structure of economy had undergone a rapid transformation in favour of industrialization. However, while the industrial oriented growth had brought prosperity, it has also led to socio-economic imbalances and severe environmental problems including degradation and depletion of natural resources, low literacy rate

causing low quality of life, infant mortality, low coverage of potable water supply and sanitation facility etc. Pollution, specially in big cities, as a result of urbanization, is causing multi-dimensional socio-economic problems.

27.5 The basic environmental targets envisioned are mass awareness, advocacy, institutional development and legal framework. This includes implementation of the Environmental Impact Assessment (EIA) processes both at the public and the private sector (with public participation), incentives to private sector to acquire modern pollution abatement/recycling technologies; legal frame work at the provincial and local level; implementation of National Environmental Quality Standards (NEQS); professionally viable and socially acceptable management of forest lands and watershed areas; conserving bio-diversity; implementation of international conventions/treaties/protocols to which Pakistan is a signatory, reliance on less polluting energy resources, adoption of efficient and environment friendly mode of communication; check to marine pollution, managing desertification, improving ground and subsoil sweet water reserves, squeezing deltas, shift of cropping areas, efficient solid/liquid waste management; provision of basic infrastructure facilities in smaller towns to discourage migration towards big cities.

REVIEW OF 1998-99

FINANCIAL

27. 6 An allocation of Rs 1416.653 million was provided for the environment and forestry sectors at the federal and the provincial level against which an expenditure of Rs 1246.019 million was incurred showing a utilization of 88 percent. Details of the agency-wise allocation and utilization are given in Table-27.1.

TABLE-27.1
AGENCY-WISE ALLOCATION AND UTILIZATION DURING 1998-99

Agency	Year 1998-99		
	Environment/Forestry		
	Allocation	Utilization	Percentage Utilization
Federal	338.647	258.892	76.5%
Provinces	903.606	825.472	91.3%
Punjab	235.108	215.436	91.6%
Sindh	319.329	294.855	92.3%
NWFP	212.997	183.340	86%
Baluchistan	136.172	131.841	96.8%
AJK	174.400	161.655	92.7%
Total	1416.653	1246.019	88%

PHYSICAL

27.7 An operational mechanism was set up to implement the National Conservation Strategy (NCS) at the provincial and federal levels whereby the provincial governments and the federal ministries were fully involved to develop projects and programmes. Environmental Protection Agencies (EPAs) were delegated powers under the Environment Protection Act as a legal tool for environmental rehabilitation. Similar structures were instituted by other organizations to ensure carrying out of development activities in line with the environmental standards and regulations.

27.8 Consistent with the NCS, the provincial governments initiated formulation of their respective provincial conservation strategies, delineating their action plans. The NWFP took lead and finalized its conservation strategy while Balochistan was trailing in the process of doing so. The notable feature of the programmes and action plans has been the reorientation of existing environment programme to focus more on participatory implementation approach, involvement of the private sector, and defining the roles of both the government and the community.

27.9 The NGOs like the International Union of Conservation of Nature and Natural Resources (IUCN), World Wide Fund (WWF) and Sustainable Development Policy Institute (SDPI) actively participated in implementing different environment and natural resources management projects, advocacy and research and development on policy issues. The NGOs management fund operated by the Ministry of Environment, Local Government and Rural Development financed small environmental projects on partial and equity based funding to the NGOs.

27.10 The Pakistan Environmental Protection Council strived to get consensus of the Environment Protection Departments and the P&D Departments at the federal

and the provincial level to draft rules and regulations for the enforcement of the NEQS under the Environment Protection Act.

27.11 The World Bank IDA funded Environment Protection and Resource Conservation (EPRC) project was concluded. Activities continued in the brown and green sectors. About 216 million trees were planted in 1998-99. Compact plantations was raised on over 70 thousand hectares, linear plantations on 635 avenue kilometers and nurseries on 225 hectares on state lands to provide over 439 thousand cubic meters of timber and 436 thousand cubic meters of firewood.

27.12 Programmes for silk seed production at Pakistan Forest Institute, Peshawar and sand dune stabilization in Ladgash Mashkel, Kharan district remained under implementation.

27.13 A number of projects and programmes were initiated in the field of pollution abatement, conservation and management of natural resources with the assistance of international donors. These included Master Plan for Urban Waste Water (Municipal and Industrial) Treatment Facilities and Future Needs in Pakistan, Tarbella and Mangla Watershed Management projects to maintain/enhance forests to protect soil erosion, siltation in dam reservoirs and flooding. Kasur Tanneries Pollution Control Project and Kasur Clean Water Programme contributed to overcome the growing environmental pollution problems as a result of toxic effluent discharges affecting human health, fisheries, soil and ecology in the area. The mass awareness and environmental education project in which environmental NGOs and local communities were involved through establishing Environmental Clubs in school and colleges conducted awareness programmes and carried out awareness walks. The Rachna-Doab corridor at the state and private lands both strategically and for commercial exploitation. Forest Nurseries on 6000 acres in different parts of the country were raised. The Quetta City Garbage Collection and Disposal and Rawalpindi Municipal Corporation Garbage Collection and Disposal projects were initiated with the assistance of JICA and UNDP. The other projects/programmes were Harbor Pollution Management at Karachi Port, Asian Least Cost Green House Gasses Abatement Strategy (ALGAS), Agricultural Tubewells Energy Efficiency Improvement Programme and Development of Textile Processing Industrial Estate in Faisalabad. The GEF funded Mountain Areas Conservancy Project (MACP) was approved for execution outside PSDP, stressing upon forest and community development in Northern Areas.

27.14 The provincial governments and Government of AJ&K also initiated the development of environmental protection and natural resources conservation programmes in order to achieve the sectoral goals framed under their sectoral policies and annual plans.

PROGRAMMES FOR 1999-2000

27.15 An allocation of Rs. 851.396 million (excluding AJ & K), has been made for the programmes and projects of the environment and forestry sectors during 1999-2000. Agency wise allocations are given in Table-27.2.

TABLE-27.2
AGENCY ALLOCATION FOR THE YEAR 1999-2000

(Rs. Million)

Agency	Allocations for Year 1999-2000	
	Environment (including Forestry)	Total
Federal	244.867	244.867
Provinces	606.429	606.429
Punjab	51.554	51.554
Sindh	104.510	104.510
NWFP	234.616	234.616
Balochistan	215.749	215.749
TOTAL (Federal + Provinces)	851.396	851.396
AJ & K	130.800	130.800
TOTAL (including AJ & K)	982.196	982.196

27.16 Major emphasis of the public sector funded projects would be on institutional strengthening, streamlining the functions of environmental agencies, besides provision of additional staff, training and procurement of equipment etc. moreover role of different institutions would be activated and expanded to implement and enforce the different provisions under the law. The functional capacities of environmental agencies and environmental law enforcing agencies would also be enhanced to coordinate proper implementation of NCS survey and monitoring environmental pollution, formulate the environmental programmes and implement projects, mobilizing donors assistance, enhancing NGOs and private sector participation.

27.17 Following are major sectoral programmes to achieve short and long term environmental rehabilitation and conservation objectives:

a) **LEGISLATION**

The Pakistan Environmental Protection Council meeting held on 26.08.1999 decided to develop methodologies and mechanism for enforcement of environmental law which will be worked out. The environmental Tribunals in Lahore and Karachi have started their functions while tribunals for other areas will be set up.

b) **AFFORESTATION & WILDLIFE**

Forestry contributes significantly towards environmental stability, increase in land productivity, pollution mitigation, meeting the material needs of growing human population, establishment of wood based industries and creation of income earning opportunities for the rural poor. Over the years, productivity of land has registered a visible decline due to degradation of upland watersheds, decrease in the life span of multipurpose Tarbella and Mangla dams to the detriment of hydropower generation and down stream irrigation agriculture, increase in floods, waterlogging and salinity, desertification and depletion of rangelands. Degradation of critical ecosystems such as juniper and mangrove forests and watersheds resulted into loss of biodiversity.

27.18 In Punjab, activities on re-forestation of riverine lands along Chenab and Ravi, implementation of the Punjab Forest Sector Development Programme and Sindh Forestry Development project will be continued. The oil palm farms and coconut nurseries along coastal areas of Thatta and Badin districts will be established. The cultivation of eucalyptus on marginal lands including saline and waterlogged areas of Sindh and Punjab will be undertaken. In NWFP, Environmental Rehabilitation in Malakand, Kalam Integrated Development project Phase-IV, Dir Kohistan upland rehabilitation programme and Siran/Kaghan Forestry Development Project, Tarbella Watershed Management Project (phase-II), Follow-up phase of Malakand Social Forestry Project (Phase-III) will continue, apart from natural resource conservation in Galiat. Integrated programmes for afforestation in Chitral and demarcation of protected forests in Malakand Division will continue. Establishment of Institutional Transformation Cell, Forestry Commission and feasibility study to introduce fuel-efficient technologies will be undertaken in NWFP. Establishment of Forestry Management Centre (Phase-II) will be started. In Balochistan, rehabilitation/establishment of nurseries and conservation of mangrove forests will be taken up. A Protected Areas Management Project (PAMP) for protection and rehabilitation of endangered species of fauna and flora at Hingol, Machiara and Chitral Gol will be started with the financial assistance of GEF/World Bank. In Balochistan, establishment of national parks at Harnai and Musakhail will be started.

27.19 In addition the following programmes in forestry sector will also be undertaken:

a) **FORESTRY SECTOR POLICY**

National Forestry Sector Policy, prepared in 1998 will be adopted for implementation. The policy aims at conserving the existing forests, expansion of forestry resource base and protection of biodiversity and wildlife.

b) **UPGRADATION OF FORESTRY SECTOR MASTER PLAN**

The upgradation of the Master Plan has been envisaged to identify new strategies for investment in forestry sector. The project "Strengthening of Forestry Wing" in the Ministry of Environment, Local Government & Rural Development will be continued. It will facilitate monitoring and evaluation of the effectiveness of various programmes of the forestry sector.

c) **WATERSHED MANAGEMENT**

The Tarbella Watershed Management project, which extends over an area of 16.058 sq. km. covers parts of Haripur, Abbottabad, Mansehra, Batagram, Dasu and Bunair Districts. This area falls in the active monsoon zone and contributes 40% of the silt deposits in Tarbella and Mangla reservoirs. The project aims ecological stability in uplands through afforestation and managing soil erosion. The project will contribute to reduce rural poverty, enhance productivity of land and reduce siltation in reservoirs. Similar activities will continue under the Mangla Watershed Management project being executed by WAPDA.

d) **ECO-SYSTEM & BIODIVERSITY PROTECTED PROGRAMME**

For preserving critical eco-system to conserve biodiversity major initiatives for management of national parks especially Machiara (AJK), Hingol (NWFP) and Chiltan (Balochistan) will be undertaken with the assistance of Global Environment Facility (GEF)/World Bank.

ENVIRONMENTAL PROJECTS

27.20 The foreign assisted projects being implemented for improvement in urban wastes management and treatment through adopting cleaner technology including Kasur and Korangi tanneries effluent pollution control, solid waste management, energy conservation, recycling organic wastes, clearing water bodies, air and noise pollution control and social forestry in the rural areas, will be continued in addition to new initiatives taken by the provincial governments.

INTERNATIONAL PROTOCOLS AND CONVENTIONS

27.21 Pakistan has signed and ratified conventions and protocols on protection of the atmosphere, land, water resources and wildlife, like UN Framework Convention on

Climate Change, Basel Convention on Transboundary Movements of Hazardous Wastes and their disposal and Montreal Protocol on substances that deplete the ozone layer. Various policy measures have been taken and will be further taken to fulfill Pakistan's obligations as a party to these conventions.

ENVIRONMENTAL IMPACT ASSESSMENT

27.22. Under Pakistan Environmental Protection Act 1997, it has been made mandatory for the project proponents, of both public and private sectors, to carry out and submit the Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA) Reports at the time of submission of any development project to P&D Division or P&D Department in provinces, cleared and or endorsed by the concerned EPAs, to ensure that the proposed development would not have any adverse impact on environment. Integration of IEE and EIA in planning process refers to the systematic process of examining the environmental consequences of proposed activity and recommending appropriate remedial measures before making final decisions, is the most suitable way of achieving the objectives of sustainable development. With Canadian International Development Agency (CIDA) funded Pakistan Environment Programme (PEP), EIA guidelines for different sectors are under preparation for the convenience of project proponents and will be finalized. A second step will be the institutionalization of EIA review process and also to ensure public participation through NGOs and local communities to systematically institutionalization of EIA into planning and development process at the federal, provincial and local government levels so that EIA could be used as an effective decision making tool in the planning process.

CHAPTER-28

POVERTY ALLEVIATION

28.1 Poverty has become a major area of concern for the present government. The Social Agenda of the Government undergoes a shift, which effectively requires that economic development must benefit all citizens, based on the principles of human rights, equity and social justice enshrined in the Constitution. The main objective of this Social Agenda is based on three core areas: (i) poverty alleviation, which encompass both the eradication of absolute poverty and the reduction of relative poverty, (ii) employment expansion, which covers the expansion of opportunities for productive employment leading to the reduction of unemployment and underemployment; and (iii) social integration which refers to the enabling of all social groups to live together in productive and cooperative harmony. The main thrust of the government is to alleviate poverty through combination of macro economic policies, generating high-income growth, development of social sectors and strengthening social safety net mechanism.

28.2 The poverty profile in Pakistan has worsened in recent years. The number of people living below poverty line estimated on the basis of daily calorie requirements increased from 17.32 per cent in 1987-88 to 32.6 per cent in 1998-99. In the 1990s distribution of income also worsened, real wage rates decreased and unemployment risen because of the combined effects of the liberalization of the economy under structural adjustment programmes and the recession that has affected the economic growth. More households have become potentially vulnerable.

28.3 Pakistan, in terms of *Human Development Index* ranks 138 among 174 developing countries. This ranking has to be viewed in the background of the Census of 1998 which shows a substantial drop in the population growth rate compared to what was being estimated, in its absence. Not only aggregate levels of key social indicators are low, but also they are often disproportionately low for women and girl. About 55 per cent Pakistan's adult population is illiterate. The ratio is highest at 79.2 per cent for rural females.

28.4 Existing information suggests that about half of the population of Pakistan have no access to reasonable health facilities. A large number of people are without potable drinking water and more without sanitation. About 50 per cent of children drop out before completing the fifth grade, and the average means years of schooling is only 1.9 per cent, which is the lowest after Bhutan, compared to 3.9 years for developing countries. There are over 740,000 child deaths a year with half of them linked to malnutrition. Table-29.1 below gives details on some of the social indicators as well as a comparison with selected countries in the region.

TABLE-28.1
COMPARISON OF SELECTED SOCIAL INDICATORS (SELECTED COUNTRIES IN THE REGION)

INDCATORS	PAKISTAN	CHINA	MALAYSIA	BANGLADESH	SRILANKA	INDIA	NEPAL
Human Development Index (HDI) ¹	138	98	56	150	90	132	144
Gender-related Development Index (GDI) ¹	..	79	52	123	76	112	121
Gender Empowerment measure ¹	101	40	52	83	80	95	..
Human Poverty Index) ¹	71	30	18	73	33	59	85
GNP per Capita (US\$) 1997	500	860	4,530	360	800	370	220
Real GDP per capita (PPP) ² (1997 US\$)	1,560	3,130	8,140	1,050	2,490	1,670	1,090
Female	701	2485	5115	767	1452	902	763
Male	2363	3738	11081	1320	3545	2389	1409
Population below income poverty line (% living \$ 1 a day-1989-94)	11.6	29.4	7.4	28.5	4.0	52.5	53.1
Life expectancy at birth (years) (1997)							
Female	63.7	72.0	74.3	58.2	75.4	62.9	57.1
Male	63.8	67.9	69.9	58.1	70.9	62.3	57.6
Infant Mortality rate (per 1000 live births)	90	38	10	81	17	71	75
Adult Literacy (%) (1997)	45.0	82.9	85.7	38.9	90.7	53.5	38.1
Female	32.6	74.5	81.0	27.4	87.6	39.4	20.7
..Male	56.5	90.8	90.2	49.9	94.0	66.7	55.7
Public expenditure (% of GNP) +							
Education 1993-96	3.0	2.3	5.2	2.9	3.4	3.4	3.1
Health 1995	0.8	..	1.3	1.2	1.4	0.7	1.2

Population without access to (%)							
- Health services (1981-92)	45	..	12	26	10	25	90
- Safe water (1990-97)	52	33	22	5	43	19	29
- Sanitation (1990-97)	75	76	6		37	71	84

¹Ranks of 174 countries. .. Information not available.

Source:

1. UNDP 1999, *Human Development Report 1999*, Oxford University Press, New York.
2. World Bank, 2000. *World Development Report 1999/2000*, Oxford University Press, New York.

On-going Poverty Alleviation Programmes

28.5 The government realizing the gravity of the situation initiated various programmes to reduce poverty, reduce unemployment and protect the vulnerable and marginalized groups of the society. During 1998-99, despite of budgetary constraints and strict monetary restriction imposed by international agencies/organizations, government has continued and initiated several important poverty alleviation initiatives including the Social Action Programme, the Pakistan Poverty Alleviation Fund (PPAF), the Rural Support Programmes (RSPs), empowerment of women and strengthening the coverage of the social safety nets.

28.6 The Social Action Programme (SAP), launched in 1992, has been a major initiative in human resource development, and raising the quality of life. The Government assisted National Rural Support Programme (NRSP), Punjab Rural Support Programme (PRSP), Sarhad Rural Support Programme (SRSP), and Balochistan Rural Support Programme (BRSP) have been in operation to improve quality of life of the poor and to develop communities to address the issue of poverty effectively at the grassroots level. Some of the major initiatives are discussed below:

Social Action Programme

28.7 Social Action Programme (SAP-II) is the second phase of the major human development programme launched in Pakistan in 1992. It provides a means of spreading elementary education, primary health care, population planning and potable water supply and sanitation through an investment thrust in these services. Donor assistance is expected to rise from 12.5 percent in SAP-I to 20 percent. An expenditure of Rs. 106 billion was incurred in

SAP-I (1993-94 to 1995-96) and it is expected that in SAP-II (1997-98 to 2001-02) expenditure would rise to Rs. 498.8 billion.

Pakistan Poverty Alleviation Fund

28.8 Pakistan Poverty Alleviation Fund (PPAF) has been incorporated as a non-profit company. It will act as a wholesaler for micro-enterprise development. The Fund will work with local partners, such as non-governmental organizations (NGOs) and community-based organizations (CBOs), to provide micro-credit to individuals, and grants and technical assistance to communities for small infrastructure projects, like water supply schemes and roads, thereby:

- Increasing incomes of poor households by providing loans and technical support;
- Empowering the poor, especially women;
- Increasing access of the poor to physical infrastructure in order to improve their livelihood opportunities;
- Enhancing the institutional capacity and financial sustainability of NGOs through which project resources will reach to the poor; and
- Reducing disparity between men and women through provision of credit.

SOCIAL SAFETY NETS PROGRAMMES

28.9 In Pakistan, a number of targeted social safety net programmes and social welfare services are in operation to transfer income both at the individual level as well as the state level. According to an assessment 30 per cent of the households have been the recipients of private transfers, forming 26 per cent of their consumption, shows a wide network of income transfers on voluntary basis. As many as 48 per cent households of the lowest income group were the recipients of such transfers, and almost half of their consumption was financed through the transfers. At the state level, the system of *Zakat*, *Ushr*, *Bait-ul Mal*, social welfare services and social protection programme have been instituted to transfer the income to the poorer section of the society for starting income generating activities and help to recover from periods of stress and personal crisis. At the informal level there exists a long tradition of private charity and welfare, reinforced by religious obligation. The system is also relying on the extended family to provide support to the poor at the time of emergency.

The Zakat and Ushr System

28.10 Out of *Zakat* funds, each individual is provided with a monthly stipend of Rs. 225 and there is a rehabilitation grant of Rs. 3000 as a one-time transfer. Nevertheless, the impact of these measures has been relatively small because the number of beneficiaries as compared to the number of the poor is small. The government through the system of compulsory deduction has been able to collect a very small amount of *Zakat* fund, which reduces both the number of beneficiaries and the amount of the stipend.

28.11 Table 29.2 indicates that over time the *Zakat* collection in nominal terms increased from Rs. 844.3 million in 1980-81 to Rs. 6512.0 million in 1998-99, showing an annual average growth rate of 12.0 per cent. However, in real terms the average annual increase has been about 3.0 per cent. In terms of GDP, *Zakat* collection has been reduced from 0.3 per cent in 1980-81 to 0.2 per cent in 1998-99.

TABLE-28.2

COLLECTION OF ZAKAT 1980-81 TO 1997-98

(Rupees Million)

Year	Amount Collected		
	Current Prices	Constant Prices ¹	% of GDP
1980-81	844.3	844.3	0.3
1985-86	1439.0	1054.8	0.3
1990-91	2705.5	1325.4	0.3
1991-92	2585.2	1150.6	0.2
1993-94	4655.7	1689.5	0.2
1994-95	3130.6	995.1	0.2
1995-96	3481.2	1024.2	0.2
1996-97	3896.9	1011.5	0.2
1997-98	4118.8	991.6	0.2
1998-99	6512.0	1473.6	0.2
Average Annual Compound Growth Rate (%) 1998-99/1980-81	12.0	3.1	

¹1980-81 =100

Source: State Bank of Pakistan, Annual Report (various issues)

28.12 The collection of *Ushr* began in 1982-83. It has shown a steady decline over the time, despite the fact that agricultural output and prices have not registered equivalent declines. In 1996-97 *Ushr* collection was Rs. 67 million, substantially below the amount of Rs. 248 million collected in 1985-86. As proportion of GDP, *Ushr* collection has been negligible.

28.13 The *Bait-ul-Mal* was first established at the provincial level, in Punjab in 1989-90 as an autonomous body under an Act of the Punjab Provincial Assembly. Pakistan *Bait-ul-Mal* (PBM) was established in February 1992 under an Act of Parliament. Its areas of responsibility cover the whole of Pakistan, including Azad Jamu and Kashmir and the Northern Areas. Its funds can be utilized for the following purposes to:

- (a) Provide financial assistance to destitute and needy widows, orphans, invalid, infirm and other needy persons.
- (b) Render help for rehabilitation of the persons specified in (a) above in various professions or vocations.
- (c) Provide assistance to children of the persons specified in (a) for educational pursuit.
- (d) Provide residential accommodation and necessary facilities to the persons specified in (a).
- (e) Provide free medical treatment for indigent sick persons and rehabilitation centers and to give financial aid to charitable institutions including industrial homes and other educational institutions established especially for the poor and needy.
- (f) Provide stipends to educated youth during their training before employment in jobs.
- (g) Provide stipends and financial assistance to brilliant but poor students who cannot acquire high education for lack of money.
- (h) To provide financial assistance to make people self-reliant.

Food Subsidy Scheme

28.14 The scheme under the *Bait-ul-Mal* is in operation since 1993. Under the scheme assistance is provided to those families having monthly income less than Rs. 1500/-. The rate of subsidy is Rs. 150 per month. The disbursement is made through post office accounts directly to the beneficiaries. In 1996-97 among the beneficiaries 75,542 were widows, 7,815 orphans, 10,420 disabled persons, 49,493 were invalid and 3,335 were different minority communities below the poverty line. In July 1997 the Food Subsidy Scheme has been titled as Atta Subsidy Scheme and the rate of subsidy enhanced from Rs. 150 per month to Rs. 200.

National Center for Rehabilitation of Child Labour (NCRCL)

28.15 Pakistan *Bait-ul-Mal* has started a pilot project for education and rehabilitation of child labour. So far 33 rehabilitation centers have been established and 17 are under construction. The children in these centers are given special education. They are provided uniforms and wholesome mid-day meal and full medical cover. A stipend of Rs. 150 per month is given to each child who attends school regularly. To provide incentive, parents are also given allowance of Rs. 250 per month to compensate for the loss of wage of the child.

28.16 A programme for rehabilitation of parents to alleviate poverty, which is the main cause of child labour, has also been started by Pakistan *Bait-ul-Mal*. Through this programme, parents of children enrolled in NCRCL are asked to select any small level business for which they are given a loan up to Rs. 5000.

Supply and Prices of Essential Commodities

28.17 Government places special emphasis on prices and supply of 'essential commodities'. A Kitchen Committee of the Economic Committee of the Cabinet keeps a watch on food prices that are important to the poor. Committee is supposed to ensure smooth functioning of the market and availability of buffer stocks to ward off abnormal profits. Resource availability is a major constraint for providing food security.

Employment/Credit Facilities

28.18 Credit scheme for the educated unemployed is urban based. The aims of provide unemployed to deal with in the coming years as more persons are added to this segment.

Incentive for Small Farmer

28.19 Agricultural credit has been enhanced to benefit the small farmer. Ploughing back resources into the rural area is necessary for sustainable economic growth. A tractor scheme has also been launched to benefit agriculture sector. Although targeted towards farmlands, this scheme also has spin-off effects for rural services.

Land for Landless

28.20 A special programme for providing land to the landless farmers has been started. Distribution of state owned land to the land-less along with essential inputs is a major intervention for the poor. Limitation of land availability, restricts the scope of this scheme. It is expected that transfer of land may touch about a million acres, in the next three years.

Housing Programme

28.21 Under the scheme half a million houses will be built for low-income groups, with priority given to widows, orphans and the very poor. About one lakh houses will be built in 1999-2000. Besides, improving the quality of life of those eligible to get houses, the scheme will create jobs for the unskilled, semi-skilled and skilled workers.

Employment Generation Programme

28.22 Public works to increase employment and income generation opportunities and productivity is a central theme of the government's poverty reduction strategy. However the public sector with declining resources and pressure on budget cannot address the problem of unemployment by itself. The sustainable answer to the problem is in the rapid growth of private sector. Small and medium-sized enterprises (SMEs) and self-employment are venues for additional employment but a planned and time bound effort will be necessary and results will occur in the medium term.

28.23 Existing stock of rural roads of varying types comes to 76,755 kilometers in the country of which paved roads are only 12,792 kilometers. Spin-off effects of these activities on employment and enhancement of productivity will be considerable.

Water Sector Improvements

28.24 Irrigation system is central to the economy. Repair and desilting, not only enhances agricultural productivity, it also provides a means of employment generation for the poor in the lean season of canal closures. Barring some critical sections of the system, which require mechanical dredging, the rest is a labor intensive, self-targeting income supplement for the poor, with spin-off effects.

Renewal of Small Rural Towns for Poverty Reduction

28.25 The concept includes upgradation of services such as solid and other waste removal repair and pavement of roads within towns and provision of basic infrastructure to induce private sector to invest in new buildings and businesses and other undertakings and to encourage investment in housing projects.

28.26 There is substantial scope for resource absorption in such small towns that tend to be left out of the normal uplift programs. In order to deal with possible structural change induced poverty and provide employment opportunities, a civil works and environmental improvement based programme building on existing institutions has been conceived. The

provincial governments with federal aid to achieve the two-fold objective of generating employment and improving the environment will implement it.

Transfer of Basic Skills Programme

28.27 One of the main characteristics of the poor segments is lack of education and skills, resulting in confinement to subsistence type of activities. To enhance their productivity and transform them into a dynamic and fast growing one, greater attention would be given to the development of their basic skills.

28.28 The most common and preferred method for poor workers to acquire skill is through the traditional apprenticeship system or on-the-job training. The popularity of the apprenticeship system is due to its flexibility and adaptability to the employment opportunities available and to the fact it does not require high level of formal education. The skills training will be geared towards labor market requirements and the courses would be short imparting practical and marketable skills. The private sector and NGOs would be involved in designing the syllabus for these courses to enhance marketability of the skills provided. The differing needs of various groups will be considered while designing courses. Special vocational training institutions could be established for workers. The private sector and NGOs will be encouraged to provide such training. The basic unit of training will be the community-based organizations, at the community level.

28.29 In addition to official and quasi-official social safety net programmes there are also numerous Voluntary Social Work Agencies operating at the local regional and national level. They are welfare oriented and are engaged in a range of activities from the distribution of food and clothing to the organization of health services and income generating projects.

Community Based Development Programme

28.30 Experience of Pakistan in the field direct intervention to reduce poverty of the historically poor, based on the AKRSP model and OPP model, provides evidence that this effort is an essential part of the strategy. It should be understood that such direct interventions require time and investment to reach a scale sufficiently large to have a significant impact on the overall poverty scene. NRSP and PRSP are steps in this direction.

POVERTY REDUCTION STRATEGY

28.31 The major elements of the National Poverty Reduction Strategy, which is based on a holistic approach being adopted, are to:

- a. Promote sustainable economic growth to create employment and livelihood opportunities for poor by a combination of infrastructure development, taxation

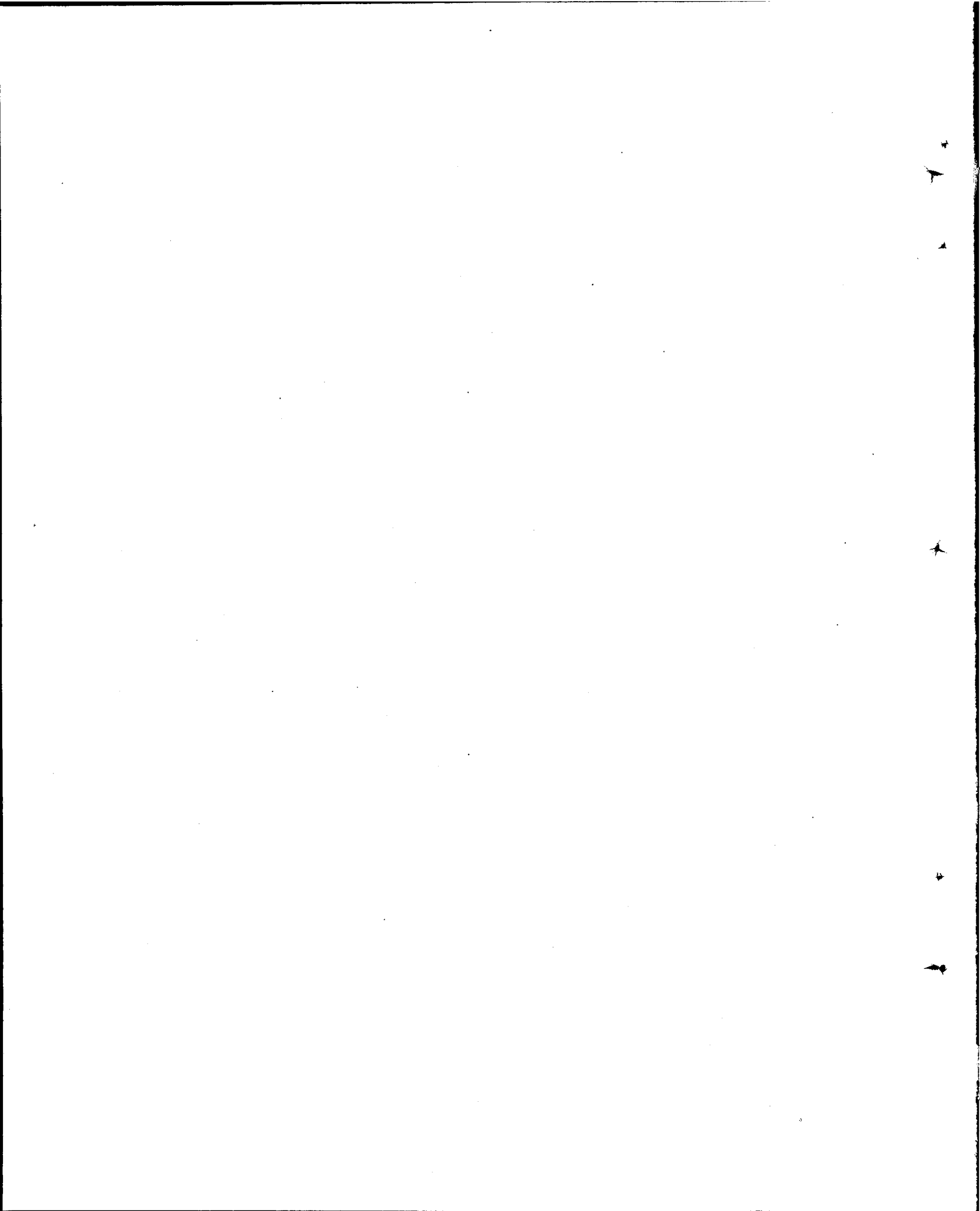
reform, financial sector development, and a set of reforms to remove impediments to growth.

- b. Sustain growth through labor intensive high productivity technologies, remove policy hindrances in development of agriculture, promote availability of rural credit and microfinance facilities and provide access to microfinance by the poor.
- c. Expand and improve quality of social services to provide basic needs to the people covering elementary and skill oriented education, primary health care, family welfare, minimum nutritional needs, water supply and sanitation by efficient delivery mechanisms.
- d. Foster rapid community organization for creation of social capital and provide community based sustainable livelihoods, microenterprises, and local level infrastructure as instruments for achievement of dual goals of income generation and community organization.
- e. Focus on women as productive partners in development.
- f. Mobilize government; support organizations, NGO and private sector resources to foster partnerships through which the capacity of the poor to help themselves can be enhanced significantly.
- g. Create safety nets for the poor and the vulnerable to protect them from short-term interruptions in income stream.

28.32 The poverty reduction strategy of the present government is based on policies of developing social sectors, devolution of power at the grass roots level and integrating communities and civil society in the poverty reduction efforts. Details are given below:

- a) A program of small public works, both in urban and rural areas through a re-prioritization of development and non-development expenditure resources to the tune of Rs. 30-40 billion will be implemented. The Armed forces have also contributed to the resources for the program. Provinces will also be encouraged to contribute to the program. This programme will generate significant employment for the poor and will impact a large number of households in terms of their incomes. The programme will have the following features:-
 - The Federal Government in consultation with the Provincial Governments formulates the program. The monitoring System of Army will provide third party audit to ensure effective implementation at the district level.

- In the poorest of rural areas it will include such illustrative development schemes like farm to market roads, lining of canals, construction of spurs, culverts, ponds and soil conservation.
 - In the poorest urban areas the illustrative schemes will include water supply and sewerage and garbage collection and disposal.
 - To ensure maximum economic uplift, the program will draw community organizations wherever they exist or can be formed.
- b) The food stamp program for the poorest sections of the population is revitalized. A specific allocation from receipts of General Sales tax will be made for the programme.
- c) The system of Zakat and Ushr is closely reviewed with a view to improving its effectiveness and outreach. A high level committee has been constituted to undertake a comprehensive reappraisal of the system.
- d) Government will establish a new Bank for enhancing poor people's access to credit. Micro Credit Bank will do business with established community organizations and such NGOs as are involved in the business of micro credit. The Micro Credit Bank will also promote the process of establishing community organizations, which can sustain credit operations and promote savings habit among the poor.
- e) The Bank will also support some small infrastructure projects, which on completion will be maintained by the community organizations through the levy of service charges.



CHAPTER-29

GOOD GOVERNANCE

Background

29.1 The economy and society of Pakistan have been in the throes of bad governance for many years. The crisis of governance has many features. The first major issue is the breakdown of law and order, threatening the very life and livelihood of citizens. The second major issue is that of corruption that pervades all the three branches of the state; the legislature, executive and judiciary. The third issue is policy ineffectiveness, including for example the inability to raise revenues for the government, target policies to selected groups of regions, ensure that governmental assets are used and maintained efficiently, provide social services of adequate quality to the citizens, regulate or monitor potentially hazardous economic activities, or generally protect the lives and livelihood of citizens. Finally, ad-hoc policy making contributes directly to economic instability and unpredictability, discouraging long-term investment and encouraging lobbying and influence peddling. Good governance is the pre-requisite to overcome these problems.

29.2 A total of 26 Commissions and Committees were formed, an average of approximately one report every two years of Pakistan's existence. Yet there is a gap in the understanding of implementation mechanism about the specific instruments of public policy which have been used world wide to improve the functioning of large organisations, both public and private. Pakistan needs to acquire and develop knowledge about such measures and instruments to convert its existing structures into performance based organisations. This would, for example, require that every organisation should have a set of goals and targets which are amenable to accountability. All knowledge based systems and reforms require intensive and high quality training. Transparency and accountability lie at the heart of any institutional reform programme. The application of new accountability mechanisms require a revision of reporting system and reporting formats.

29.3 Similar is the case of devolution of power and authority to the district and grassroots levels. Lip service rather than action has dominated the scene, with allocation made in the name of grassroots development appropriated by vested interests through ad-hoc political programmes. The alienation of the common man from the functionaries of the government at the lower echelons has been complete.

REVIEW OF 1998-99

29.4 Good Governance Group (G3) was set up in January 1998 under the chairmanship of Deputy Chairman, Planning Commission, to act as focal point for the promotion of good governance and institutional reforms. It replaced the earlier set up called the Institutional Reforms Group. The three phases of the Good Governance Group strategy

included (i) consultative process to create awareness amongst the stakeholders of the key issues requiring immediate attention of the government and to issues requiring in-depth studies. (ii) to formulate reform package for the consideration and approval of the government in the areas of Civil Service, Modern Reporting System, Client Charter, TQM, Sound Media Projection of Policies and Performance Based Organisations. (iii) to implement the reform package.

29.5. Based on the analysis that knowledge bottleneck and debate bottleneck are the two important obstacles to promoting good governance and implementing institutional reforms, the Good Governance Group held a large number of seminars, workshops, conferences, round tables and campaigns. These included the workshop on 'Development of Mission Statement' and 'Procedures Simplification'; a seminar on 'Personal Change & Success, a 'Round Table Conference on Patterns in Good Governance', and a seminar on 'Dynamic Culture for National Resurgence'.

29.6 A workshop on 'New Role and Functions of District Council' was held on 9th-14th October, 1998. Newly elected Local Councillors participated in the workshop. The workshop's objectives included:-

- To discuss the local problems of the selected district of Punjab Province.
- To provide a forum to the local councillors to exchange their views and get benefits from each others experience.
- To make the councillors aware of their new role and functions.
- To clarify the concepts of decentralisation and devolution.

29.7. A Steering Committee on Information Technology was set up by the Government under the chairmanship of Deputy Chairman, Planning Commission, with the following terms of reference:

- To co-ordinate the efforts of various agencies for the promotion of IT.
- To co-ordinate the efforts of designing and implementing Electronic Government.
- To co-ordinate with international agencies for the purpose of promoting IT & IS in the country.

29.8. On the basis of the recommendations of the G-3 consultative process during the year 1998, the Prime Minister set up seven working groups, one each on criminal justice, local government, police, science and technology, state owned enterprises, urban reforms and civil service. The working groups were asked to examine the recommendations of G-3 conferences, identifying issues for in depth studies, preparing action plans for future, and monitoring progress on the implementation of the recommendations.

29.9 The Good Governance Group in collaboration with Islamic Development Bank organised a two day Conference on "Good Governance and Institutional Reforms" on 20th-21st February, 1999, for D-8 countries. There were 150 local experts who participated in the Conference. The Conference concentrated on the following six themes:

- i. Globalisation and Reinventing Government
The Need for a New Paradigm
- ii. Rightsizing and Restructuring of the Public Sector
- iii. Total Quality Management and Performance in the Public Sector (Issues: Quality, Productivity, Performance Measurement, Integrity, Accountability and Transparency)
- iv. Good Governance through Decentralisation and Devolution
Building Partnerships with Civil Society
- v. Capacity Building and Human Resource Development
- vi. Electronic Government

29.10 Following are the major recommendations of the Conference:

- i. Designate focal points for interchange of information on governance and related institutional and legal reforms in their respective countries.
- ii. Designate one focal institution as D-8 resource centre for good governance and institutional reforms for co-ordination and co-operation in these related areas.
- iii. Develop a mechanism for co-ordination among planning organisations of D-8 countries.
- iv. Foster interaction among policy makers, experts and leaders of D-8 countries in these areas of good governance and institutional reforms through periodic interaction.

29.11 The LDG (Local Dialogue Group) was established in 1996 by the annual meeting of the Aid-To-Pakistan Consortium as a forum for the Government of Pakistan and the Donor community to have discussion on various dimension of institutional development and good governance.

29.12 The first LDG was on the Role of NGO's as partners for the Delivery of Development Services" and was held in late 1996. The second LDG was convened in March 1998 on "Decentralisation of Development Management to Provincial and District Levels". The third LDG was convened in March -April 1999 and the theme was "Towards a National Poverty Strategy in Pakistan". The following conferences were held by the Good Governance Group Secretariat:

- i. Provincial conference on Poverty Alleviation at Peshawar 15th March 1999
- ii. Provincial conference on Poverty Alleviation at Lahore 20th March 1999
- iii. Provincial conference on Poverty Alleviation at Karachi 25th March 1999
- iv. Provincial conference on Poverty Alleviation at Muzaffarabad 3rd April 1999
- v. Provincial conference on Poverty Alleviation at Quetta 5th April 1999

vi. National conference on Poverty Alleviation Islamabad 8-9 April 1999

In these conferences the National Poverty Strategy was discussed with the stakeholders.

29.13 A National Conference was held in Islamabad on the 1st June 1999 on the "Depoliticization of Education". Recommendations were formulated for minimising the political interference in education.

29.14. A five day workshop was held on the 7th to 11th June 1999 to discuss the Best Management Practices of Private Sector. The workshop was organised in collaboration with the private firm Proctor & Gamble. The participants included senior government officers. The participants developed Mission and Vision statements and work plan for the Planning Commission.

29.15. A workshop was held on the 15th June 99 on the "Restructuring the Planning Commission" by the consultants appointed by DFID.

29.16 A Task Force was set up under the convenorship of Director General, Pakistan Computer Bureau to resolve the Y2K issues.

29.17 The G-3 prepared guidelines for the Inter-Net & E-Mail Users in Government in collaboration with Pakistan Computer Bureau.

29.18 All the Federal Ministries/Divisions have nominated Senior Officers to act as facilitators on Information Technology. These facilitators were exposed to the new concept of IT & IS through an Orientation Programme.

29.19 On the whole, the G-3, during the 1998-99, conducted 40 workshops and conferences on topics like Civil Service, Police, Criminal Justice System, Local Government, Urban Renewal, science and technology and information technology.

29.20 A financial allocation of Rs.5.9 million was made. The utilisation was Rs. 0.492 million.

ANNUAL PLAN 1999-2000

29.21 The Annual Plan of G-3 included three major objectives (i) to continue the consultative process and create awareness of key governance issues (ii) to develop reform packages in the areas of civil service reporting system, quality control in the public sector, training module, client charter and public policy projection (iii) to develop strategy for the implementation of reform package in the above mentioned areas. (iv) to implement and monitor the progress on the above mentioned areas.

The New Reform Agenda

29.22 The take-over of the Government by the military on October 12, 1999 brought into sharp focus the mess of governance. The seven-point agenda announced by the new government is essentially a programme of institutional reform and good governance. This is evident from the following set of objectives:

- i) Rebuild national confidence and morale.
- ii) Strengthen federation, remove inter-provincial disharmony and restore national cohesion.
- iii) Revive economy and restore investor confidence
- iv) Ensure law and order and dispense speedy justice.
- v) De-politicise state institutions.
- vi) Devolution of power to the grass roots level.
- vii) Ensure swift and across the board accountability

29.23. To concretise the above objectives, the ordinary business of governance has been separated from structural and long-term reform.

29.24. For providing coordinated policy guidelines, a National Security Council has been set up. The policies will be implemented by the Cabinet. However, to run the ordinary business of governance effectively and to root out the cancer of corruption, two important institutions have been put in place.

- a) Mechanism for monitoring the functions of the state institutions and organizations-the Monitoring system
- b) National Accountability Bureau-NAB.

(a) *The Monitoring System.* The Monitoring System is the eyes and ears of the government down to the level of "patiwaris." Since the basic purpose of Monitoring System is to help reinvigorate government machinery, the concept is essentially orchestrated around the principle: not to undertake the corrective measures directly but to point the observations to CE and Governors' Secretariats and monitor the implementation of corrective measures undertaken by them. The concept hinges on:-

- i) The monitoring mechanism is a whole-time institutionlised system working under the Army's overall instructions. It will not be an 'on-now and 'off-now' affair.
- ii) The monitoring mechanism will itself not be the means of change, but will act as eyes and ears for the CE, governors and the ministers providing them feedback to initiate corrective efforts through the administrative chain. This mechanism would then monitor the implementation of corrective measures.

- iii) It is a command driven mechanism and will be tasked through the military chain of command. However, since it is designed to assist the government machinery, the governors and the ministers may ask any assistance from the Army, including additional specific monitoring activity.
- iv) The mechanism would essentially revolve around the Army, with necessary assistance from the Pakistan Navy and the Pakistan Air Force.
- v) The backbone of the system would be the field formations, assisted by the intelligence agencies, which will monitor the government machinery through District Monitoring Teams for general monitoring of governance at the district level and Special laws will be enacted, where necessary.
- vi) This mechanism will only address collective issues, with a view to enhancing institutional efficiency. For redress of public grievances, the administrative machinery will constitute a network of complaint cells at all levels, to receive and process complaints of the common man. However, performance of all such complaint cells will be monitored through this mechanism.
- vii) Deterrence is the essence of this mechanism, which would also be a means of replacing personnel who become a burden on the state machinery.

(b) **National Accountability Bureau.** Lack of accountability has resulted in corruption of horrendous proportion. Whatever measures were taken in the name of "Ehtesab", in fact, were neither transparent nor even handed. The military government has put in place a law with sharp teeth and an institution-the NAB- with adequate investigative capability. Its main focus is on big loan defaulters, tax dodgers and utility bill delinquents.

29.25. The right-sizing of the government ministries, departments and corporations has been taken up in right earnest. The reports put in cold storage by the previous governments are being implemented. Federal Public Service Commission (FPSC) and the Establishment Division will be reformed. The FPSC will be made fully autonomous. All appointments will be made on merit.

National Reconstruction Bureau(NRB)

29.26 While the federal and provincial government focus on the operational objectives of reform, the strategic objective of the reconstruction of the institutions of the state has been assigned to a separate entity-the NRB. The list of *Fields of Focus* which has been approved by the National Security Council is as follows:-

- a. Political Structure and System.
- b. Governmental Structure and System.
- c. Law Enforcement Structure and System.
- d. Public Employment System.
- e. Primary Health Care System.

- f. Educational Structure and System.
- g. Population Welfare Structure and System.
- h. Public Information Structure and System.
- i. Economic Structure and System.

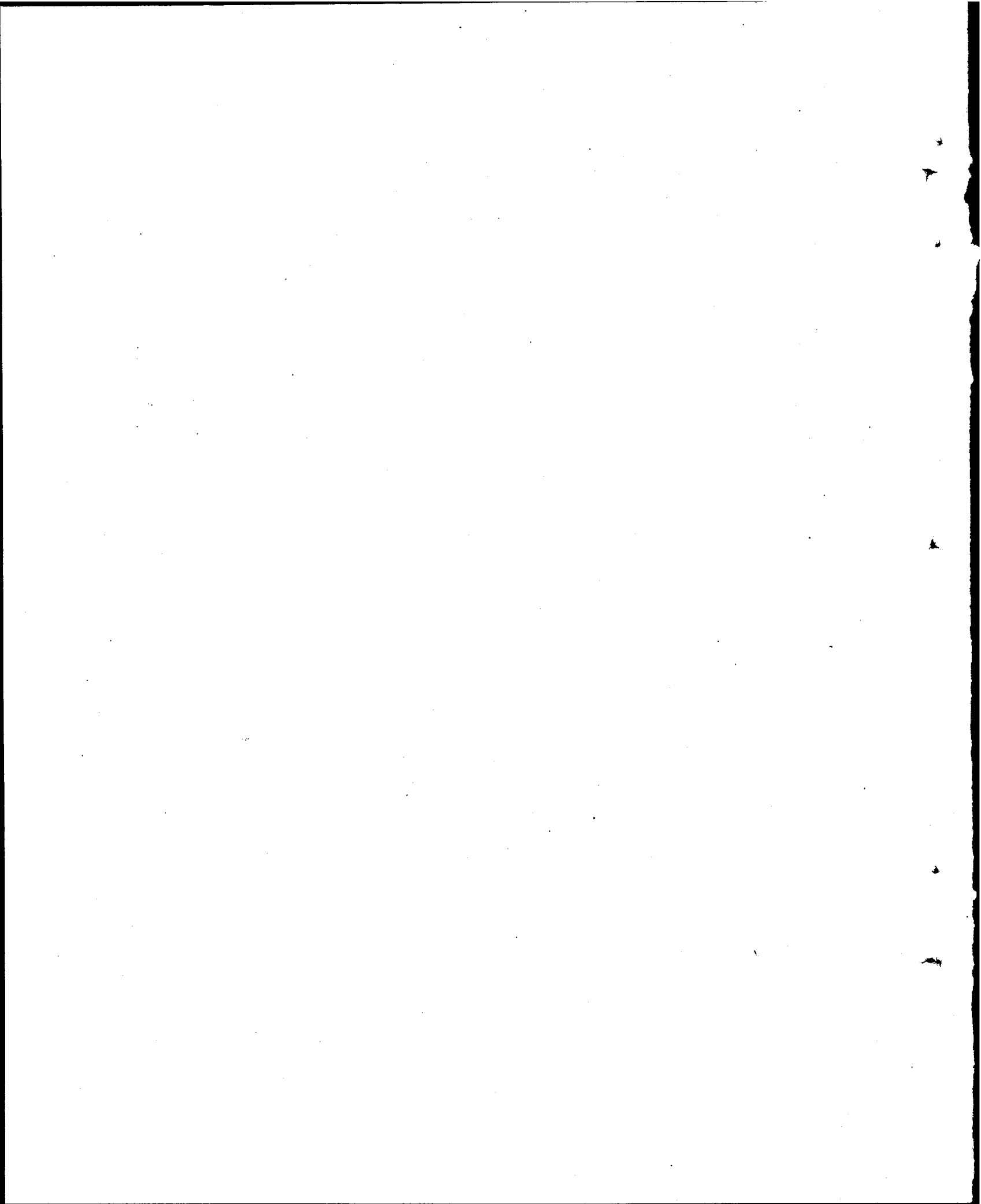
29.27. The NRB has begun work with the reconstruction of the district government and local bodies. The reason is that federalism demands that what can be done at the lowest level should not be within the political and administrative purview of any next higher political level of government. The government is committed to devolution of power and decentralisation of authority and wants to begin where the people are in the village, in the mohallah, in the tehsil, in the district.

29.28. Broadly speaking, the NRB we proposes to devolve power to the lowest possible level by:

- a. Establishing an all-embracing government at the district level.
- b. Simultaneously strengthening the local bodies institutionally to let them solve a lot of their problems themselves. And to get the district government to respond to their needs where they cannot be effective without governmental dynamics.
- c. Redefine and strengthen the autonomy of the provinces, and enable them to fullfil all those needs of the people that the district government cannot. And to go beyond the needs of the people and gradually attend even to their wants.

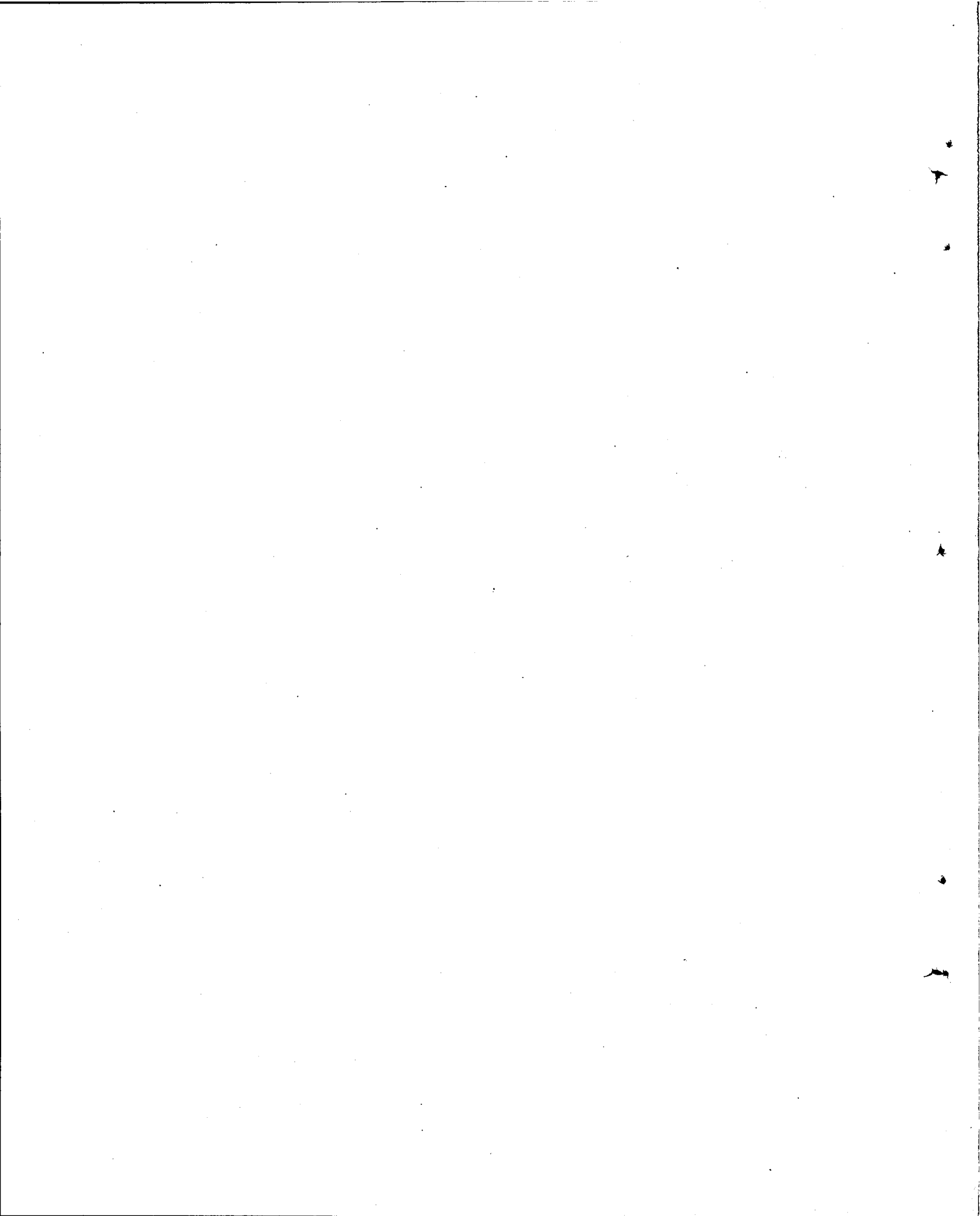
ALLOCATION

29.29. For 1999-2000, allocation of Rs. 6.0 million has been made for the Good Governance Group in the PSDP. Provisions have been made for NAB and the NRB in the non-development budget. Financial allocation and utilization has been given at SA. Table-29.1



STATISTICAL APPENDIX TABLES

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S.A.Table-1.1

OUTPUT OF AGRICULTURE

ITEMS	UNIT	1997-98	1998-99		1999-2000	Percent Change	
			Targets	Prov	Targets	1998-99	1999-2000
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I. KHARIF CROPS							
Rice	(000 MT)	4333.0	4394.0	4673.8	4865.0	7.9	4.1
Basmati	(000 MT)	1439.3	1486.0	1684.3	1763.0	17.0	4.7
Others	(000 MT)	2893.7	2908.0	2989.5	3102.0	3.3	3.8
Bajra	(000 MT)	211.3	176.0	213.1	215.0	0.9	0.9
Maize	(000 MT)	1251.2	1501.3	1302.5	1501.3	4.1	15.3
Jawar	(000 MT)	231.3	266.0	237.5	235.0	2.7	-1.1
Sugarcane	(000 MT)	53104.2	51210.0	55190.7	55700.0	3.9	0.9
Cotton	(Min Bales)	9.2	10.5	8.8	9.7	-4.3	10.2
II. RABI CROPS							
Wheat	(000 MT)	18694.0	19500.0	18054	19506.0	-3.4	8.0
Barley	(000 MT)	174.1	165.0	172.3	180.0	-1.0	4.5
Gram	(000 MT)	767.1	800.0	699.5	772.0	-8.8	10.4
Rapessed & Must	(000 MT)	291.5	305.0	281.7	300.0	-3.4	6.5
Tabacco	(000 MT)	98.6	100.0	99.8	100.0	1.2	0.2
III. LIVESTOCK							
Milk	(000 MT)	24215.0	23185.0	24876.0	27984.0	2.7	12.5
Meat	(000 MT)	1841.0	2743.0	1893.0	2023.0	2.8	6.9
Wool	(000 MT)	38.5	58.6	38.7	40.4	0.6	4.4
Hides	(Min No)	7.3	6.8	7.5	7.8	2.3	4.7
Skins	(Min No)	35.3	45.3	36.3	37.5	2.6	3.4

INDUSTRIAL AND MINERAL PRODUCTION

ITEMS	UNIT	1997-98	1998-99		1999-2000	Percent Change	
		(Rev)	Targets	Prov.	Targets	1998-99	1999-2000
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A. INDUSTRIAL PRODUCTION							
(Large Scale)							
Sugar	(000 MT)	3,554.8	3,500.0	3,522.8	3,452.4	-0.9	-2.0
Jute Goods	(000 MT)	92.0	98.0	84.8	87.4	-7.8	3.1
Cement	(000 MT)	9,364.0	10,465.0	9,186.1	10,105.0	-1.9	10.0
Paper & Board	(000 MT)	344.8	347.0	346.2	352.1	0.4	1.7
Fertilizer (N)	(000 MT)	1,660.4	1,900.0	1,740.1	1,804.4	4.8	3.7
Soda Ash	(000 MT)	239.3	246.0	250.8	259.8	4.8	3.6
Caustic Soda	(000 MT)	115.7	121.0	122.2	125.2	5.6	2.5
Billets	(000 MT)	348.1	380.0	264.9	271.0	-23.9	2.3
H & CR Sheets	(000 MT)	422.7	700.0	394.8	408.6	-6.6	3.5
Cotton Yarn	(000 MT)	1,533.1	1,634.0	1,536.2	1,613.0	0.2	5.0
Cotton Cloth	(Min Sq M)	339.9	360.0	374.6	389.6	10.2	4.0
Cigarettes	(Bln Nos.)	48.2	51.0	51.5	54.1	6.9	5.0
Motor Tyres	(000 Nos.)	441.0	500.0	441.0	494.0	0.0	12.0
Trucks/Buses	(000 Nos.)	2.3	2.5	2.1	2.3	-9.7	10.7
LCVs/Cars/Jeep	(000 Nos.)	46.0	51.0	48.4	57.6	5.2	19.0
Bicycles	(000 Nos.)	452.1	460.0	508.2	543.7	12.4	7.0
Tractors	(000 Nos.)	14.0	15.0	23.5	29.4	68.1	25.0
Sewing Machines	(000 Nos.)	36.4	39.0	30.1	32.5	-17.2	7.8
Air Conditioners	(000 Nos.)	1.7	3.0	0.95	1.2	-42.9	21.2
Electric Motors	(000 Nos.)	27.3	28.0	18.0	20.8	-33.9	15.3
Cotton Ginning	(Mln Bales)	9.2	10.5	8.8	9.7	-4.2	10.2
Petroleum Products	(Mln Ltr)	7,463.0	7,700.0	7,746.6	7,979.0	3.8	3.0
B. MINERAL PRODUCTION							
Crude Oil	(BPD)	56,251.0	61,904.0	55,463.5	61,236.0	-1.4	10.4
Natural Gas	(MMCFD)	1,916.5	2,372.0	1,947.6	2,404.0	1.6	23.4
Coal	(000 MT)	3,014.7	3,780.0	3,480.2	5,620.0	15.4	61.5
Limestone	(000 MT)	10,044.2	9,723.0	9,863.4	10,947.0	-1.8	11.0
Rock salt	(000 MT)	974.3	995.0	1,348.8	1,495.0	38.4	10.8

**GROSS DOMESTIC PRODUCT
(AT 1980-81 MILLION RS)**

					% CHANGE		
	1997-98	1998-99		1999-2000	1998-99		1999-2000
	(P)	(T)	(P)	(P)	(T)	(P)	(T)
I COMMODITY SECTORS	317516	331704	324320	340237	6.4	2.1	4.9
A. AGRICULTURE	154708	157445	155256	161908	5.4	0.4	4.3
Major crops	64438	67733	64066	67526	5.5	-0.6	5.4
Minor crops	27773	29215	27872	29126	5.0	0.4	4.5
Livestocks	56050	53885	56889	58597	5.4	1.5	3.0
Fishing	5541	5837	5744	5974	6.4	3.7	4.0
Forestry	906	775	685	685	4.9	-24.4	0.0
B. INDUSTRY	162808	174259	169064	178329	7.2	3.8	5.5
Mining & quarrying	2725	2752	2848	2975	5.6	4.5	4.5
Manufacturing	112484	119437	117766	124595	7.2	4.7	5.8
Large Scale	73102	76747	75076	78319	6.5	2.7	4.3
Small Scale	39382	42690	42690	46276	8.4	8.4	8.4
Construction	22463	23784	22645	23664	5.5	0.8	4.5
Electricity & gas distribution	25136	28286	25805	27095	9.0	2.7	5.0
II SERVICES SECTORS	295942	312303	308196	323934	5.7	4.1	5.1
Transport & communication	61454	63384	64719	68137	5.6	5.3	5.3
Trade	95862	102303	97092	101705	6.2	1.3	4.8
Banking & insurance	13216	14604	14459	15182	6.6	9.4	5.0
Ownership of dwelling	34842	36682	36682	38619	5.3	5.3	5.3
Public Administration & defence	37459	38753	38667	40020	3.5	3.2	3.5
Services (Other)	53109	56577	56577	60271	6.5	6.5	6.5
GDP (fc)	613458	644007	632516	664171	6.0	3.1	5.0

T: Target

R: Revised

P: Provisional

S.A.Table-1.4

MACRO-ECONOMIC FRAMEWORK
(Current Billion Rs)

	1997-98		1998-99		1999-2000		Percentage change		
	(R)	(T)	(P)	(T)	(T)	(P)	(T)		
GDP (fc)	2540.1	2899.4	2785.0	3097.0	14.5	9.6	11.2		
Indirect Taxes (Net)	196.8	258.9	240.7	278.6	14.5	22.3	15.8		
GDP (MP)	2736.9	3158.4	3025.7	3375.6	14.5	10.6	11.6		
Net Factor Income from abroad	-36.3	-56.7	-33.3	-42.3	-37.6	8.2	-27.0		
GNP (MP)	2700.6	3101.7	2992.4	3333.3	14.1	10.8	11.4		
External Resource Inflow (Net)	83.0	89.6	83.3	70.7	-0.9	0.4	-15.1		
Total Resources/Uses	2783.6	3191.3	3075.6	3404.0	13.6	10.5	10.7		
Total Consumption	2315.6	2602.1	2628.8	2796.3	11.6	13.5	6.4		
Total Investment	468.0	589.2	446.9	607.9	23.7	-4.5	36.0		
Fixed Investment	396.6	538.6	400.5	556.2	33.0	1.0	38.9		
Public	134.0	190.8	150.9	205.8	18.4	12.6	36.4		
Private	262.6	347.8	249.6	350.4	42.6	-5.0	40.4		
Changes in Stocks	71.4	50.5	46.4	51.6	-	-	-		
National Savings	385.029	449.583	363.588	537.130	18.4	-5.6	47.4		
As % of GDP									
Total Investment	17.1	18.7	14.8	18.0	-	-	-		
Fixed Investment	14.5	17.1	13.2	16.5	-	-	-		
Public	4.9	6.0	5.0	6.1	-	-	-		
Private	9.6	11.0	8.2	10.4	-	-	-		
External Resources	3.0	2.8	2.8	2.1	-	-	-		
National Savings	14.1	15.8	12.0	15.9	-	-	-		
Inflation rate % (GDP Deflator)	8.0	8.0	6.3	6.0					

**ESTIMATED BUDGETARY DEVELOPMENT EXPENDITURE FOR 1998-99
(NATIONAL)**

S.A.Table-2.1

S.No.	Sectors	(Million Rupees)							
		Revised 1998-99 (COL 4+5+6)	Federal Departments	Corporations (Budgetary)	Provincial * (COL 7+8+9+10)	Punjab	Sindh	N.W.F.P.	Baluchistan
1	2	3	4	5	6	7	8	9	10
1.	Agriculture	431.3	119.8	0.0	311.5	149.8	48.4	97.1	16.2
2.	Industries	698.3	388.0	0.0	310.3	212.5	19.1	8.4	70.3
3.	Mineral	674.2	649.2	0.0	25.0	10.4	0.0	7.8	6.8
4.	Water	12319.5	9091.5	0.0	3228.0	1213.8	671.4	547.9	794.9
5.	Power	12405.3	4435.4	7969.9	0.0	0.0	0.0	0.0	0.0
6.	Fuels	2274.4	1142.4	1132.0	0.0	0.0	0.0	0.0	0.0
7.	Transport and Communication	20051.5	3790.1	13671.1	2590.4	1129.8	386.6	655.4	418.7
8.	Physical Planning & Housing	7356.2	1242.6	0.0	6113.6	3967.3	963.5	787.1	395.7
9.	Education & Training	6504.8	823.6	0.0	5681.2	2776.0	742.3	1157.1	1005.7
10.	Science & Technology	123.1	123.1	0.0	0.0	0.0	0.0	0.0	0.0
11.	Health & Nutrition	3584.8	1554.7	0.0	2030.1	1071.3	242.2	270.7	446.0
12.	Rural Development	10232.1	3460.9	0.0	6771.1	4530.3	1119.7	809.4	311.7
13.	Mass Media	53.4	53.4	0.0	0.0	0.0	0.0	0.0	0.0
14.	Culture, Sports, Tourism & Youth	152.3	94.1	0.0	58.2	9.5	26.5	22.2	0.0
15.	Manpower & Employment	112.6	51.5	0.0	61.1	22.8	12.0	2.5	23.8
16.	Women Development	48.2	46.4	0.0	1.8	0.0	0.6	1.2	0.0
17.	Population Welfare	1402.0	1402.0	0.0	0.0	0.0	0.0	0.0	0.0
18.	Social Welfare	109.4	71.6	0.0	37.8	16.2	5.0	2.8	13.7
19.	Research, Statostocs & Planning	483.6	343.1	0.0	140.5	25.2	89.9	22.5	2.9
20.	Environment	1084.4	258.9	0.0	825.5	215.4	294.9	183.3	131.8
21.	Others(Spl.Areas,TSP,ARRP,TWP & Misc)	6936.8	6936.8	0.0	0.0	0.0	0.0	0.0	0.0
Total (Expenditure)		89399.5	36079.1	22773.0	28186.2	15350.4	4622.0	4575.4	3638.3

**BUDGETARY PUBLIC SECTOR DEVELOPMENT PROGRAMME 1999-2000
(NATIONAL)**

(Million Rupees)

S.No.	Sectors	Total PSDP (COL.4+5+6)	Federal Departments	Corporations (Budgetary)	Provincial PSDP (COL.7+8+9+10)	Punjab	Sindh	N.W.F.P.	Baluchistan
1	2	3	4	5	6	7	8	9	10
1.	Agriculture	769.9	264.1	0.0	505.8	257.4	69.6	132.2	46.6
2.	Industries	499.3	260.1	0.0	239.2	226.0	1.0	8.4	3.8
3.	Mineral	38.4	23.0	0.0	15.4	0.0	0.2	7.8	7.4
4.	Water	19473.9	11330.9	0.0	8143.0	4819.3	845.3	1232.1	1246.3
5.	Power	16394.5	2906.0	13488.5	0.0	0.0	0.0	0.0	0.0
6.	Fuels	1266.5	1170.0	96.5	0.0	0.0	0.0	0.0	0.0
7.	Transport & Communication	24474.4	3186.5	19100.0	2187.9	951.1	440.0	385.4	411.4
8.	Physical Planning & Housing	9978.7	2374.9	0.0	7603.8	4526.3	1523.1	988.3	566.1
9.	Education & Training	6910.2	1014.0	0.0	5896.2	1721.2	1232.6	1553.4	1389.0
10.	Science & Technology	258.3	258.3	0.0	0.0	0.0	0.0	0.0	0.0
11.	Health & Nutrition	5005.6	2735.0	0.0	2270.6	1310.5	360.0	198.0	402.1
12.	Rural Development	12769.5	2737.2	0.0	10032.3	6725.6	1360.0	1216.9	729.8
13.	Mass Media	106.0	106.0	0.0	0.0	0.0	0.0	0.0	0.0
14.	Culture, Sports, Tourism & Youth	248.8	176.4	0.0	72.4	5.5	30.0	27.6	9.3
15.	Manpower & Employment	77.1	19.4	0.0	57.7	12.7	14.0	2.2	28.8
16.	Women Development	34.1	30.0	0.0	4.1	0.0	0.2	3.9	0.0
17.	Population Welfare	3042.0	3042.0	0.0	0.0	0.0	0.0	0.0	0.0
18.	Social Welfare	136.8	95.1	0.0	41.7	13.7	8.4	12.8	6.9
19.	Research, Statistics & Planning	699.8	418.2	0.0	281.7	163.0	80.8	11.9	26.0
20.	Environment	851.3	244.9	0.0	606.4	51.6	104.5	234.6	215.7
21.	Others(Spl. Areas, TSP, ARRP, IRUDP & Misc)	15604.8	8164.0	0.0	7440.8	6855.6	24.5	129.7	430.9
Total(PSDP)		118639.8	40555.8	32685.0	45399.0	27639.5	6094.2	6145.2	5520.1
(Less Provincial Shortfall)		2100.0		0.0	2100.0	2100.0	0.0	0.0	0.0
Net (PSDP)		116539.8	40555.8	32685.0	43299.0	25539.5	6094.2	6145.2	5520.1

**PUBLIC SECTOR CORPORATIONS DEVELOPMENT PROGRAMME 1999-2000
(BUDGETARY & OHTERS)**

(Million Rupees)

SL NO	CORPORATIONS	PSDP 1998-99			PSDP 1999-2000	
		TOTAL ALLOCATION	BUDGETED ALLOCATION	REVISED ESTIMATES	TOTAL ALLOCATION	BUDGETED ALLOCATION
1	2	3	4	5	6	7
	<u>POWER</u>					
1.	WAPDA	26205.4	13519.0	14785.7	23735.5	13488.5
2.	kesc	6153.0	0.0	6153.0	7204.7	0.0
	<u>FUEL</u>					
3.	OGDC	6069.2	1132.0	6418.0	6792.7	96.5
4.	NRL	1879.0	0.0	43.5	74.0	0.0
5.	SSGC	7249.6	0.0	2652.3	2093.7	0.0
6.	SNGPL	4745.0	0.0	4053.0	3377.0	0.0
7.	PSO	503.0	0.0	752.0	169.0	0.0
8.	PARCO	20578.0	0.0	19095.0	15107.0	0.0
9.	PERAC	0.0	0.0	0.0	650.0	0.0
	<u>T&C</u>					
10.	NHA	15080.0	15080.0	13671.1	19100.0	19100.0
11.	PTCL	15000.0	0.0	12425.5	16000.0	0.0
12.	CAA	5257.0	0.0	5701.6	4993.0	0.0
13.	PNSC	630.0	0.0	0.0	850.0	0.0
14.	PIAC	1184.0	0.0	0.0	7294.0	0.0
	<u>INDUSTRY</u>					
15.	Pakistan Steel Karachi	56.0	0.0	0.0	56.0	0.0
	<u>MASS MEDIA</u>					
16.	PTV	0.0	0.0	329.7	0.0	0.0
	TOTAL(Corp)	110589.2	29731.0	86080.3	107496.6	32685.0

CONSOLIDATED BUDGET 1998-99 and 1999-2000

(Rs. Billion)

	1997-98	1998-99		1999-2000	% Growth
	Actual	Budget Estimates	Revised Estimates	Budget Estimates	Rate FY2000/FY99
Government revenues	436.6	522.9	512.8	571.0	11.3
Tax Revenue	361.7	418.8	404.5	443.4	9.6
Direct taxes	105.1	125.3	114.8	129.7	13.0
- Taxes on income	97.2	114.5	105.0	119.0	13.3
- Other direct taxes	7.9	10.8	9.8	10.7	9.2
Indirect taxes	256.6	293.5	289.7	313.7	8.3
- Custom duties	74.5	90.5	61.3	65.5	6.9
- Excise duties	62.9	70.8	63.2	68.4	8.2
- Sales tax	53.9	71.5	72.7	96.5	32.7
- Surcharges	49.9	43.4	73.2	63.3	-13.5
Petroleum	43.5	35.6	66.4	58.1	-12.5
Natural Gas	6.4	7.8	6.8	5.2	-23.5
- Other indirect taxes	15.4	17.3	19.3	20.0	3.6
Non-tax revenues	74.9	104.1	108.3	127.6	17.8
Government expenditure	590.1	666.1	614.1	683.7	11.3
Current Expenditure	496.3	555.5	528.6	577.7	9.3
General administration	61.4	66.7	63.5	72.0	13.4
Defense	131.4	145.0	128.0	142.0	10.9
Community services	13.0	15.1	14.0	15.7	12.1
Social services	61.3	73.5	62.8	84.7	34.9
Economic services	10.6	10.6	12.0	13.4	11.7
Subsidies	8.9	11.5	19.9	12.0	-39.7
Interest Payments	191.7	214.1	209.5	213.5	1.9
Domestic	162.0	171.7	170.7	171.0	0.2
Foreign	29.7	42.4	38.8	42.5	9.5
Grants to LBs.	8.4	13.6	12.0	14.9	24.2
Others	9.6	5.4	6.9	9.5	37.7
Development	87.6	110.6	92.1	116.3	26.3
Net Lending to PSEs, etc.	6.2	0.0	-6.6	-10.3	56.1
Fiscal Deficit	153.5	143.2	101.3	112.7	11.3
Primary deficit	-38.2	-70.9	-108.2	-100.8	-6.8
Interest payments	191.7	214.1	209.5	213.5	1.9
Financing:	153.5	143.2	101.3	112.7	11.3
Bank borrowing	48.5	39.2	-62.8	-13.7	-78.2
Non-bank borrowing	78.4	89.3	106.7	67.0	-37.2
External borrowing (net)	26.6	14.7	57.4	59.4	3.5

GDP (MP)	2736.9	3134.3	3025.0	3388.8	12.0
Memorandum Items					
% of GDP					
Government revenues	16.0	16.7	17.0	16.8	
Tax Revenue	13.2	13.4	13.4	13.1	
Direct taxes	3.8	4.0	3.8	3.8	
- Taxes on income	3.6	3.7	3.5	3.5	
- Other direct taxes	0.3	0.3	0.3	0.3	
Indirect taxes	9.4	9.4	9.6	9.3	
- Custom duties	2.7	2.9	2.0	1.9	
- Excise duties	2.3	2.3	2.1	2.0	
- Sales tax	2.0	2.3	2.4	2.8	
- Surcharges	1.8	1.4	2.4	1.9	
Petroleum	1.6	1.1	2.2	1.7	
Natural Gas	0.2	0.2	0.2	0.2	
- Other indirect taxes	0.6	0.6	0.6	0.6	
Non-tax revenues	2.7	3.3	3.6	3.8	
Government expenditure	21.6	21.3	20.3	20.2	
Current	18.1	17.7	17.5	17.0	
General administration	2.2	2.1	2.1	2.1	
Defense	4.8	4.6	4.2	4.2	
Community services	0.5	0.5	0.5	0.5	
Social services	2.2	2.3	2.1	2.5	
Economic services	0.4	0.3	0.4	0.4	
Subsidies	0.3	0.4	0.7	0.4	
Interest Payments	7.0	6.8	6.9	6.3	
Domestic	5.9	5.5	5.6	5.0	
Foreign	1.1	1.4	1.3	1.3	
Grants to LBs.	0.3	0.4	0.4	0.4	
Others	0.4	0.2	0.2	0.3	
Development	3.2	3.5	3.0	3.4	
Net Lending to PSEs, etc.	0.2	0.0	-0.2	-0.3	
Fiscal Deficit	5.6	4.6	3.3	3.3	
Primary deficit	-1.4	-2.3	-3.6	-3.0	
Interest payments	7.0	6.8	6.9	6.3	
Financing:	5.6	4.6	3.3	3.3	
Bank borrowing	1.8	1.3	-2.1	-0.4	
Non-bank borrowing	2.9	2.8	3.5	2.0	
External borrowing (net)	1.0	0.5	1.9	1.8	

**FEDERAL GOVERNMENT REVENUES AND EXPENDITURES
(GROSS BASIS)**

(Rs. Billion)

	1997-98	1998-99		1999-2000	% Growth
	Prov./ Actual	Budget Estimates	Revised Estimates	Budget Estimates	Rate FY2000/FY9 9
Fed. Govt. Revenues(Gross)	433.6	518.4	501.9	561.2	11.8
Less Transfer to Provinces	114.4	114.4	121.5	138.0	13.6
Government Revenues(net)	319.2	404.0	380.4	423.2	11.3
Tax	345.0	399.9	383.2	421.5	10.0
Direct taxes	103.2	123.0	112.0	127.0	13.4
Taxes on income & profit	97.2	114.5	105.0	119.0	13.3
Others	6.0	8.5	7.0	8.0	14.3
Indirect taxes	241.8	276.9	271.2	294.5	8.6
Import duty	74.5	90.5	61.3	65.5	6.9
Excise duty	62.0	69.5	62.0	67.0	8.1
Sales Tax	53.9	71.5	72.7	96.5	32.7
Surcharges	49.9	43.4	73.2	63.3	-13.5
Petroleum	43.5	35.7	66.4	58.1	-12.5
Gas	6.4	7.7	6.9	5.2	-24.6
Foreign Travel Tax	1.5	2.0	2.0	2.2	
Non-tax revenues	88.6	118.5	118.7	139.7	17.7
Current Expenditure	450.6	495.7	478.6	525.9	9.9
General administration	19.3	21.0	17.4	21.2	21.8
Law and order	8.0	8.4	8.5	8.6	1.2
Defense	131.4	145.0	128.0	142.0	10.9
Community services	5.9	6.0	5.5	6.1	10.9
Social services	8.9	9.7	9.0	9.8	8.9
Education	5.3	5.3	5.2	5.7	9.6
Health	1.8	1.8	1.8	1.9	5.6
Others	1.8	2.6	2.0	2.2	10.0
Economic services	2.9	2.5	2.3	2.6	13.0
Subsidies	6.4	4.0	9.6	2.4	-75.0
Debt Servicing Investibale	263.0	296.3	291.3	325.5	11.7
Debt Servicing	247.6	275.6	270.3	287.5	6.4
Interest Payments	185.5	206.7	198.3	203.1	2.4
Interest on Domestic Debt	156.8	164.5	159.5	160.6	0.7
Interest on Foreign Debt	28.7	42.2	38.8	42.5	9.5
Repayment of Principal FD	62.1	58.9	71.9	84.4	17.4
Grants to Prov./local Auth	15.4	20.7	21.1	38.0	80.1
Unallocable	4.8	2.8	6.9	7.7	11.6

GDP (MP)	2736.9	3134.3	3025.0	3388.8	12.0
Memorandum Items					
% of GDP					
Fed. Govt. Revenues(Gross)	15.8	16.5	16.6	16.6	
Less Transfer to Provinces	4.2	3.6	4.0	4.1	
Government Revenues	11.7	12.9	12.6	12.5	
Tax	12.6	12.8	12.7	12.4	
Direct taxes	3.8	3.9	3.7	3.7	
Taxes on income & profit	3.6	3.7	3.5	3.5	
Others	0.2	0.3	0.2	0.2	
Indirect taxes	8.8	8.8	9.0	8.7	
Import duty	2.7	2.9	2.0	1.9	
Excise duty	2.3	2.2	2.0	2.0	
Sales Tax	2.0	2.3	2.4	2.8	
Surcharges	1.8	1.4	2.4	1.9	
Petroleum	1.6	1.1	2.2	1.7	
Gas	0.2	0.2	0.2	0.2	
Others	0.1	0.1	0.1	0.1	
Non-tax revenues	3.2	3.8	3.9	4.1	
Current Expenditure	16.5	15.8	15.8	15.5	
General administration	0.7	0.7	0.6	0.6	
Law and order	0.3	0.3	0.3	0.3	
Defense	4.8	4.6	4.2	4.2	
Community services	0.2	0.2	0.2	0.2	
Social services	0.3	0.3	0.3	0.3	
Education	0.2	0.2	0.2	0.2	
Health	0.1	0.1	0.1	0.1	
Others	0.1	0.1	0.1	0.1	
Economic services	0.1	0.1	0.1	0.1	
Subsidies	0.2	0.1	0.3	0.1	
Debt Servicing Investable	9.6	9.5	9.6	9.6	
Debt Servicing	9.0	8.8	8.9	8.5	
Interest Payments	6.8	6.6	6.6	6.0	
Interest on Domestic Debt	5.7	5.2	5.3	4.7	
Interest on Foreign Debt	1.0	1.3	1.3	1.3	
Repayment of Principal FD	2.3	1.9	2.4	2.5	
Grants to Prov./local Auth	0.6	0.7	0.7	1.1	
Unallocable	0.2	0.1	0.2	0.2	

Provincial Government Revenues (Gross)

(Billion Rs)

	1997-98	1998-99		1999-2000	% Growth
	Prov./ Actual	Budget Estimates	Revised Estimates	Budget Estimates	Rate FY2000/FY9 9
Total Resources	143.4	165.8	157.9	175.5	11.1
a) Transfer From Fed.	114.4	135.0	121.5	138.0	13.6
b) Provincial Govt. Own revenues	29.0	30.8	36.4	37.5	3.0
Tax	16.7	18.8	21.3	21.9	2.8
Direct taxes	4.9	2.3	5.9	6.9	16.9
Indirect taxes	11.8	16.5	15.4	15.0	-2.6
Non-tax revenues	12.3	12.0	15.1	15.6	3.3
Current expenditure	115.3	137.3	131.3	160.4	22.2
General administration	18.9	21.3	21.3	24.1	13.1
Law and order	15.1	16.0	16.4	18.1	10.4
Subsidies	2.6	7.5	10.2	9.5	-6.9
Debt Servicing	6.1	7.4	11.2	10.5	-6.2
Community services	7.1	9.6	8.5	9.6	12.9
Social services	52.4	63.8	53.8	74.9	39.2
Economic services	7.7	8.1	9.8	10.8	10.2
Grants and others	5.4	3.6	0.1	2.9	2800.0
Development Expenditure		32.0	28.8	28.8	0.0
Revenues Surplus	28.1	28.5	26.6	15.1	
GDP(MP)	2736.9	3134.3	3025.7	3388.8	12.0
As % of GDP					
Total Resources	5.2	5.3	5.2	5.2	
a) Transfer From Fed.	4.2	4.3	4.0	4.1	
b) Provincial Govt. Own revenues	1.1	1.0	1.2	1.1	
Tax	0.6	0.6	0.7	0.6	
Direct taxes	0.2	0.1	0.2	0.2	
Indirect taxes	0.4	0.5	0.5	0.4	
Non-tax revenues	0.4	0.4	0.5	0.5	
Current expenditure	4.2	4.4	4.3	4.7	
General administration	0.7	0.7	0.7	0.7	
Law and order	0.6	0.5	0.5	0.5	
Subsidies	0.1	0.2	0.3	0.3	
Debt Servicing	0.2	0.2	0.1	0.3	
Community services	0.3	0.3	0.3	0.3	
Social services	1.9	2.0	1.8	2.2	
Economic services	0.3	0.3	0.3	0.3	
Grants and others	0.2	0.1	0.0	0.1	
Development Expenditure			1.0	0.8	
Revenue Surplus	1.0	0.9	0.9	0.4	

PRIVATE INVESTMENT

S. A. Table-4.I

(Current Billion Rs)

Sector	1997-98	1998-99		1999-2000	
		Targets	Prov.	Targets	% change Over 1998-99
Agriculture	21.4	45.9	27.0	39.7	47.0
Manufacturing	66.2	113.1	64.3	116.4	81.0
Large-scale	49.9	94.7	46.4	94.4	103.4
Small-scale	16.3	18.4	17.9	22.0	22.9
Energy	40.4	26.2	15.2	20.0	31.6
Transport and Communications	33.2	36.3	41.6	47.0	13.0
Ownership of dwellings	49.2	57.0	53.2	58.4	9.8
Services/ Others	52.2	69.3	48.3	68.9	42.6
Total:	262.6	347.8	249.6	350.4	40.4

EXPORTS
(Values in Million \$)

S.A.Table-6.1

Commodities	1997-98	1998-99		1999-2000	% Change	
	Actuals	Plan Target	Act/Prov.	PROJECTION	1998-99	1999-2000
I. Primary Commodities	688	875	536	674	-22.1	25.8
Raw Cotton	126.1	278	2.3	81	-98.2	3421.7
Volume (Mln Bales)	0.52	1.30	0.01	0.40	-98.1	3900.0
Price (Cents/Lb)	64.5	57.0	55.0	54.0	-14.8	-1.8
Total Rice	562	597	534	593	-5.1	11.2
Basmati Rice	253	265	283	315	12.0	11.2
Volume (000 MT)	552	568	589	607	6.7	3.1
Price (\$/MT)	458	467	481	519	5.0	7.9
Other Rice	309	332	250	278	-19.0	11.1
Volume (000 MT)	1539	1582	1200	1260	-22.0	5.0
Price (\$/MT)	201	210	209	221	3.8	5.8
II. Cotton based Manufactures	4866	4619	4539	4825	-6.7	6.3
Yarn	1160	1055	945	983	-18.5	4.0
Volume (Mln Kgs)	462	439	422	460	-8.8	9.1
Price (\$/Kg)	2.51	2.40	2.24	2.14	-10.8	-4.5
Cloth	1250	1113	1115	1163	-10.8	4.3
Volume (Mln Sq. Meter)	1272	1170	1355	0	6.5	-100.0
Price (\$/Sq Meter)	0.98	0.95	0.82	0.00	-16.3	-100.0
Readymade Garments	746	664	651	703	-12.7	8.0
Tents and Canvas	58	46	41	44	-29.7	7.8
Hosiery	697	739	742	804	6.5	8.3
Made ups (incl.towels & Bedwear)	955	1002	1044	1128	9.3	8.0
III. Other Traditionals	1198	979	901	1000	-24.8	11.0
Fish and Fish Preparations	172	137	123	166	-28.7	35.4
Leather	208	166	177	185	-14.8	4.3
Carpets	200	200	203	211	1.3	4.1
Synthetic Textiles	618	476	399	438	-35.5	9.9
IV. All Others	1876	2007	1804	1985	-3.9	10.1
Total (Gross)	8628	8480	7779	8484	-9.8	9.1
Total (fob)	8434	8299	7570	8346	-10.2	10.3

IMPORTS
(Values in Million \$)

Commodities	1997-98	1998-99		1999-2000	% Change	
	Actuals	Plan Target	Act./Prov	PROJECTION	1998-99	1999-2000
Wheat	709	249	407	142	-42.6	-65.1
Volume (Million MT)	4.10	2.00	3.24	1.00	-21.0	-69.1
Price (\$/MT)	172.9	124.5	125.6	142.0	-27.4	13.0
Tea	227	233	223	247	-1.8	10.8
Volume (Million Kg)	99	100	120	130	21.2	8.3
Price (\$/Kg)	2.29	2.33	1.86	1.90	-19.0	2.2
Edible Oils	768	777	824.1	662	7.3	-19.7
Palm Oil	669	678	597.2	475	-10.7	-20.5
Volume (000 MT)	1034	1034	961.2	949	-7.0	-1.3
Price (\$/MT)	647.0	655.7	621.3	500.5	-4.0	-19.4
Soyabean Oil	99	99	226.9	187	129.2	-17.6
Volume (000 MT)	144	145	363.7	359	152.6	-1.3
Price (\$/MT)	687.5	682.8	623.9	520.9	-9.3	-16.5
POL	1753	1493	1485	2279	-15.3	53.5
Crude Oil	454	384	431	706	-5.1	63.8
Volume (Million barrel)	29.80	30.70	33.14	37.80	11.2	14.1
Price (\$/barrel)	15.2	12.5	13.0	18.7	-14.6	43.6
POL Products	1299	1109	1054	1573	-18.9	49.2
Volume (Million MT)	11.00	11.40	10.93	11.40	-0.7	4.3
Price (\$/MT)	118.1	97.3	96.5	138.0	-18.3	43.0
Fertilizers	208	203	265	105	27.4	-60.4
Volume (000 MT)	1049	875	1617	500	54.1	-69.1
Price (\$/MT)	198.3	232.0	163.9	210.0	-17.3	28.1
Capital Goods (Value)	3238	3350	2850	3350	-12.0	17.5
All Others	4319	2861	4113.9	3604	-4.7	-12.4
Total (c&f)	11222	9166	10168	10389	-9.4	2.2
Total (fob)	10301	8420	9345	9548	-9.3	2.2

BALANCE OF PAYMENTS

Items	(\$ Million)			
	1997-98	1998-99		1999-2000
	Actuals	Plan Target	Act./Prov.	PROJECTION
TRADE BALANCE	-1867	-121	-1774	-1202
Exports (fob)	8434	8299	7570	8346
Imports (fob)	10301	8420	9344	9548
INVISIBLES BALANCE	-54	-1671	2	-158
Services (net)	-3264	-2991	-2497	-2692
Invisibles Receipts	1708	1559	1399	1573
Invisibles Payments	4972	4550	3896	4265
Freight & insurance	921	746	823	841
Public & Guaranteed Debt	1005	1171	996	1125
Others	3046	2633	2077	2299
Private Transfers	3210	1320	2499	2534
Remittances	1490	1100	1055	1200
F.C.A.(Resident Pakistanis)	1476	0	539	533
Others	244	220	905	801
CURRENT ACCOUNT BALANC	-1921	-1792	-1772	-1360
Long term capital (net)	1691	-766	1202	522
Gross Disbursements	2803	1451	2614	2005
Project Aid	1552	1299	1405	1331
Programme /Commodity Aid	627	2	937	672
Food Aid	623	150	270	0
Refugees Assistance	1	0	2	2
Other official transfers (net)	60	2	346	166
Amortization	-1891	-1982	-2075	-1900
Private long term capital (net)	719	-237	317	251
Errors & Omissions	347	183	689	744
BAL. REQ. OFFICIAL FINANCIN	117	-2375	119	-94
Official assistance & debt relief	422	4252	-1237	-847
Accumulation of arrears	0	5526	0	0
Medium/short term capital (net)	390	-707	-863	-17
Other short term assets/liability	219	-482	-495	-370
FEBC, DBC, FCBC, Eu.Bond(n	-187	-85	121	-460
OVERALL BALANCE/				
NET FOREIGN ASSETS	539	1877	-1118	-941
IMF (net)	158	-192	430	-296
Purchases	387	0	548	0
Repurchases	-229	-192	-118	-296
Repayment of deposits	0	250	250	0
Banks foreign currency deposits	-462	-1502	-2442	-2799
Outstanding export bills	-383	39	40	-87
CHANGES IN RESERVES	-148	472	1254	1009
Except./Other Financing	0	0	4094	5132
Reserve position incl.FE-25 de	934	1300	1740	2748
Reserve position excl.FE-25 dep.			1673	2075

S.A. Table 7.1

Financial Allocation for 1999-2000

(Million Rs.)

Executing Agency	Allocation * 1998-99	Revised Estimates 1998-99	Allocation 1999-2000	% increase/ decrease over Revised Estimates for 1998-99
Federal	490.6	119.8	264.1	120.5
Punjab	208.2	149.8	257.4	71.8
Sindh	53.3	48.4	69.6	43.8
NWFP	109.7	97.1	132.2	36.1
Balochistan	26.5	16.2	46.6	187.7
Total:	888.3 *	431.3	769.9	78.5

* Excludes Rs.210.3 million for forestry and other projects relating to Environment Sector.

S.A. Table 7.2

FINANCIAL ALLOCATION AND UTILIZATION

(Million Rs.)

Executing Agency	1998-99		Per cent Utilization
	Allocation *	Utilization	
Federal	490.6	119.8	24.4
Punjab	208.2	149.8	72.0
Sindh	53.3	48.4	90.8
NWFP	109.7	97.1	88.5
Balochistan	26.5	16.2	61.1
Total:	888.3 *	431.3	48.6

* Excludes Rs.210.3 million for forestry and other projects relating to Environment Sector.

Source: Federal and Provincial PSDPs 1999-2000.

**PUBLIC SECTOR DEVELOPMENT PROGRAMME
All Pakistan**

S.No	Sub-sector	1998-99		1999-2000 Allocation	% change over actual 1998-99
		Allocation *	Utilization		
1.	Agriculture Research	158.1	114.4	170.4	49.0
2.	Agriculture Extension	227.9	114.2	212.4	86.0
3.	Oilseed Maximization Programme	11.2	4.0	11.0	175.0
4.	Horticulture/Floriculture	0.0	7.1	14.0	97.2
5.	Agriculture Marketing	0.5	5.0	0.0	0.0
6.	Agriculture Education	44.5	22.6	67.3	197.8
7.	Improved Seed	55.8	55.8	6.2	-88.9
8.	Agriculture Economics & Statistics	12.8	12.2	0.1	-99.2
9.	Soil and Fertilizer	35.0	36.1	18.7	-48.2
10.	Plant Protection	4.2	3.3	1.0	-69.7
11.	Soil Conservation and Land Development.	5.0	2.0	8.5	325.0
12.	Livestock & Poultry Development	38.5	40.3	145.0	259.8
13.	Fisheries	32.3	7.8	19.9	155.1
14.	Agriculture Mechanization	259.8	3.8	84.3	2118.4
15.	Cooperatives	2.7	2.7	7.1	163.0
16.	Government Storages	0.0	0.0	4.0	0.0
Total Agriculture		888.3	431.3	769.9	78.5

* Excludes Rs.210.3 million for forestry and other projects relating to Environment Sector.

Source: Federal and Provincial PSDPs 1999-2000.

PUBLIC SECTOR DEVELOPMENT PROGRAMME
Federal

(Million Rs)

S.No	Sub-sector	1998-99		1999-2000 Allocation	% change over actual 1998-99
		Allocation	Utilization		
1.	Agriculture Research	29.4	26.9	36.6	36.1
2.	Agriculture Extension	126.8	24.4	126.0	416.4
3.	Oilseed Maximization Programme	11.2	4.0	11.0	175.0
4.	Horticulture/Floriculture	0.0	0.0	0.0	0.0
5.	Agriculture Marketing	5.0	5.0	0.0	0.0
6.	Agriculture Education	43.0	22.1	65.7	197.3
7.	Improved Seed	1.0	1.0	1.0	0.0
8.	Agriculture Economics & Statistics	10.0	10.0	0.0	0.0
9.	Soil and Fertilizer	18.3	18.3	4.2	-77.0
10.	Plant Protection	0.0	0.0	0.0	0.0
11.	Soil Conservation and Land Development	0.0	0.0	0.0	0.0
12.	Livestock & Poultry Development	3.2	2.7	10.5	288.9
13.	Fisheries	5.9	5.4	6.0	11.1
14.	Agriculture Mechanization	236.8	0.0	3.1	0.0
15.	Cooperatives	0.0	0.0	0.0	0.0
16.	Government Storages	0.0	0.0	0.0	0.0
Total Agriculture		490.6	119.8	264.1	120.5

Source:- Federal PSDPs 1999-2000.

**PUBLIC SECTOR DEVELOPMENT PROGRAMME
All Province**

(Million Rs)

S.No	Sub-sector	1998-99		1999-2000 Allocation	% change over actual 1998-99
		Allocation *	Utilization		
1.	Agriculture Research	128.7	87.5	133.8	52.9
2.	Agriculture Extension	101.1	89.8	86.4	-3.8
3.	Oilseed Maximization Programme	0.0	0.0	0.0	0.0
4.	Horticulture/Floriculture	0.0	7.1	14.0	97.2
5.	Agriculture Marketing	0.0	0.0	0.0	0.0
6.	Agriculture Education	1.5	0.5	1.6	220.0
7.	Improved Seed	54.8	54.8	5.2	-90.5
8.	Agriculture Economics & Statistics	2.8	2.2	0.1	-95.5
9.	Soil and Fertilizer	16.7	17.8	14.5	-18.5
10.	Plant Protection	4.2	3.3	1.0	-69.7
11.	Soil Conservation and Land Development.	0.5	2.0	8.5	325.0
12.	Livestock & Poultry Development	35.3	37.6	134.5	257.7
13.	Fisheries	26.4	2.4	13.9	479.2
14.	Agriculture Mechanization	23.0	3.8	81.2	2036.8
15.	Cooperatives	2.7	2.7	7.1	163.0
16.	Government Storages	0.0	0.0	4.0	0.0
Total Agriculture		397.7	311.5	505.8	62.4

* Excludes Rs.210.3 million for forestry and other projects relating to Environment Sector.

Source:- Provincial PSDPs 1999-2000.

**PUBLIC SECTOR DEVELOPMENT PROGRAMME
Punjab**

(Million Rs.)

S.No	Sub-sector	1998-99		1999-2000 ** Allocation	% change over actual 1998-99
		Allocation *	Utilization		
1.	Agriculture Research	119.7	78.5	119.1	51.7
2.	Agriculture Extension	15.4	0.6	22.2	3600.0
3.	Oilseed Maximization Programme	0.0	0.0	0.0	0.0
4.	Horticulture/Floriculture	0.0	0.0	0.0	0.0
5.	Agriculture Marketing	0.0	0.0	0.0	0.0
6.	Agriculture Education	0.0	0.0	0.0	0.0
7.	Improved Seed	50.0	50.0	0.0	0.0
8.	Agriculture Economics & Statistics	2.2	2.2	0.0	0.0
9.	Soil and Fertilizer	14.4	15.5	14.5	-6.5
10.	Plant Protection	0.8	0.0	0.1	0.0
11.	Soil Conservation and Land Development.	0.5	0.5	0.0	0.0
12.	Livestock & Poultry Development	0.8	0.8	100.5	12462.5
13.	Fisheries	1.4	1.4	0.0	0.0
14.	Agriculture Mechanization	3.0	0.3	1.0	233.3
15.	Cooperatives	0.0	0.0	0.0	0.0
16.	Government Storages	0.0	0.0	0.0	0.0
Total Agriculture		208.2	149.8	257.4	71.8

* Excludes Rs.97.7 million for forestry and other projects relating to Environment Sector.

** Exclude Rs.321.451 million, Rs.0.100 million and Rs.70.8 million for projects reflected under Water Resources, RDLP and Environment Sector respectively.

Source: Punjab PSDP 1999-2000

**PUBLIC SECTOR DEVELOPMENT PROGRAMME
Sindh**

(Million Rs.)

S.No	Sub-sector	1998-99		1999-2000 **	% change over actual 1998-99
		Allocation *	Utilization	Allocation	
1.	Agriculture Research	0.5	0.0	4.5	0.0
2.	Agriculture Extension	11.4	13.8	13.0	-5.8
3.	Oilseed Maximization Programme		0.0	1.0	0.0
4.	Horticulture/Floriculture	0.0	0.0	0.0	0.0
5.	Agriculture Marketing	0.0	0.0	0.0	0.0
6.	Agriculture Education	0.0	0.0	0.0	0.0
7.	Improved Seed	0.0	1.7	5.2	205.9
8.	Agriculture Economics & Statistics	0.0	0.0	0.0	0.0
9.	Soil and Fertilizer	2.3	2.3	0.0	0.0
10.	Plant Protection	3.3	3.3	0.4	-87.9
11.	Soil Conservation and Land Development.	0.0	0.0	0.0	0.0
12.	Livestock & Poultry Development	12.6	23.6	12.1	-48.7
13.	Fisheries	4.5	1.0	13.9	1290.0
14.	Agriculture Mechanization	16.0	0.0	15.5	0.0
15.	Cooperatives	2.7	2.7	0.0	0.0
16.	Government Storages	0.0	0.0	4.0	0.0
Total Agriculture		53.3	48.4	69.6	43.8

* Excludes Rs.46.6 million for forestry and other projects relating to Environment Sector.

** Exclude Rs.30.0 million and Rs.31.0 million for projects reflected under Water Resources and Environment sectors respectively.

Source: Sindh PSDP 1999-2000

**PUBLIC SECTOR DEVELOPMENT PROGRAMME
NWFP**

S.No	Sub-sector	1998-99		1999-2000 ** Allocation	(Million R % change over actual 1998-99
		Allocation *	Utilization		
1.	Agriculture Research	8.5	6.4	8.2	28.1
2.	Agriculture Extension	74.3	75.4	46.1	-38.9
3.	Oilseed Maximization Programme	0.0	0.0	0.0	0.0
4.	Horticulture/Floriculture	0.0	7.1	13.0	83.1
5.	Agriculture Marketing	0.0	0.0	0.0	0.0
6.	Agriculture Education	1.5	0.5	1.6	220.0
7.	Improved Seed	4.8	3.1	0.0	0.0
8.	Agriculture Economics & Statistics	0.6	0.0	0.1	0.0
9.	Soil and Fertilizer	0.0	0.0	0.0	0.0
10.	Plant Protection	0.1	0.0	0.5	0.0
11.	Soil Conservation and Land Development.	0.0	1.5	3.5	133.3
12.	Livestock & Poultry Development	1.5	1.1	5.5	400.0
13.	Fisheries	15.9	0.0	0.0	0.0
14.	Agriculture Mechanization	2.5	2.0	53.7	2585.0
15.	Cooperatives	0.0	0.0	0.0	0.0
16.	Government Storages	0.0	0.0	0.0	0.0
Total Agriculture		109.7	97.1	132.2	36.1

* Excludes Rs.62.5 million for forestry and other projects relating to Environment Sector.

** Excludes Rs.27.798 million for projects reflected under Water Resources Sector.

Sources: NWFP PSDP 1999-2000

PUBLIC SECTOR DEVELOPMENT PROGRAMME
Balochistan

S.No	Sub-sector	1998-99		1999-2000	% change over actual 1998-99
		Allocation *	Utilization	Allocation	
1.	Agriculture Research	0.0	2.6	2.0	-23.1
2.	Agriculture Extension	0.0	0.0	5.1	0.0
3.	Oilseed Maximization Programme	0.0	0.0	0.0	0.0
4.	Horticulture/Floriculture	0.0	0.0	0.0	0.0
5.	Agriculture Marketing	0.0	0.0	0.0	0.0
6.	Agriculture Education	0.0	0.0	0.0	0.0
7.	Improved Seed	0.0	0.0	0.0	0.0
8.	Agriculture Economics & Statistics	0.0	0.0	0.0	0.0
9.	Soil and Fertilizer	0.0	0.0	0.0	0.0
10.	Plant Protection	0.0	0.0	0.0	0.0
11.	Soil Conservation and Land Development	0.0	0.0	5.0	0.0
12.	Livestock & Poultry Development	20.4	12.1	16.4	35.5
13.	Fisheries	4.6			
14.	Agriculture Mechanization	1.5	1.5	11.0	633.3
15.	Cooperatives		0.0	7.4	0.0
16.	Government Storages	0.0	0.0	0.0	0.0
Total Agriculture		26.5	16.2	46.6	187.7

* Excludes Rs.3.5 million for forestry and other projects relating to Environment Sector.

** Excludes Rs.60.1 million and Rs.27.377 million for projects reflected under water Resources and Environment Sectors respectively.

Source: Balochistan PSDP 199-2000.

S.A.Table 7.10

SUPPORT/PROCUREMENT PRICES OF AGRICULTURAL CROPS

(Rupees per 40 Kg)				
Sr. No.	Crops	1997-98	1998-99	1999-2000
1	2	3	4	5
1.	Wheat	240	240	300
2.	Rice (Paddy)			
	a) Super Basmati	360	400	425
	b) Basmati-385	310	330	350
	d) IRRI-6 (FAQ)	153	175	185
	f) KS-282, DR-82&83 (FAQ)	168	190	200
3.	Seed Cotton			
	a) B-577 and Niab	500	500	
	b) Sarmast, Qalandri, MS-38, MS-40, MNH-93, Deltapine	540	540	
	c) Desi	440	440	
4.	Oilseed			
	a) Soybean	345	410	
	b) Sunflower	450	500	
	c) Safflower	300	350	
	d) Canola	450	500	
5.	Sugarcane			
	a) Punjab and NWFP	35	35	35
	b) Sindh and Balochistan	36	36	36
6.	Vegetables			
	a) Potato			
	i) 40-55 mm	145	145	145
	b) Onion			
	i) 40-50 mm	125	125	
7.	Gram	425	425	

Source: Ministry of Food, Agriculture and Livestock.

PHYSICAL ACHIEVEMENTS/TARGETS FOR LIVESTOCK PRODUCTS

S.No.	Item	Unit	1998-99 Achievements	1999-2000 Targets
1.	Milk			
	a. Gross Production	Million Tons	24.9	28.0
	b. Available for human consumption	" "	19.9	22.4
2.	Meat	'000' Tons	1893	2023
	a. Beef	" "	963	1037
	b. Mutton	" "	633	680
	c. Poultry	" "	297	306
3.	Eggs	Billion Nos.	5.9	6.1
4.	Hides	Million Nos.	7.5	7.8
5.	Skins	" "	36.3	37.5
6.	Wool	'000' Tons	38.7	40.4

Source:- Ministry of Food, Agriculture and Livestock.

INSTITUTIONAL PERFORMANCE IN ANIMAL HUSBANDRY SUB-SECTOR

S.No.	Item	Unit	1998-99 Achievements	1999-2000 Targets
Infrastructure				
1.	Veterinary Research Institutes	Numbers	6	6
2.	Disease Diagnostic Laboratories	"	44	51
3.	Veterinary Hospitals	"	661	665
4.	Veterinary Dispensaries	"	1751	1770
5.	Veterinary Centres	"	2250	2256
6.	Semen Production Units	"	10	10
7.	Artificial Insemination Centres	"	223	228
8.	Artificial Insemination sub-centres	"	726	740
9.	Animals Inseminated	Million Nos.	1.19	1.24
10.	Vaccine Production Units	Numbers	4	5
11.	Vaccine Production	Million Dozes	137.24	137.74
12.	Animals Vaccinated	Million Nos.	22.04	25.78
13.	Animals Treated	Million Nos.	16.46	17.73
Livestock Farms				
14.	Breeding	Numbers	51	51
15.	Dairy	"	92	102
16.	Experimental	"	24	24
Animal Fattening Farms				
17.	Government Farms	Numbers	5	5
-	Sheep and Goat	"	3	3
-	Cattle	"	2	2
18.	Private Feed Lot Units	"	105	150
Poultry				
19.	Hatcheries	Numbers	250	255
20.	Actual output of hatcheries	Million Nos.	234.97	261.89
a.	Broiler Chicks	"	195.49	216.96
b.	Layer Chicks	"	37.07	41.47
c.	Breeder Chicks	"	2.41	3.46
21.	Feed Mills	Numbers	132	133
-	Installed Capacity	000 tonnes	2912	2962

Source:- Livestock Departments of Provincial Governments.

PERFORMANCE OF FISHERIES SUB-SECTOR

S.No.	Item	Unit	1998-99 Achievements	1999-2000 Targets
1.	Fish Production	000 Tons	630.0	700.0
	a. Marine	" "	440.0	453.0
	b. Inland	" "	190.0	247.0
2.	Fishing crafts	Numbers	30,790	31,050
	a. Marine	"	13,700	13,850
	Gill-netters	"	3,200	3,250
	Trawlers	"	2,550	2,600
	Motorized boats	"	7,950	8,000
	b. Inland	"	17,090	17,200
	Motorized boats	"	690	700
	Sail boats	"	16,400	16,500
3.	Population of fishermen	"	421,100	435,000
	a. Marine	"	120,100	125,000
	b. Inland	"	301,000	310,000
4.	Processing Plants	"	26	26
	Freezing	"	17	17
	Canning	"	1	1
	Fishmeal	"	8	8

Source:- Ministry of Food, Agriculture and Livestock.

S.A. Table-8.1

DISTRIBUTION OF EXPENDITURE FOR 1998-99 AND ALLOCATION FOR 1999-2000

Sector/ Sub-Sector	Federal		Punjab		Sindh		N.W.F.P.		Balochistan		Total Provincial		(Rs. Million) Federal and Provincial Total	
	1998-99 estimate	1999-2000 Allocation	1998-99 estimate	1999-2000 Allocation	1998-99 estimate	1999-2000 Allocation	1998-99 estimate	1999-2000 Allocation	1998-99 estimate	1999-2000 Allocation	1998-99 estimate	1999-2000 Allocation	1998-99 estimate	1999-2000 Allocation
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
IBP/Tarbela	54.70	0.00	-	-	-	-	-	-	-	-	-	-	54.70	0.00
Irrigation	3055.85	3330.91	608.88	1461.52	572.72	533.55	479.01	719.05	425.67	425.65	1390.27	3140.06	5046.12	6470.97
Drainage and Reclamation	5494.75	7455.00	251.05	705.11	108.67	112.86	25.00	394.00	105.50	554.83	490.22	1766.50	5994.96	9221.50
Flood Control	331.83	415.00	30.19	985.25	-	-	0.08	6.85	9.50	14.51	39.77	1006.61	371.71	1421.51
O.F.W.M	27.16	74.00	318.04	1653.34	86.17	190.00	13.42	86.28	230.21	244.10	647.84	2173.71	675.00	2247.71
Survey Investige- tion and Research	127.14	56.00	5.61	13.50	3.89	8.89	30.37	25.96	20.00	7.50	89.87	56.15	197.00	112.15
Total (Water)	5097.82	11330.91	1213.77	4819.32	671.44	845.29	547.88	1282.14	754.88	1246.28	3227.97	8143.03	12319.49	15473.54

**KEY PHYSICAL TARGETS 1999-2000
(Federal)**

S.NO	SECTOR	UNIT	Target 1998-99	ACHIEVEMENT DURING 1998-99	TARGET 1999-2000
1.	Water Availability	MHM	16.62	16.50	16.62
2.	Area Protected (Disastrous)	MHa	0.39	0.16	0.20
3.	SCARP Tubewells				
	a) Drilling	No	182	34	58
	b) Energization	No	627	412	386
	c) Transition to Private Sector	No	570	50	---
4.	Surface Drains	MCM	6.85	3.20	4.87
5.	Tile drains	KM	813	631	111
6.	Watercourse Improvement	No	123	330	2410
7.	Precision Land leveling	HA	364	148	8393
8.	Flood Control Program:				
	a) Earth work	MCM	8.09	6.59	6.06
	b) Stone work	MCM	0.76	0.61	0.57

Data based on Reports from WAPDA, Provincial Agriculture Department, and Federal Flood Commission.

**PHYSICAL TARGETS AND ACHIEVEMENTS
PUNJAB**

Item	Unit	1998-99		1999-2000 (Target)	% Change Over actual in 1998-99
		Target	Achievement		
1- Survey & Investigation					
a. Reconnaissance Survey	Sq.K.M	100	0	2000	-
b. Topographic Survey	"	100	-	-	-
c. Detailed Investigation (Dam site)	No.	1	1	-	-
d. Investigation for Surface Water development Scheme	No.	2	1	4	-
e. Other					
2- Irrigation					
a. Extension of Canals	(K.M)	5	2.5	7	
b. Remodelling of Canals	"	30	28	30	
c. Rehabilitation of Canals	"	60	50	20	
d. Enlargement of Canals	"	0	-	-	
e. Remodelling of Structure	No	2	1	4	
f. New Structures	"	0	0	0	
g. Residential accommodation	"	0	-	-	
h. Metalled Road	K.M	0	-	-	
i. Public tubewells rehab.	No	0	-	-	
j. Small Dams	No	0	1	1	
k. Pumping Station	No	0	0	-	
l. Subsidised Tubewells	No	0	-	-	
m. Cropped Area benefitted					
i) Surface Water	Hectare	1000	950	900	
ii). Ground Water	Hectare	0	-	-	
3. Drainage & Reclamation					
a. Extension & Remodelling of Open Drains	(K.M)	100	90	95	
b. Area Protected	(Sq.KM)	1900	1900	1900	
c. Strengthening/restoration	K.M	0	-	-	
d. Structures	No	0	-	-	
4. Flood protection					
a. Extension of Flood Embankment	(K.M)	10	9	5	
b. Stone Pitching	MCM	0	0	0	
c. Strengthening/restoration	(K.M)	100	90	3	
d. Structure	No.	0	-	-	
e. Earth Work	MCM	0	0	0	
5. Water Management					
a. Water-courses Improved	NO.	1304	921	2196	
b. Water-courses Cleared	No.	0	-	-	
c. Precision Land Levelling	Hectare	8048	8100	5979	
d. Training	No..	14199	4961	3893	
e. Water Storage Tank	No.	-	4	150	

**PHYSICAL TARGETS AND ACHIEVEMENTS
(SINDH)**

Item	Unit	1998-99		(Target) 99-2000	% Change Over actual in 1998-99
		Target	Achievement		
1- Survey & Investigation					
a. Reconnaissance Survey	Sq. K.M	47.2	30	5	-85
b. Topographic Survey	"	-	-	-	-
c. Detailed Investigation (Dam Sites)	No.	0	-	-	-
d. Investigation for Surface Water deve- lopment Scheme	No	0	-	-	-
e. Other Economic Studies	No	-	-	13%	100
2- Irrigation					
a. Extension of Canals	(K.M)	61.25	41.36	89.44	+600
b. Remodelling of Canals	"	73.37	45	28.45	+90
c. Rehabilitation of Canals	"	-	-	-	-
d. Enlargement of Canals	"	0.64	-	-	-
e. Remodelling of Structure	No	191	137	86	+72
f. New Structures	"	100.8	48	79	+59
g. Residential accommodation	"	7.02	-	3	-
h. Metalled Road	(K.M)	0	-	-	-
i. Public tubewells rehab.	No	0	-	-	-
j. Small Dams(E/Work)	No	0	-	-	-
k. Pumping Station	No	12	6	1	+60
l. Subsidised Tubewells (SCARP Tubewells Transitions)	No	-	-	-	-
m. Cropped Area benefitted					
i) Surface Water	Hectare	663.5	4.2	46.90	+113
ii). Ground Water	Hectare	-	-	-	-
3. Drainage & Reclamation					
a. Extension & Remodelling of Open Drains	(K.M)	5.1	-	-	-
b. Area Protected	Hectare	18.5	-	-	-
c. Strengthening/restoration	(K.M)	0	-	-	-
d. Structures	No	0	-	-	-
4. Flood protection					
a. Extension of Flood Embankment	(K.M)	0	-	-	-
b. Stone Pitching	MCM	0.13	4.631	60.30	+1202
c. Strengthening/restoration	(K.M)	0	-	-	+10
d. Structure	No.	0	-	-	-
e. Earth Work	MCM	0.38	12.69	62.2	190
5. Water Management					
a. Water-courses Improved	NO.	990.18	570	295	-75
b. Precision Land Levelling	Hectare	6110.76	5142	1742	-67
c. Training	No..	10782	112	43	-46
d. Water Storage Tank	No.	0	-	-	-

**PHYSICAL TARGETS AND ACHIEVEMENTS
(N.W.F.P)**

Item	Unit	1998-99		99-2000 (Target)	% Change Over actual in 1998-99
		Target	Achievement		
1- Survey & Investigation					
a. Reconnaissance Survey	Sq.K.M	0	-	10	-
b. Topographic Survey	"	0	-	5	-
c. Detailed Investigation (Dam site)	No.	0	-	2	-
d. Investigation for Surface Water development Scheme	No.	0	-	3	-
2- Irrigation					
a. Extension of Canals	K.M	3.53	-	-	-
b. Remodelling of Canals	"	1.77	-	-	-
c. Rehabilitation of Canals	"	0	-	-	-
d. Enlargement of Canals	"	0	-	-	-
e. Remodelling of Structure	No	2	2	2	-
f. New Structures	"	2	4	13	200
g. Residential accommodation	"	-	-	-	-
h. Metalled Road	K.M	0	-	2	-
i. Public tubewells	No	7	-	12	-
j. Small Dams(E/Work)	No	0	-	-	-
k. Pumping Station	No	0	1	-	-
l. Subsidised Tubewells	No	0	-	-	-
m. Cropped Area benefitted	Hectare	3880	1360	1103	210
3. Drainage and Reclamation					
a. Area Protected	Hectare	0	-	-	-
b. Structures.	No	0	-	-	-
4. Water Management					
a. Water-courses Improved	NO.	316	97	120	24
b. Precision Land Levelling	Hectare	1336	1766	2185	24
c. Training of farmers	No..	300	340	400	17
d. Water Storage Tank	No.	-	-	2	-

**PHYSICAL TARGETS AND ACHIEVEMENTS
(BALOCHISTAN)**

Item	Unit	1998-99		1999-2000 (Target)	% Change Over actual in 1998-99
		Target	Achievement		
1- Survey & Investigation					
a. Reconnaissance Survey (Dam site)	Sq.K.M	4377.6	90	59	-34
b. Topographic Survey	"	1930.67	26	41	60
c. Detailed Investigation (Dam site)	No.	37	31	45	45
d. Investigation for Surface Water development Scheme	No.	43	4	17	325
e. Other	NO	-	-	-	-
2- Irrigation					
a. Extension of Canals	K.M	32	16	183	1045
b. Remodelling of Canals	"	1979.6	-	42	-
c. Rehabilitation of Canals	"	51.6	16	43	-
d. Enlargement of Canals	"	-	-	-	-
e. Remodelling of Structure	No	340	-	-	-
f. New Structures	"	21	4	32	700
g. Residential accommodation	"	10	1	11	-
h. Metalled Road	K.M	0	-	-	-
i. Public tubewells	No	0	-	-	-
j. Small Dams	No	47	5	59	1080
k. Pumping Station	No	0	-	-	-
l. Subsidised Tubewells	No	0	-	-	-
m. Cropped Area benefitted	Hectare	93418	33764	16679	-51
3. Drainage & Reclamation					
a. Extension & Remodelling of Open Drains	K.M	205.5	170	352	800
b. Area Protected	Hectare	5	65	651	1200
c. Strengthening/restoration	K.M	272.4	-	6	-
d. Structures	No	15	30	466	100
4. Flood protection					
a. Extension of Flood Embankment	K.M	27.5	10	61	-
b. Stone Pitching	MCM	0.76	0.09	0.3	223
c. Strengthening/restoration	K.M	23.68	-	-	-
d. Structure (spur)	No.	43	10	66	560
e. Earth Work	MCM	4.58	0.3	1.3	424
5. Water Management					
a. Water-courses Improved	NO.	105	6	94	6
b. Precision Land Levelling	Hectare	741.3	75	229	100
c. Demonstration Plot	No..	17	-	-	-
d. Water Storage Tank	No.	58	7	-	-
e. Farmers Training	No.	100	100	235	100

INDUSTRIAL PRODUCTION

ITEM	UNIT	1997-98	1998-99		1999-2000	Percentage Change	
			Targets	Prov.	Targets	1998-99	1999-2000
1	2	3	4	5	6	7	8
Sugar	(000MT)	3554.8	3500.0	3522.8	3452.4	-0.9	-2.0
Jute Goods	(000MT)	92.0	98.0	84.8	87.4	-7.8	3.1
Cement	(000MT)	9364.0	10465.0	9186.1	10105.0	-1.9	10.0
Paper & Board	(000MT)	344.0	347.0	346.2	352.1	0.4	1.7
Fertilizer (N)	(000MT)	1660.4	1900.0	1740.1	1804.4	4.8	3.7
Soda Ash	(000MT)	239.3	246.0	250.8	259.8	4.8	3.6
Caustic Soda	(000MT)	115.7	121.0	122.2	125.2	5.6	2.5
Billets	(000MT)	348.1	380.0	264.9	271.0	-23.9	2.3
Cotton Ginning	(Mln Bales)	9.2	10.5	8.8	9.7	-4.2	10.2
Cotton Yarn	(000MT)	1533.1	1634.0	1536.2	1613.0	0.2	5.0
Cotton Cloth	(Mln Sq M)	339.9	360.0	374.6	389.6	10.2	4.0
Cigarettes	(Bln Nos)	48.2	51.0	51.5	54.1	6.9	5.0
Motor Tyres	(000 Nos)	441.0	500.0	441.0	494.0	0.0	12.0
Trucks/Buses	(000 Nos)	2.3	2.5	2.1	2.3	-9.7	10.7
LCVs/Cars/Vehicles	(000 Nos)	46.0	51.0	48.4	57.6	5.2	19.0
Bicycles	(000 Nos)	452.1	460.0	508.2	543.7	12.4	7.0
Tractors	(000 Nos)	14.0	15.0	23.5	29.4	68.1	25.0
Sewing Machines	(000 Nos)	36.4	39.0	30.1	32.5	-17.2	7.8
Air Conditioners	(000 Nos)	1.7	3.0	0.95	1.2	-44	26.3
Electric Motors	(000 Nos)	27.3	28.0	18.0	20.8	-33.9	15.3
H&CR Sheets	(000 MT)	422.7	700.0	394.8	408.6	-6.6	3.5
Petroleum Products	(Mln Ltr)	7463.0	7700.0	7746.6	7979.0	3.8	3.0

SOURCE: Federal Bureau of Statistics

INDUSTRY

Sl. No.	Name, Location and Status of the Scheme	Estimated Cost		Expenditure upto June 1998	Revised Estimates 1998-99	(MILLION RUPEES) Allocation for 1999 - 2000		
		Total	Foreign Aid			Total	Foreign Aid	Rupee
1	2	3	4	5	6	7	8	9
A. INDUSTRIES DIVISION (PRODUCTION WING) (ON-GOING)								
	1. Rehabilitation of People's Steel Mills (PSM) Ltd. Karachi (app. in principle) (GOP Equity = Rs 2777 million)	3471.000	1133.000	1694.000	367.000	250.000	0.000	250.000
	Total (Industries Division)	3471.000	1133.000	1694.000	367.000	250.000	0.000	250.000
B. COMMERCE DIVISION (NEW)								
	2. Technical Assistance Project for Institutional Support for the Trade Regime.	26.895	21.070	0.000	0.000	0.100	0.000	0.100
C. CABINET DIVISION (On-going)								
	3. Establishment of Special Industrial Zone at Nawabshah (App.)	135.840	0.000	70.740	20.000	10.000	0.000	0.100
TOTAL (INDUSTRY)		3633.735	1154.070	1764.740	387.000	260.100	0.000	250.200

MAJOR MINERAL PRODUCTION IN PAKISTAN

(Unit: Metric Tonnes)

S.NO.	MINERAL	1997-98 (Actual)	1998-99 (Actual)	1999-2000 (Targets)	Percentage Change	
					1998-99/1997-98	1999-2000/1998-99
1	Bail clay	870	870	914	0%	5%
2	Barytes	20,657	16,845	17,687	-18%	5%
3	Bauxite	3,353	11,216	12,338	235%	10%
4	Bentonite	10,939	15,349	16,884	40%	10%
5	Celestite	1,299	634	666	-51%	5%
6	Chalk	4,361	6,283	6,911	44%	10%
7	China Clay	64,023	64,692	67,927	1%	5%
8	Chromite	8,885	16,279	17,907	83%	10%
9	Dolomite	114,701	188,573	207,430	64%	10%
10	Feldspar	20,680	29,235	32,159	41%	10%
11	Fireclay	66,672	71,794	75,384	8%	5%
12	Fuller's Earth	14,741	15,565	16,343	6%	5%
13	Gypsum	305,388	244,538	256,765	-20%	5%
14	Iron Ore	5,888	38,151	41,966	548%	10%
15	Laterite	18,320	22,956	24,104	25%	5%
16	Lime Stone	974,297	1,348,821	1,495,000	38%	10%
17	Marble	232,693	365,893	402,482	57%	10%
18	Magnesite	3,157	2,175	2,284	-31%	5%
19	Ochers	15,200	7,921	8,317	-48%	5%
20	Phosphate	289	3,456	3,802	1096%	10%
21	Salt Rock	10,044,200	9,863,400	1,094,700	-2%	11%
22	Salt Lake	18,038	16,429	17,250	-9%	5%
23	Soapstone	51,464	67,670	71,054	31%	5%
24	Silica sand	130,580	158,100	166,005	21%	5%

Source: Ministry of Petroleum & Natural Resources.

MINERALS

S.A.Table-10.2

Sl. No.	Name, Location and Status of the Scheme	Estimated Total	Cost Foreign Aid	Expenditure upto June 1998	Revised Estimates 1998-99	Total	(Million Rupees)	
							Allocation for 1999 - 2000	
1	2	3	4	5	6	7	8	9

A. M/o PETROLEUM & NATURAL RESOURCES

(On-going)

1. Geo-Science Laboratory Islamabad GSP-JICA Follow-up Technical Co-operation.	334.938	267.000	301.630	10.400	7.000	0.000	7.000
2. Construction of GSP Laboratory at Lahore	26.810	0.000	10.700	0.000	16.000	0.000	16.000
Total (Minerals)	361.748	267.000	312.330	10.400	23.000	0.000	23.000

FIELD WISE CRUDE PRODUCTION

SA Table 11.1

No	Field	Main Operator	1997-98 Actual	1998-99		% change in		% change in 1999-2000 over 1997-2000
				Target	Achievement	1998-99 over 1997-99		
						Target	Achievement	
(BOPD)								
OGDCL								
1	Tando Alam	OGDCL	10.16	2100	1476	41.11%	2100	42.28%
2	Tando Allahyar	"	0	-	16	-	-	-
3	Thora	"	1510	650	1355	-10.26%	2392	76.53%
4	Thora (E)	"	0	-	257	-	-	-
5	Sono	"	1896	550	2123	11.97%	2660	25.29%
6	Pasakhi	"	1992	2000	4283	115.01%	5250	22.58%
7	Pasakhi N	"	1150	-	904	-21.39%	-	-100.00%
8	Lashari Centre	"	791	700	295	-62.71%	1687	471.86%
9	Missan	"	0	-	271	-	330	29.15%
10	Bobo	"	516	2500	169	-67.25%	1356	702.37%
11	Daru	"	0	250	0	-	149	-
12	Kunrar	"	0	3000	0	-	3000	-
13	Qadir pur	"	276	205	285	3.26%	300	5.26%
14	Toot	"	297	290	236	-20.54%	230	2.54%
15	Chak Naurang	"	880	850	719	18.30%	650	-9.60%
16	Tinkassar	"	1868	4100	3081	20.55%	2730	-11.39%
17	Dakshit(Condensate)	"	611	1200	628	2.78%	880	40.13%
18	Dhodak	"	2477	2600	2529	2.10%	2800	10.72%
19	Bhal Syedan	"	0	125	0	-	125	-
20	Rajian	"	1339	1125	651	52.39%	950	45.39%
21	Sadqal	"	248	220	218	-12.10%	90	-58.72%
22	Misakisswal	"	970	825	668	-31.13%	585	-12.43%
23	Pali	"	0	-	11	-	-	0.00%
24	Kal	"	1618	1550	1651	2.04%	1420	-13.99%
Total (OGDCL)			21525	24840	21826	1.40%	19,704	36.09%
POL								
25	Balkassar	POL	394	350	373	-5.33%	375	0.54%
26	Dhunan	"	28	300	95	239.29%	70	-26.32%
27	Joyamir	"	262	5	5	0.00%	5	0.00%
28	Khair	"	5	5	5	0.00%	5	0.00%
29	Meyal	"	775	700	341	-56.00%	250	-26.69%
30	Periwala	"	741	1500	1005	35.26%	1017	3.18%
31	Miamwali	"	168	400	415	-	400	-3.61%
32	Pindori	"	1067	1550	1503	-4.08%	1507	0.27%
33	Turkwal	"	1025	3300	1284	-	1742	35.67%
Total (POL)			5267	8355	5241	-0.43%	5636	7.54%
UTP								
34	Bukhari	UTP	247	-	347	40.49%	-	-100.00%
35	Bachal	UTP	0	0	1	-	-	-100.00%
36	Bari	UTP	279	218	189	-32.26%	156	-17.46%
37	Bheri/Nji	"	470	-	487	3.62%	-	-100.00%
38	Kato	"	438	0	120	-72.60%	-	-100.00%
39	Kayhole G	"	103	0	60	-41.75%	758	1163.33%
40	Rind	"	436	0	93	-78.67%	-	-100.00%
41	Mubra	"	0	299	67	-	561	737.31%
42	Dhabi S	"	-	-	227	-	-	-100.00%
43	Dhabi N	"	164	0	1602	876.83%	2281	42.38%
44	Dhabi	"	1171	424	1747	49.19%	370	-78.82%
45	Chungro	"	1864	964	972	-47.85%	621	-36.11%
46	Golarchi	"	10	-	12	20.00%	-	-100.00%
47	Halipota	"	337	534	159	-52.82%	529	232.70%
48	Khaskeli	"	1460	692	1284	-12.05%	967	-24.69%
49	Laghari	"	773	485	657	-15.01%	568	-13.55%
50	Lari	"	312	2016	615	97.12%	589	-4.23%
51	Mazari	"	2557	4155	1253	-51.00%	1115	-11.01%
52	Mazari S	"	3463	1555	3277	-5.37%	2939	-10.31%
53	Meyal Ismail	"	171	789	89	-47.95%	432	385.39%
54	N Akri	"	1344	417	1238	-7.89%	997	-19.47%
55	Panro	"	273	160	337	23.44%	377	11.87%
56	Somro	"	-	0	-	-	116	-
57	S Buzdar D	"	446	0	288	-35.43%	368	27.78%
58	S.M.Z Deep	"	101	530	626	56.11%	803	28.27%
59	TAJED	"	1012	0	623	-38.44%	297	-52.33%
60	Jabo	"	299	2367	133	-55.52%	-	-100.00%
61	Jagir	"	1424	0	1096	-23.03%	1632	48.91%
62	Khoreswah Deep	"	4	299	0	-100.00%	-	-
63	Khoreswah	"	409	-	437	6.85%	-	-100.00%
64	Mahi	"	20	-	0	-100.00%	-	-
65	Pir	"	131	0	18	-86.26%	-	-100.00%
66	Sakhi	"	787	1929	1626	106.61%	1100	-32.35%
67	Tangri	"	3982	2033	2894	27.32%	2004	-30.75%
68	Turk	"	330	-	307	6.97%	-	100.00%
69	Turk D	"	1	-	1	0.00%	-	-100.00%
70	Jabal	"	17	-	11	76.60%	-	-100.00%
71	Koli	"	122	-	135	10.66%	-	-
72	Nari	"	-	-	25	-	-	-100.00%
73	Midpur	"	5	-	19	80.00%	-	-100.00%
74	Mali	"	1	-	1	66.67%	-	-100.00%
75	Badin I Com	"	-	2503	-	-	1208	-
76	Badin II Com	"	-	1875	-	-	648	-
Sub Total (UTP)			23285	24774	23073	-8.78%	21,436	-7.09%
OPI								
77	Bhangali	OPI	159	227	722	419.41%	514	-28.81%
78	Dhurnal	"	1166	1316	1164	-0.17%	1092	-6.19%
79	Ratana	"	198	219	131	-33.84%	147	12.21%
PPL								
80	Achi	"	2611	2600	2528	3.18%	2625	3.84%
81	Khamkot	"	45	37	44	-2.22%	45	2.27%
82	Sui	"	36	16	26	-27.78%	37	42.31%
Sub Total (PPL)			2692	2673	2598	-3.49%	2707	4.20%
Grand Total			56282	61904	54755	-2.71%	61236	11.84%

Source: Ministry of Petroleum and Natural Resources

FIELDWISE GAS PRODUCTION

S.A. TONG

(MCMCD)

No.	Field	Main Operator	1997-98		1998-99		% change in	
			Actual	Target	Actual	Target	1998-99 over 1997-98	1999-2000 over 1998-99
A OGDCL								
1	Dakani (Con)	OGDCL	15	28	-15.2			22
2	Bhodini		137	43	-50.1		35.41%	42
3	Musakawati		2	1	4.4		120.00%	1
4	Sikah		12	11	9.3		-22.50%	7
5	Toot		1.3	1	1.8		38.46%	1
6	Loi		40.5	40	44		8.64%	40
7	Enkoi		150.2	150	106		-18.59%	160
8	Chakrapur		216.1	164	207.3		-4.07%	210
9	Dara		0	8	0			1
10	Bhalsaydan		0	1	0			2
11	Kanikassar		0.4	5	1.3		225.00%	2
12	Nandipur/Banpur		0	51	1.8			65
13	UCH		0	250	0			250
14	Sara/Humal		3.3	3	0		100.00%	0
15	Ka		0	22	0			0
Sub-Total (A)			457.8	258	-44.2		-7.60%	307
B UTP								
16	Bakani	UTP	0	1	1			1
17	Bhadi/Nakupi		15	14	9		40.00%	16
18	Bekani		16	1	20.2		26.25%	1
19	Dhadi		7	19	1.8			2
20	Dhadi N.		0	0	0.4			0
21	Dhadi S.		0	0	3.3			8
22	Goinchi		2.5	3	2.9		16.00%	6
23	Halitola		1	1	0.4		-60.00%	1
24	Jahi		4	10	0.7		-32.50%	6
25	Khowarah		32.2	11	38		18.01%	7
26	Khowarah Deep		4	2	2.6		-35.00%	2
27	Koti		4.1	13	9		119.51%	10
28	Maki		3	3	0		100.00%	2
29	Mulchampur		1.3	3	9		592.31%	17
30	Mulchampur D		0.3	0.3	0.3		-0.00%	14
31	Madi		1	2	0.3		-70.00%	1
32	Mazari		2.4	1	3		25.00%	2
33	Mazari S		1.1	1	1.4		27.27%	1
34	Nari		0	3	1.3			3
35	Tangri		0	1	1.3			3
36	Buzdar S		0	3	0			6
37	Buzdar S.D		0	7	0.2			7
38	Pir		10	6	5		-50.00%	3
39	Jabo		10	5	3.5		-65.00%	5
40	Kato		8.3	3	3.2		-61.45%	2
41	Kind		1.1	3	0.5		-54.55%	2
42	Zaur		0	0	0			4
43	Zaur D.		0	0	-0			2
44	Sakhi		0	0	1.3			1
45	Ghingoo		0	0	0.2			0
46	Fusi		29.5	31	27		3.47%	24
47	Fusi Deep		6	13	13		116.67%	21
48	SMZ Deep		0.3	0	0.6		100.00%	0
49	Dupini		0	3	0			1
50	Lagani		0	0	0.2			0
51	Laric		0.1	0.3	0.3		200.00%	0
52	Kashali		0	3	1.2			0
53	Jari		0	1	0.2			0
Sub-Total (B)			160.2	167	162.3		1.24%	172
C POL								
54	Moyal	POL	8	8	10.2		27.50%	8
55	Dhina		1	2	3.8		280.00%	4
56	Parsoni		7.2	15	9.2		27.78%	8
57	Pandri		6	6	5.6		-6.67%	5
58	Parsoni		1.2	3	1.7		41.67%	2
Sub-Total (C)			23.4	33	30.3		30.33%	27
D OPI								
59	Bhagali	OPI	0	0	1.6			2
60	Dhurnal		6	7	5.2		-13.33%	3
61	Sahani		6	5	4		33.33%	3
Sub-Total (D)			12	12	10.8		-10.00%	8
E PPL								
62	Adhi	PPL	19.1	20	19		-0.52%	19
63	Kanikassar		98.6	98	88.4		-10.34%	98
64	Sara		703.6	784	653.7		-16.77%	779
Sub-Total (E)			821.3	892	847.1		-16.39%	894
F LASSMO/FULLOW								
65	Kadimani	LASSMO	88	72	60.6		2.33%	60
66	Sara	FULLOW	0	0	0			0
67	Sara	FULLOW	0	20	0			20
Sub-Total (F)			88	92	60.6		2.33%	80
G MGEL								
68	Sara	MGEL	374.3	358	388		3.97%	400
Sub-Total (G)			374.3	358	388		3.97%	400
GRAND TOTAL			2072.8	2077	2000.7		-4.67%	2404

Source: Ministry of Petroleum and Natural Resources

FINANCIAL ALLOCATION / UTILIZATION

(Rs. Million)

No	Name of Agency	1998-99				1999-2000			
		PSDP				PSDP			
		Through Budget	Out side Budget	TOTAL	Utilizatio	Through Budget	Out side Budget	TOTAL	
POWER									
A Through Budget									
Ministry of Water & Power									
1	Rural Electrification (WAPDA)	T	2500.000	0.000	2500.000	1358.900	1500.000	0.000	1500.000
		F	1700.000	0.000	1700.000	659.000	500.000	0.000	500.000
		L	800.000	0.000	800.000	699.900	1000.000	0.000	1000.000
2	SHYDO	T	121.000	0.000	121.000	121.000	50.000	0.000	50.000
		F	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		L	121.000	0.000	121.000	121.000	50.000	0.000	50.000
Prime Minister's Secretariate									
3	PAEC	T	4314.400	0.000	4314.400	4314.400	2856.000	0.000	2856.000
		F	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		L	4314.400	0.000	4314.400	4314.400	2856.000	0.000	2856.000
Planning & Dev. Division									
4	Energy Management & Environment Planning Project.	T	11.000	0.000	11.000	0.000	0.000	0.000	0.000
		F	10.000	0.000	10.000	0.000	0.000	0.000	0.000
		L	1.000	0.000	1.000	0.000	0.000	0.000	0.000
Sub Total (A)		T	6946.400	0.000	6946.400	5794.300	4406.000	0.000	4406.000
		F	1710.000	0.000	1710.000	659.000	500.000	0.000	500.000
		L	5236.400	0.000	5236.400	5135.300	3906.000	0.000	3906.000
B Outside Budget									
Budgetary Corporation									
5	WAPDA	T	13124.000	12686.400	25810.400	13426.800	11988.500	10246.980	22235.480
		F	13124.000	525.400	13649.400	6611.000	11988.500	0.000	11988.500
		L	0.000	12161.000	12161.000	6815.800	0.000	10246.980	10246.980
Sub Total (B)		T	13124.000	12686.400	25810.400	13426.800	11988.500	10246.980	22235.480
		F	13124.000	525.400	13649.400	6611.000	11988.500	0.000	11988.500
		L	0.000	12161.000	12161.000	6815.800	0.000	10246.980	10246.980
C Non-Budgetary Corporation									
6	KESC	T	0.000	6153.000	6153.000	3032.250	0.000	7205.000	7205.000
		F	0.000	4190.100	4190.100	1174.390	0.000	3297.000	3297.000
		L	0.000	1962.900	1962.900	1857.860	0.000	3908.000	3908.000
Sub Total (C)		T	0.000	6153.000	6153.000	3032.250	0.000	7205.000	7205.000
		F	0.000	4190.100	4190.100	1174.390	0.000	3297.000	3297.000
		L	0.000	1962.900	1962.900	1857.860	0.000	3908.000	3908.000
Total Corporations (B+C)		T	13124.000	18839.400	31963.400	16459.050	11988.500	17451.980	29440.480
		F	13124.000	4715.500	17839.500	7785.390	11988.500	3297.000	15285.500
		L	0.000	14123.900	14123.900	8673.660	0.000	14154.980	14154.980
TOTAL Power (A+B+C)		T	20070.400	18839.400	38909.800	22253.350	16394.500	17451.980	33846.480
		F	14834.000	4715.500	19549.500	8444.390	12488.500	3297.000	15785.500
		L	5236.400	14123.900	19360.300	13808.960	3906.000	14154.980	18060.980

FINANCIAL ALLOCATION / UTILIZATION
FUEL SECTOR

(Rs. Million)

No	Name of Agency	1998-99			Utilization	1999-2000 PSDP			
		PSDP				ORIGINAL			
		Through Budget	Out side Budget	TOTAL		Through Budget	Out side Budget	TOTAL	
FUEL									
Ministry of Petroleum & Natural Resources									
1	DGPC	T	1122	0	1122	1118.633	1118	0	1118
		F	0	0	0		0	0	0
		L	1122	0	1122		1118	0	1118
2	GSP	T	23	0	23	22.77	23	0	23
		F	0	0	0		0	0	0
		L	23	0	23		23	0	23
3	HDIP	T	1	0	1	1	28.98	0	28.98
		F	0	0	0		17.56	0	17.56
		L	1	0	1		11.42	0	11.42
	Sub Total (Fuel)	T	1146	0	1146	1142.403	1169.98	0	1169.98
		F	0	0	0		17.56	0	17.56
		L	1146	0	1146		1152.42	0	1152.42
Corporation (Fuel)									
5	OGDC	T	1132	4937.2	6069.2	6418	96.5	6696.2	6792.7
		F	1132	0	1132		96.5	0	96.5
		L	0	4937.2	4937.2		0	6696.2	6696.2
6	SNGPL	T	0	4745	4745	4053	0	3377	3377
		F	0	0	0		0	0	0
		L	0	4745	4745		0	3337	3337
7	SSGC	T	0	7249.6	7249.6	2652.338	0	2093.69	2093.691
		F	0	0	0		0	0	0
		L	0	7249.6	7249.6		0	2093.69	2093.691
8	PARCO	T	0	20578	20578	19095	0	15107	15107
		F	0	0	0		0	0	0
		L	0	20578	20578		0	15107	15107
9	PSO	T	0	503	503	752	0	169	169
		F	0	0	0		0	0	0
		L	0	503	503		0	169	169
10	NRL	T	0	1879	1879	43.5	0	74	74
		F	0	0	0		0	0	0
		L	0	1879	1879		0	74	74
11	PERAC	T	0	0	0	0	0	650	650
		F	0	0	0		0	0	0
		L	0	0	0		0	650	650
	Sub-Total Fuel (Corporation)	T	1132	39891.8	41023.8	33013.84	96.5	28166.9	28263.39
		F	1132	0	1132		96.5	0	96.5
		L	0	39891.8	39891.8		0	28126.9	28126.89
	Total (Fuel)	T	2278	39891.8	42169.8	34156.24	1266.48	28166.9	29433.37
		F	1132	0	1132		114.06	0	114.06
		L	1146	39891.8	41037.8		1152.42	28126.9	29279.31

**TRANSPORT AND COMMUNICATIONS
FINANCIAL ALLOCATION AND UTILIZATION**

Sl. No.	Name of the Sub-Sector	1995-96		Allocation for 1996/2000	Position in Allocation of 1995-2000 over 1995-96
		Allocation	Utilization (Revised)		
		3	4	5	6
FEDERAL GOVERNMENT PROGRAMS:					
A. Ministry of Transport:					
1.	Ministry of Transport	2123.74	2876.11	2916.60	-5.84
B. Ministry of Communications:					
10.	Ports & Shipping Wing (P&S)	40.00	13.84	80.00	100.00
11.	National Cellular Cell (NCC)	-	-	-	-
12.	Tele. Terminal Regulation & Privatization Support Project.	308.00	24.47	730.00	138.56
13.	C.S.C. Of Maintaining Other Communications	500.00	320.00	294.75	-41.05
14.	Post and Telegraph Offices	10.00	5.00	15.71	57.10
15.	Tele. Ministry	-	-	35.000	-
16.	National Transport Research Centre (NTRC)	5.00	4.00	10.00	100.00
17.	National Mass Transit Authority (NMTA)	625.00	-	-	-
	Sub-Total (MOC)	1488.88	367.14	1165.48	-21.57
C. Commercial Division (New):					
D. Defence Division:					
18.	Defence Division	-	-	6.100	-
19.	Pakistan Army Deptt. (PMD)	319.15	543.85	2.30	-99.28
20.	Airports Security Force (ASF)	5.56	3.01	2.00	-64.03
21.	Civil Aviation Authority (CAA) (*)	920.00	-	-	-
	Sub-Total (MOD)	1244.71	546.86	4.38	-99.29
E. Special Areas:					
22.	Special Areas	-	-	-	-
23.	Azad Jammu & Kashmir (AJ&K)	236.00	216.08	337.61	43.18
24.	Northern Areas (NA)	456.43	220.00	502.07	10.00
25.	Federally Administered Tribal Areas (FATA)	251.79	248.85	276.97	10.00
	Sub-Total (Spl. Area)	944.22	684.93	1116.65	18.28
	Total (Federal)	5788.67	4475.81	4383.41	-25.28
II. PROVINCIAL:					
A. Punjab:					
26.	Punjab	1350.06	1128.76	951.05	-28.56
B. Sindh:					
27.	Sindh	510.00	386.81	440.00	-13.73
C. NWFP:					
28.	NWFP	429.88	655.35	385.40	-10.31
D. Balochistan:					
29.	Balochistan	307.07	418.72	411.38	33.97
	Sub-Total (Provincial)	2596.81	2590.43	2187.82	-15.75
	Total Budgetary (A+B)	8385.48	7065.44	6481.23	-22.68
III. BUDGETARY CORPORATIONS PROGRAMS:					
A. National Airways Authority (NAA):					
30.	National Airways Authority (NAA)	15000.00	13671.05	19100.00	26.66
	Total Budgetary Corp. (C)	15000.00	13671.05	19100.00	26.66
IV. NON-BUDGETARY CORPORATIONS PROGRAMS:					
A. Pakistan Tele. Com. Company Limited (PTCL):					
31.	Pak. Tele. Com. Company Limited (PTCL)	15000.00	12425.52	18000.00	6.67
B. Civil Aviation Authority (CAA):					
32.	Civil Aviation Authority (CAA)	5257.00	5701.56	4983.00	-5.02
C. Pakistan International Airlines (PIA):					
33.	Pakistan International Airlines (PIA)	1184.00	0.00	7284.00	518.05
D. Pakistan National Shipping Corporation (PNSC):					
34.	Pakistan National Shipping Corporation (PNSC)	630.00	0.00	850.00	34.92
	Total Non-Budgetary Corp. (D)	22671.00	18127.08	29437.00	32.01
	Total T&C (A+B+C+D)	45546.48	38883.57	54228.23	28.18
Footnote: This comprises of Rs. 630.00 million for new Lahore Air Terminal & Rs. 290.00 million for purchase of aircraft for the establishment of new Sialkot Airport.					
FEDERAL:					
35.	Budgetary Programme	5788.67	4475.81	4303.41	-25.79
36.	Non-Budgetary Corporation	15000.00	13671.05	19100.00	26.66
37.	Non-Budgetary Corporation	22071.00	18127.08	29137.00	32.01
	Sub-Total (Federal)	42949.67	36273.14	52540.41	22.33
PROVINCIAL:					
A. Budgetary Programme:					
38.	Budgetary Programme	2596.81	2590.43	2187.82	-15.75
	Sub-Total (Prov)	2596.81	2590.43	2187.82	-15.75
	Total T&C (A+B)	45546.48	38883.57	54228.23	28.18

PHYSICAL TARGETS AND ACHIEVEMENTS
(TRANSPORT AND COMMUNICATIONS)

S.A. Table-12.2

Sr.No.	Sub-Sector.	Unit.	1998-99		Targets for 1999-2000.
			Targets	Achievements	
1	2	3	4	5	6
I. PAKISTAN RAILWAYS					
(i). Track Rehabilitation					
	Rail Renewal	Km	67	34	
	Sleeper Renewal	Km	38	23	
(ii). Fitment of Roller Bearings to freight Wagons					
		Nos	1900	1150	1400
(iii). Rehabilitation of 101 DE Loco's.					
		Nos	18	10	6
(iv). Track Circuiting on 94 stations.					
		%	15	5	11
(v). Procurement of 30 Locomotives (3000 HP).					
		Nos	6	0	
<div style="text-align: right; font-size: small;">Locos will be manufactured/assembled</div>					
II. ROADS AND BRIDGES					
(i). National Highways					
	Construction	Km	31	26	75
	Improvement	Km	1144	1006	1200
(ii). Provincial and Special Areas:					
	New Construction	Km	197	636	923
	Improvement	Km	925	833	1186
	Bridges	Nos	44	36	56
III. PAKISTAN TELECOMMUNICATIONS CORPORATION Ltd.					
(i). New telephones connections					
		Nos	300,000	370,364	300,000
(ii). New telephones lines installed					
		Nos	300,000	354,236	300,000
(iii). Number of Exchanges Installed					
		Nos			531
(iv). Number of Internet subscribers					
		Nos	50,000	266	200,000
IV. PAKISTAN POSTAL SERVICES CORPORATION					
(i). Const./Re-coast/Extension of post office buildings.					
		Nos	14	2	12

**MASS MEDIA
FINANCIAL ALLOCATION AND UTILISATION**

(Million Rupees)						
S.No.	Sub-Sector	1998-99			1999-2000	
		Original Allocation	Revised Allocation	Utilisation	Allocation (original)	Allocation (Revised)
1	2	3	4	5		6
1	Pakistan Television Corporation (PTV)	29.946	29.946	29.946	35.000	15.000
2	Pakistan Broadcasting Corporation (PBC)	45.000	14.468	14.468	70.000	70.000
3	Ministry of Law, Justice and Human Rights	-	-	8.990	21.025	21.025
4	Ministry of Planning and Development	-	-	-	4.000	0.000
5	Associated Press of Pakistan (APP)	3.400	-	-	-	0.000
6	M/o Information and Media Development	17.000	-	-	-	0.000
Total:		95.346	44.414	53.404	130.025	106.025

**MASS MEDIA
PHYSICAL TARGETS & ACHIEVEMENTS**

S.No.	Items	Unit	1998-99		1999-2000
			Targets	Achievements	Targets
1	2	3	4	5	6
A. Television					
1	Television Station	No.	-	-	-
2	VPC/RB Centres	No.	5	5	-
3	Telecasting hours				
a)	PTV	Hours	26772	26772	28000
b)	PTV-2	Hours	1990	1990	2500
c)	PTV World		2065	2065	2600
B. Radio					
4	Mediumwave Transmitters	No.	2		1
5	Shortwave Transmitters	No.	-		-
6	Radio Stations	No.	23	28	-

S.A. Table 14.1

FINANCIAL ALLOCATION & UTILIZATION

(Million Rupees)

Sl.No.	1998-99		1999-2000 Allocation	
	Allocation	Utilization		
PP&H Sector (National)				
	7356.209	7356.209	9978.700	
I.	Federal PP&H Programmes	1242.594	1242.594	2375.000
a)	Urban Development	3.263	3.263	579.519
b)	Rural Water Supply and Sanitation (RWS&S) (SAP)	23.30	12.030	31.000
c)	Urban Water Supply and Sewerage (UWS&S)	1049.785	1049.785	1529.284
d)	Govt. Office Buildings	49.323	49.323	118.926
e)	Govt. Servant Housing	104.587	104.587	92.271
f)	Islamabad Administration Projects	12.336	12.336	24.000
II.	Provincial PP&H Programmes	6113.615	6113.615	7603.700
(i)	Punjab	3967.33	3967.33	4626.300
a)	RWS&S (SAP)	1810.5	1810.5	2813.000
b)	Low Income Housing	73.725	73.725	100.000
c)	UWS&S	213.223	213.223	265.000
d)	Govt. Office Buildings.	163.742	163.742	151.000
e)	Govt. Servants Housing	61.069	61.069	77.998
f)	Urban Development (Incl. Environmental Planning)	1645.071	1645.071	1219.302
(ii)	Sindh	963.474	963.474	1623.100
a)	RWS&S (SAP)	725.9	725.9	1253.900
b)	Urban Development (Local Bodies, Katchi Abadies etc.)	69.000	69.000	116.200
c)	UWS&S	101.969	101.969	144.744
d)	Govt. Office Buildings	32.750	32.750	61.118
e)	Govt. Servant Housing	33.854	33.855	47.138
(iii)	N.W.F.P.	787.085	787.085	988.300
a)	Urban Development	71.618	71.618	75.501
b)	Govt. Office Buildings and Houses	42.967	42.967	40.612
c)	UWS&S	4.800	4.800	8.687
d)	RWS&S (SAP)	667.7	667.700	863.500
(iv)	Baluchistan	395.726	395.726	566.100
a)	Govt. Office Buildings and Houses etc.	35.635	35.635	42.838
b)	Urban Development	72.586	72.586	39.046
c)	W.A.S.A. (UWS&S)	61.705	61.705	77.400
d)	RWS&S (SAP).	225.800	225.800	406.816

Notes:

* Foreign Project Assistance is included in the total cost (Provincial & Federal).

** All the rural water supply and sanitation's expenditure/allocation are based on the figures since supplied by the Federal SAP Sectt. and agreed to by the Provincial Governments.

PHYSICAL TARGETS AND ACHIEVEMENTS

Sectoral Programmes	Unit	1998-99's		1999-2000's Targets
		Targets	Achievements	
1. Residential Plots in Urban Area Development	Nos. (in million)	0.100	0.025	0.100
2. Urban Water Supply	Addl. Population served (in million)	2.500	1.250	2.000
3. Urban Sewerage/ Drainage	- do -	2.750	0.750	1.500
4. Govt. Servants Housing	Nos.	7.000	2,250	1,000
5. Katchi Abadies Improvement	Addl. Population served (in million)	1.000	0.750	0.050
6. 5&7 - Marla Plots in Rural Areas	Nos. (in million)	0.250	0.075	0.050
<u>SAP FUNDED</u>				
7. Rural Water Supply	Addl. Population served (in million)	7.000	1.750	3.000
8. Rural Sanitation/ Drainage	- do -	6.000	0.900	3.500

ALLOCATIONS AND ESTIMATED EXPENDITURE FOR 1998-99

Rs. Millio

SUB-SECTOR	ALLOCATION FOR 1998-99							Expenditure for 1998-99						
	Development			Non-Development			Grand Total	Development			Non-Development			Grand Total
	Rupee	F.Aid	Total	Salary	Non-Salary	Total		Rupee	F.Aid	Total	Salary	Non-Salary	Total	
PUNJAB	4140.0	4706.6	8846.6	20084.7	2133.5	22218.2	31064.8	2968.0	2494.5	5462.5	14921.0	1711.0	16632.0	22094.5
Education	1870.0	2178.6	4048.6	17500.0	655.0	18155.0	22203.6	1125.0	877.5	2002.5	13957.0	355.0	13712.0	15714.5
Health	550.0	2202.0	2752.0	2424.7	1142.2	3566.9	6318.9	486.0	1540.0	2035.0	1293.0	973.0	2266.0	4301.0
RWSS	1720.0	326.0	2046.0	160.0	336.3	496.3	2542.3	1348.0	77.0	1425.0	271.0	383.0	654.0	2079.0
SINDH	1275.0	1890.0	3165.0	7890.9	991.1	8882.0	12047.0	732.0	560.0	1292.0	7139.0	309.0	7448.0	8740.0
Education	551.5	1063.0	1614.5	6211.1	425.0	6636.1	8250.6	293.0	246.2	539.2	5859.0	10.0	5869.0	6408.2
Health	256.9	392.0	648.9	1504.6	376.8	1881.4	2530.3	98.0	93.8	191.8	1145.0	240.0	1385.0	1576.8
RWSS	466.6	435.0	901.6	175.2	189.3	364.5	1266.1	341.0	220.0	561.0	135.0	59.0	194.0	755.0
Miscellaneous														
NWFP	1387.0	3023.8	4410.8	5871.5	1028.0	6899.5	11310.3	805.0	0.0	805.0	4051.0	933.0	4984.0	5789.0
Education	400.0	2936.8	3336.8	4826.6	400.0	5226.6	8563.4	128.0	0.0	128.0	3371.0	326.0	3697.0	3825.0
Health	120.0	60.0	180.0	778.8	407.5	1186.3	1366.3	90.0	0.0	90.0	458.0	343.0	801.0	891.0
RWSS	867.0	27.0	894.0	266.1	220.5	486.6	1380.6	587.0	0.0	587.0	222.0	264.0	486.0	1073.0
Miscellaneous														
BALUCHISTAN	904.3	1837.8	2342.1	2620.8	522.6	3043.2	5385.3	295.0	505.8	800.8	2451.0	458.0	2909.0	3709.8
Education	70.5	1452.4	1522.9	1720.9	125.0	1845.9	3368.8	82.0	453.9	535.9	1587.0	110.0	1697.0	2232.9
Health	167.8	215.6	383.4	571.7	225.6	797.3	1180.7	98.0	0.0	98.0	631.0	115.0	746.0	844.0
RWSS	266.0	169.8	435.8	228.0	172.0	400.0	835.8	115.0	51.9	166.9	233.0	233.0	466.0	632.9
TOTAL PROV.	7306.3	11458.2	18764.5	36367.7	4675.2	41042.9	59807.4	4800.0	3560.3	8360.3	28562.0	3411.0	31973.0	40333.3
Education	2892.0	7630.8	10522.8	30258.6	1605.0	31863.6	42386.4	1628.0	1577.6	3205.6	24174.0	801.0	24975.0	28180.6
Health	1094.7	2869.6	3964.3	5279.8	2152.1	7431.9	11396.2	781.0	1633.8	2414.8	3527.0	1671.0	5198.0	7612.8
RWSS	3319.6	957.8	4277.4	829.3	918.1	1747.4	6024.8	2391.0	348.9	2739.9	861.0	939.0	1800.0	4539.9
AJK	364.1	245.0	609.1	869.5	184.6	1034.1	1643.2	327.6	1.4	329.0	807.2	64.2	871.4	1200.4
Education	83.6	70.0	153.6	671.7	27.6	699.3	852.9	28.7	1.4	30.1	599.1	10.8	609.9	640.0
Health	177.0	60.0	237.0	162.6	135.5	298.1	535.1	71.5	0.0	71.5	200.2	53.1	253.3	324.8
RWSS	103.5	115.0	218.5	35.2	1.5	36.7	255.2	227.4	0.0	227.4	7.9	0.3	8.2	235.6
FATA	316.6	0.0	316.6	908.1	160.9	1069.0	1385.5	185.9	0.0	185.9	1009.5	174.9	1184.4	1350.3
Education	103.7	0.0	103.7	856.9	61.0	717.9	821.6	33.9	0.0	33.9	724.8	67.4	792.2	826.1
Health	123.6	0.0	123.6	193.9	54.0	247.9	371.5	65.2	0.0	65.2	221.7	59.6	281.3	346.5
RWSS	89.3	0.0	89.3	57.3	45.9	103.2	192.5	66.8	0.0	66.8	63.0	47.9	110.9	177.7
Northern Areas	210.0	210.0	420.0	266.3	72.9	339.2	759.2	73.9	0.0	73.9	318.5	72.4	390.9	464.8
Education	60.0	112.0	172.0	175.3	35.9	211.2	383.2	27.9	0.0	27.9	192.7	15.1	207.8	235.7
Health	130.0	92.0	222.0	80.7	35.7	116.4	338.4	36.3	0.0	36.3	114.5	55.9	170.4	206.7
RWSS	20.0	6.0	26.0	10.3	1.3	11.6	37.6	9.7	0.0	9.7	11.3	1.4	12.7	22.4
ICT	96.5	13.0	109.5	167.4	15.6	184.0	293.5	96.4	0.0	96.4	159.3	7.2	166.5	262.9
Education	68.6	13.0	81.6	157.6	11.6	169.2	250.8	76.1	0.0	76.1	151.0	4.1	155.1	231.2
Health	3.5	0.0	3.5	7.5	2.8	10.3	13.8	1.0	0.0	1.0	8.3	3.1	11.4	12.4
RWSS	24.4	0.0	24.4	2.3	2.2	4.5	28.9	19.3	0.0	19.3	0.0	0.0	0.0	19.3
TOTAL AREAS	987.2	468.0	1455.2	2211.3	415.0	2626.3	4081.5	663.8	1.4	665.2	2294.5	318.7	2813.2	3278.4
Education	315.9	195.0	510.9	1661.5	136.1	1797.6	2308.5	166.6	0.0	166.6	1667.6	97.4	1765.0	1933.0
Health	434.1	152.0	586.1	444.7	228.0	672.7	1258.8	174.0	0.0	174.0	544.7	171.7	716.4	890.4
RWSS	237.2	121.0	358.2	105.1	50.9	156.0	514.2	323.2	0.0	323.2	82.2	49.6	131.8	455.0
FEDERAL MININST	3657.7	684.3	4342.0	0.0	0.0	0.0	4342.0	2753.6	797.7	3551.3	0.0	0.0	0.0	3551.3
M/o Health	2065.0	0.0	2065.0	0.0	0.0	0.0	2065.0	1606.9	0.0	1606.9	0.0	0.0	0.0	1606.9
M/o Population	1403.5	596.5	2000.0	0.0	0.0	0.0	2000.0	990.0	758.3	1748.3	0.0	0.0	0.0	1748.3
M/o Education	160.0	0.0	160.0	0.0	0.0	0.0	160.0	134.6	0.0	134.6	0.0	0.0	0.0	134.6
Federal SAP Secret.	3.2	74.8	78.0	0.0	0.0	0.0	78.0	3.3	26.4	29.7	0.0	0.0	0.0	29.7
PIHS	10.0	13.0	23.0	0.0	0.0	0.0	23.0	10.0	13.0	23.0	0.0	0.0	0.0	23.0
Auditor General (TPV)	16.0	0.0	16.0	0.0	0.0	0.0	16.0	8.8	0.0	8.8	0.0	0.0	0.0	8.8
GRAND TOTAL	11951.2	12610.5	24517.7	38579.0	5090.2	43669.2	68230.9	8217.4	4359.4	12676.8	30856.5	3729.7	34586.2	47163.0
Education	3207.9	7825.8	11037.7	31920.1	1741.1	33661.2	44694.9	1794.6	1579.0	3373.6	25841.6	898.4	26740.0	30113.8
Health	1528.8	3021.6	4550.4	5724.5	2380.1	8104.6	12655.0	955.0	1633.8	2588.8	4071.7	1842.7	5914.4	8503.2
RWSS	3556.8	1078.8	4635.6	934.4	969.0	1903.4	8539.0	2714.2	348.9	3063.1	943.2	988.6	1931.8	4994.9
Miscellaneous	3657.7	684.3	4342.0	0.0	0.0	0.0	4342.0	2753.6	797.7	3551.3	0.0	0.0	0.0	3551.3

AGREED BUDGET FOR 1999-2000 FOR SAP

S.A. Table-15.2

(Million Rs.)

Sl.	Sub-Sector No.	Allocation for 1999-2000						Grand Total
		Development			Non Development			
		Rupee	F. Aid	Total	Salary	Non-Salary	Total	
1	2	3	4	5	6	7		
1	PUNJAB	3837.0	4805.3	8442.3	18370.3	2469.5	20839.8	29282.1
	Education	1132.0	3425.3	4557.3	16000.0	786.0	16786.0	21343.3
	Health	496.0	821.0	1317.0	2063.0	1338.0	3401.0	4718
	RWSS	2046.0	359.0	2405.0	307.3	345.5	652.8	3057.8
	Miscellaneous	163.0	0.0	163.0	0.0	0.0	0.0	163.0
2	SINDH	1525.0	1003.6	2528.6	9571.0	1144.8	10715.0	13243.6
	Education	590.0	242.6	832.6	7485.0	510.0	7995.0	8827.6
	Health	259.0	255.1	514.1	1789.0	452.0	2241.0	2755.1
	RWSS	600.0	505.9	1105.9	297.0	182.0	479.0	1584.9
	Miscellaneous	76.0	0.0	76.0	0.0	0.0	0.0	76.0
3.	NWFP	1630.4	0.0	1630.4	6329.1	1344.9	7674.0	9304.4
	Education	648.3	0.0	648.3	5200.0	462.0	5662.0	6310.3
	Health	120.0	0.0	120.0	894.7	478.7	1373.4	1493.4
	RWSS	856.5	0.0	856.5	234.4	404.2	638.6	1495.1
	Miscellaneous	5.6	0.0	5.6	0.0	0.0	0.0	5.6
4.	BALUCHISTAN	788.9	1321.2	2110.1	3057.4	759.0	3816.4	5926.5
	Education	455.0	1143.8	1598.8	1950.3	138.0	2088.3	3687.1
	Health	118.6	0.0	118.6	731.6	426.0	1157.6	1276.2
	RWSS	213.3	177.4	390.7	375.5	195.0	570.5	961.2
	Miscellaneous	2.0	0.0	2.0	0.0	0.0	0.0	2.0
	Total Provinces	7781.3	6930.1	14711.4	37327.8	5717.4	43045.2	57756.6
	Education	2825.3	4811.7	7637.0	30635.3	1896.0	32531.3	40168.3
	Health	993.6	1076.1	2069.7	5478.3	2694.7	8173.0	10242.7
	RWSS	3715.8	1042.3	4758.1	1214.2	1126.7	2340.9	7099.0
	Miscellaneous	246.6	0.0	246.6	0.0	0.0	0.0	246.6
1	AZAD KASHMIR	382.0	362.0	744.0	960.3	197.6	1157.9	1901.9
	Education	92.0	90.0	182.0	720.0	40.0	760.0	942.0
	Health	228.0	0.0	228.0	232.0	157.0	389.0	617.0
	RWSS	61.0	272.0	333.0	8.3	0.6	8.9	341.9
	Miscellaneous	1.0	0.0	1.0	0.0	0.0	0.0	1.0
2.	FATA	384.3	0.0	384.3	1030.0	181.0	1211.0	1595.3
	Education	120.3	0.0	120.3	748.8	70.0	818.8	939.1
	Health	152.0	0.0	152.0	218.0	61.0	279.0	431.0
	RWSS	112.0	0.0	112.0	63.2	50.0	113.2	225.2
	Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	NORTHERN AREAS	243.0	194.0	437.0	333.0	89.0	422.0	859.0
	Education	70.0	150.0	220.0	184.0	27.0	211.0	431.0
	Health	153.0	34.0	187.0	138.0	60.0	198.0	385.0
	RWSS	20.0	10.0	30.0	11.0	2.0	13.0	43.0
	Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	ICT	122.0	0.0	122.0	172.0	22.0	194.0	316.0
	Education	85.0	0.0	85.0	162.0	11.0	173.0	258.0
	Health	6.0	0.0	6.0	9.0	3.0	12.0	18.0
	RWSS	31.0	0.0	31.0	1.0	8.0	9.0	40.0
	Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total Areas	1131.3	556.0	1687.3	2495.3	489.6	2984.9	4672.2
	Education	367.3	240.0	607.3	1814.8	148.0	1962.8	2570.1
	Health	539.0	34.0	573.0	597.0	281.0	878.0	1451.0
	RWSS	224.0	282.0	506.0	83.5	60.6	144.1	650.1
	Miscellaneous	1.0	0.0	1.0	0.0	0.0	0.0	1.0
	Federal Ministries	4491.0	352.8	4843.8	0.0	0.0	0.0	4843.8
	M/o Health	2324.7	0.0	2324.7	0.0	0.0	0.0	2324.7
	M/o Population	1942.0	258.0	2200.0	0.0	0.0	0.0	2200.0
	M/o Education	183.3	0.0	183.3	0.0	0.0	0.0	183.3
	Federal SAP Secretariat	3.0	94.8	97.8	0.0	0.0	0.0	97.8
	PIHS	22.0	0.0	22.0	0.0	0.0	0.0	22.0
	Auditor General (TPV)	16.0	0.0	16.0	0.0	0.0	0.0	16.0
	Grand Total	13403.6	7838.9	21242.5	39823.1	6207.0	46030.1	67272.6
	Education	3375.9	5051.7	8427.6	32450.1	2044.0	34494.1	42921.7
	Health	3857.3	1110.1	4967.4	6075.3	2975.7	9051.0	14018.4
	RWSS	3939.8	1324.3	5264.1	1297.7	1187.3	2485.0	7749.1
	Miscellaneous	2230.6	352.8	2583.4	0.0	0.0	0.0	2583.4

SAP PHYSICAL TARGETS & ACHIEVEMENTS
(All Pakistan)

SA Table-15.3

Sl. No.	Items	Unit	1998-99		1999-2000
			Targets	Expected Achievement	Targets
1.	2.	3.	4.	5.	6.
BASIC EDUCATION					
1.	New Primary Schools	(Nos)	1325.00	1225	1508
2.	Additional Class Rooms	(Nos)	2001	1570	2114
3.	Buildings for Shelterless Schools	(Nos)	1483	918	1074
4.	Up-gradation of PS to Primary Schools	(Nos)	1220	406	881
5.	New or Middle Schools	(Nos)	54	45	142
6.	Enhancement of Primary School Level	Million	15.56	15.56	16.70
	Male	Million	9.50	9.50	10.24
	Female	Million	6.06	6.06	6.46
7.	Primary Schools Participation Rate	(%)	61.90	63.24	67.49
	Male	(%)	72.34	75.59	78.51
	Female	(%)	50.52	52.13	55.23
8.	Adult Literacy Rate	(%)	48.28	45.80	51.00
	Male	(%)	60.75	60.75	63.50
	Female	(%)	35.80	35.80	38.50
BASIC HEALTH					
1.	New BHUs	(Nos)	96	73	88
2.	New RHCs	(Nos)	52	35	50
3.	Upgradation of RHCs	(Nos)	197	171	54
4.	New Health Centres/Dispensaries	(Nos)	41	35	36
5.	Lady Health Workers Recruited & Trained (Net)	(Nos)	18327	16597	24596
6.	Immunization (Million Children)	Million	12.06	11.57	14.81
7.	Infant Mortality Rate	(Nos)	88	89	85
8.	Maternal Mortality Rate (Per 100,000 Live Births)	(Nos)	340	340	330
9.	Life Expectancy	(%)	63.60	63.60	64.20
	Male	(%)	63.70	63.70	63.90
	Female	(%)	63.50	63.50	64.50
RURAL WATER SUPPLY & SANITATION					
1.	Rural Water Supply	(% Population coverage)	61.40	59.20	64.65
	Population coverage	Million	52.10	50.00	55.90
2.	Rural Sanitation	(% Population coverage)	26.78	25.00	30.52
	Population coverage	Million	22.72	21.50	26.39
POPULATION WELFARE					
1.	HBAs Trained	(Nos)	5056	3920	3458
2.	Total Fertility Rate (TFR)	(%)	4.80	4.90	4.60
3.	Contraceptive Prevalence Rate	(%)	30.10	29.00	35.30
4.	Growth Rate	(%)	2.33	2.36	2.25

SUB-SECTOR & AGENCY WISE ALLOCATION & EXPENDITURE ON EDUCATION DURING 1998-99 Education & Training

Sl. No.	Sub-Sector	PUNJAB			SIND			NWFP			BALUCHISTAN			TOTAL PROVINCES		
		Allocation	R.E.	% Util	Allocation	R.E.	% Util	Allocation	R.E.	% Util	Allocation	R.E.	% Util	Allocation	R.E.	% Util
1.	Elementary	2850.465	2116.881	74.3	728.261	496.367	68.8	1328.550	915.886	69.0	800.000	786.910	98.4	5705.276	4306.054	75.5
2.	Secondary	226.578	71.132	31.4	109.978	36.922	33.6	114.239	111.799	97.9	51.674	50.837	98.4	502.469	271.527	54.0
3.	Teacher	212.000	212.000	100.0	65.938	40.824	61.6	1.669	1.669	100.0	65.857	57.195	87.1	345.264	319.950	92.7
4.	Technical	155.261	130.000	83.7	137.030	87.274	63.7	75.209	75.209	100.0	48.088	44.798	93.2	416.588	340.571	81.9
5.	College	184.194	140.000	76.0	153.280	80.139	52.3	27.060	26.577	98.2	60.961	60.961	100.0	425.495	307.677	72.3
6.	Universities															
7.	Scholarships	78.034	86.000	84.6	0.500		0.0	8.150	8.132	99.8				88.684	74.132	85.5
8.	Literacy															
9.	Miscellaneous	56.933	40.000	71.5	26.396	10.966	41.6	18.862	18.862	100.0	6.500	5.000	76.9	105.691	74.348	70.3
TOTAL:		3762.466	2776.023	73.8	1221.393	742.312	60.8	1565.739	1166.434	73.7	1032.880	1005.701	97.4	7596.467	5694.259	75.1

Sl. No.	Sub-Sector	M/O EDUCATION			M/O DEFENCE			AJ&K			NORTHERN AREA			FATA			TOTAL FEDERAL			TOTAL PAKISTAN		
		Allocation	R.E.	% Util	Allocation	R.E.	% Util	Allocation	R.E.	% Util	Allocation	R.E.	% Util	Allocation	R.E.	% Util	Allocation	R.E.	% Util	Allocation	R.E.	% Util
1.	Elementary	89.461	86.689	98.1	13.217	13.217	100.0	140.285	50.000	35.6	160.391	85.053	53.0	40.447	39.267	97.1	443.801	276.206	62.2	8030.268	5970.466	74.3
2.	Secondary	50.115	45.046	89.9	2.147	2.147	100.0	36.416	21.500	59.0	13.309	13.591	102.1	60.947	58.267	95.6	162.934	140.561	86.3	162.934	140.561	86.3
3.	Teacher	45.548	29.348	64.4				10.304	4.400	42.7							55.852	33.748	60.4	55.852	33.748	60.4
4.	Technical	56.929	56.929	100.0				1.100	0.000	0.0							56.029	56.929	98.1	56.029	56.929	98.1
5.	College	46.015	36.861	84.5				38.865	14.800	38.1	44.945	43.805	97.5				129.825	97.466	75.1	190.772	155.733	81.6
6.	Universities	230.701	217.951	94.5										230.701	217.951	94.5	230.701	217.951	94.5	230.701	217.951	94.5
7.	Scholarships	170.907	164.760	96.4	0.500	0.500	100.0	3.030	0.300	9.9				174.437	165.560	94.9	158.060	158.060	100.0	174.437	165.560	94.9
8.	Literacy	158.050	158.050	100.0							4.422	5.064	114.5	16.487	15.689	95.2	25.564	22.886	89.5	158.060	158.060	100.0
9.	Miscellaneous	4.655	2.133	45.8													25.564	22.886	89.5	25.564	22.886	89.5
TOTAL:		852.381	801.747	94.1	15.864	15.864	100.0	230.000	51.000	39.6	223.067	147.513	66.1	117.881	113.223	96.0	1439.193	1169.347	81.3	9127.064	6951.740	76.3
Est. Division		852.381	801.747	94.1	15.864	15.864	100.0	230.000	51.000	39.6	223.067	147.513	66.1	117.881	113.223	96.0	6.031	6.031	100.0	6.031	6.031	100.0
TOTAL:		852.381	801.747	94.1	15.864	15.864	100.0	230.000	51.000	39.6	223.067	147.513	66.1	117.881	113.223	96.0	1445.224	1175.378	81.3	9133.086	6967.771	76.3

PHYSICAL ACHIEVEMENTS DURING 1998-99
Education & Training Sector

SA Table 15.3

Sl. No.	Item	Punjab	Sindh	NWFP	Balochistan	Federal	Total
1.	PRIMARY EDUCATION (SAP)						
(a)	Opening of Primary Schools	0	90	103	520	199	806
(b)	Conversion of Mosque Schools to P/Schools	500	0	58	26	129	561
(c)	Construction of building of existing shelterless Primary Schools	400	234	23	78	49	781
(d)	Addition of Classrooms in existing over-crowded Primary Schools	250	145	388	0	58	841
(e)	Consolidation & improvement of existing Primary & Mosque Schools	10000	0	928	2000	65	12988
(f)	Establishment of Middle Schools						
2.	SECONDARY EDUCATION						
(a)	Upgradation of Primary Schools	210	143	45	16	25	440
(b)	Upgradation of Middle Schools	0	9	7	25	11	52
(c)	Upgradation of High Schools	0	2	18	0	1	21
(d)	Establishment of New High Schools	4	2	0	0	0	7
(e)	Reconstruction of building of existing M/Schools	0	0	0	0	0	1
(f)	Reconstruction of building of existing H/Schools	25	0	5	5	0	1
(g)	Addition of Classrooms in H/Sc/ools/M. Schools	8	15	7	0	0	31
(f)	Consolidation & improvement of Existing Middle & High Schools	6	0	0	100	30	136

PHYSICA TARGETS DURING 1999-2000
Education & Training Sector

Sl.No.	Item	Punjab	Sindh	NWFP	Balochistan	Federal	Total
1.	PRIMARY EDUCATION (SAP)						
(a)	Opening of Boarding Schools	0	60	27	520	325	932
(b)	Conversion of Mosque Schools to P/Schools	10	0	220	0	3	233
(c)	Construction or building of existing shelterless Primary Schools	500	60	112	0	28	700
(d)	Addition of classrooms in existing over-crowded Primary Schools	200	200	4448	0	121	4969
(e)	Consolidation & Improvement of existing Primary & Mosque Schools	10000	0	7522	8000	0	25522
(f)	Establishment of Middle Schools						
2.	SECONDARY EDUCATION:						
(a)	Upgradation of Primary Schools	100	200	434	0	47	781
(b)	Upgradation of Middle Schools	0	25	5	13	11	54
(c)	Upgradation of High Schools	0	10	23	0	6	39
(d)	Establishment of New High Schools	2	6	0	0	2	10
(e)	Reconstruction or building of existing M/Schools	0	20	0	0	1	21
(f)	Reconstruction or building of existing H/Schools	20	10	5	0	2	37
(g)	Addition of Classrooms in H/Schools/M. Schools	50	250	7	0	11	318
(f)	Consolidation & Improvement of Existing Middle & High Schools	10	0	0	0	0	10

PHYSICAL TARGETS AND ACHIEVEMENTS
During 1998-99 and Targets for 1999-2000

S. No	Item	Units	1998-99 Targets	1998-99 Achievements	Percent Achivment during 1998-99	1999-2000 Targets
	<u>RURAL HEALTH</u>					
1.	BHU	" "	80	29	36	18
2.	RHC	" "	30	14	46	34
3.	Upgradation of RHC.	" "	75	40	53	33
4.	Upgradation of BHU.	" "	304	48	16	53
5.	Urban Health Centres.	" "	07	04	58	06
	<u>HOSPITAL BEDS</u> Beds in RHC/BHU		550	400	72	500
6.	Beds in Hspital	" "	2750	1590	56	1800
	<u>HEALTH MANPOWER DEVELOPMENT</u>					
7.	Doctors	" "	4300	4060	95	4400
8	Dentists	" "	430	380	89	440
9	Nurses	" "	2800	2600	93	3000
10	Paramedics	" "	6600	6200	95	6800
11	Training of Birth Attendants	" "	9200	8500	92	9600
12	Immunization	Mill	9.5	3.7	3.8	5.00
15	Oral Rehydration Salt.	Mill. Packt	30.00	28.00	93	30.00
13	Training of LHW (Lady Health Workers).	Nbs.	1,00,000 (Cumulative)	43000	42	13,000

**SUB-SECTOR WISE FINANCIAL ALLOCATION AND UTILIZATION
FOR THE YEAR 1998-99 AND ALLOCATION FOR 1999-2000**

(Million Rs.)

Sub Sector	1998-99 Revised Estimates (RE)	1999-2000 Allocations	% Change 1999-2000 over 1998-99
Rural Health	1751.974	2409.560	+ 33
Preventive Programme	547.681	1642.583	+ 199
Hospital Beds	869.607	619.677	- 28
Health Manpower	839.198	702.005	- 9
Miscellaneous	110.662	173.176	+ 54
T O T A L	3894.364	5547.001	+ 42

Source: Budget Book/PSPD, 1998-99, 1997-98 and 1999-2000
Provincial ADPs.

PSDP ALLOCATION/REVISED ESTIMATES AGENCY WISE FOR THE YEAR 1998-1999 AND PERCENT INCREASE/CHANGE ALLOCATION FOR 1999-2000 OVER 1998-99

(Million Rs)

Executing Agency	1998-99 Allocati on	RES 1998-99	1999-2000 Al location	% Increase/ Change in 1999- 2000 over 1997- 98
A. FEDERAL				
Health Division	2329.665	1361.050	2567.481	+ 82
Islamabad Capital Territory	1.630	1.630	4.60	+ 182
Narcotics Control	10.007	7.00	9.00	- 28
Cabinet Division	47.00	47.00	85.00	+ 80
P.A.E.C (P.M.Sectt).	282.50	135.00	63.917	- 15
Planning Division	40.949	3.00	5.00	+ 0.10
Sub.Total	2719.714	1554.680	2734.998	+ 75
B. SPECIAL AREAS				
F A T A	118.270	68.00	180.00	+ 164
A J K	189.00	186.564	170.00	- 9
Northern Areas	106.200	55.00	190.00	+ 245
SUB.TOTAL	413.470	309.564	540.00	+ 74
TOTAL (FEDERAL)	3123.184	1864.244	3274.998	+ 75
C. PROVINCIAL				
Punjab	1450.00	1071.289	1310.495	+ 22
Sindh	360.00	242.174	360.00	+ 48
N.W.F.P	198.00	270.662	198.00	- 26
Balochistan	359.00	445.995	402.104	- 10
TOTAL	2367.00	2030.12	2270.599	+ 11
GRAND TOTAL	5490.84	3894.364	5547.001	+ 41

Source: Federal PSDP 1998-99.

NON-DEVELOPMENT ALLOCATION FOR 1996-97 AND REVISED
ESTIMATES 1999-2000, 1998-99 AND ALLOCATION FOR 1997-98

	Alloca- tion 1995-96	Revised Estimates 1995-96	Alloca- tion 1996-97	Revised Estimates 1996-97	Alloca- tion 1997-98	% change over 1996-97
A. Federal	1995-96					
i) <u>Health Division</u>	761.300	685.246	775.592	600.000	861.000	43
- Social Security & Social Welfare	80.300	72.000	82.000	75.500	97.000	25
ii) <u>Interior Division</u>						
- I.C.T	6.500	6.750	7.625	4.000	8.500	100
- Religious Affairs	30.015	27.450	32.075	22.250	38.080	72
- S & T	27.960	26.730	29.155	18.000	33.220	83
- FATA	112.800	111.500	114.000	90.750	130.520	44
- N.A.	-	117.249	133.618	100.250	140.610	40
- Kashmir Affairs.	10.080	9.500	10.075	4.500	12.090	58
iii) <u>Reimburse- ments</u>	8.500	8.470	9.000	3.600	11.750	175
TOTAL (FEDERAL)	1121.455	1064.895	1193.140	918.850	1332.770	45
B. Province:						
Punjab	4742.191	4267.972	5701.366	5583.000	6429.600	15
Sindh	2214.304	1992.874	2544.507	2639.200	2602.907	- 1.4
NWFP	1686.481	1517.833	1839.453	1500.570	2100.020	26
Balochistan	850.318	765.286	969.312	885.292	1121.609	15
Total (Provincial)	9493.294	8543.965	11163.588	10590.062	12254.136	18
GRAND TOTAL (A & B)	10614.749	9608.860	12356.728	11516.912	13586.906	10

SAP BUDGETARY ALLOCATION AND UTILIZATIONS FOR 1998-99

(Million Rs)

Sector/ Area	BUDGET ALLOCATIONS			EXPENDITURE		
	Non- Dev. Total	Dev. Total	Grand Total	Non- Dev. Total	Dev. Total	Grand Total
Punjab	3566.9	504.602	4071.502	2251.4	380.00	2631.400
Sindh	1881.4	230.00	2111.400	1619.9	114.384	1734.284
NWFP	1186.2	55.024	1241.224	976.1	58.704	1034.804
Balochistan	797.3	105.529	902.829	548.2	152.205	700.405
Total Prov. (Health)	7431.8	895.155	8326.955	5395.6	705.293	6100.893
AJK	298.1	137.646	435.746	347.7	120.00	467.700
KANA	116.4	38.2	154.6	63.4	32.00	95.400
FATA	247.9	61.67	309.57	241.3	50.00	291.300
ICT	10.3	11.93	11.93	9.1	1.630	10.730
Total Special Areas	239.146	911.846	911.846	203.63	865.13	1078.2
Ministry of Health						
P.M's LHW Programme	0.0	1100.0	110.0	0.0	1100.00	1100.00
AIDs.	0.0	80.0	80.0	0.0	80.0	80.0
EPI	0.0	735.0	735.0	0.0	606.4	606.4
Nutrition	0.0	40.5	40.0	0.0	3.0	-
T.B. Control	0.0	0.0	0.0	0.0	0.0	90.00
Malaria Control	0.0	110.0	110.0	0.0	90.00	1879.4
Total Ministry of Health	-	2065.0	2065.0	0.0	1879.403	1879.4
Total FEDERAL	672.7	2304.46	2976.846	661.5	3319.7	2744.530
Total NATIONAL	8104.5	3199.301	1303.80	6057.1	2788.323	8845.423

PROJECT-WISE ALLOCATION
1998-99

(Million Rupees)

S.No.	Name of Project	1998-99 Utili- zation	1999-2000 Allo- cation	Percentage Increase/ Decrease(+/-) change
1.	2.	3.	4.	5.
<u>Population Welfare Programme</u>				
01.	Federal	363.981	802.836	121
02.	Punjab	508.745	1154.128	127
03.	Sindh	267.776	509.062	90
04.	NWFP	164.372	380.658	132
05.	Balochistan	98.751	193.316	96
Total		1401.625	3040.000	117

FINANCIAL ALLOCATION AND UTILIZATION
WOMEN AND DEVELOPMENT

S.A.Table-19.1

(Million Rs)

Sl.No.	Name of the Agency Ministry/Division	1998-99 Allocation Utilization		1999-2000 Allocation	%Increased over Rev. Estimates
1.	2.	3.	4	5	6
<u>I. Federal Programmes</u>					
	Regular Programme	35.00	31.60	22.00	- 30.4%
	Special Women Action Programme	15.00	14.80	8.00	- 46%
	New Projects	25.98	00.0	-	-
<u>II. Provincial Programme</u>					
I	Sindh	0.60	0.60	0.20	- 66.7%
iii.	NWFP	7.91	1.24	3.85	210.5%
	Total:	84.49	48.24	34.05	- 29.4%

PHYSICAL ACHIEVEMENT DURING 1998-99

SECTOR	Punjab	Sindh	NWFP	Balochistan	Fed. Area	N.A.	AJ& K	Total
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PUBLIC SECTOR

EDUCATION	1	-	1	1	1	-	-	4
Health	-	3	3	-	-	-	-	6
Community Development	5	3	2	-	-	-	-	10
Technical Training	-	2	-	-	-	-	-	2
Total	6	8	6	1	1	-	-	22

S W A P

EDUCATION	-	-	-	-	-	-	-	-
HEALTH	-	-	-	-	-	-	-	-
COMMUNITY DEVELOPMENT	3	-	-	1	4	-	1	9
TECHNICAL TRAINING	-	-	2	1	-	1	1	5
Total	3	-	2	2	4	1	2	14

FINANCIAL ALLOCATION AND UTILIZATION MANPOWER AND EMPLOYMENT

Sl.No.	Name of the Agency Ministry/Division	(Million Rs.)			
		1998-99		1999-2000 Allocation	% Increase over Rev. Estimates
		Allocation	Utilization		
1	2	3	4	5	
I FEDERAL PROGRAMMES.					
1.	National Vocational Training Programme Phase-II.	32.20	30.55	17.0	- 44.4%
2.	Workers Population Education Programme.	14.200	13.12	2.4	- 81.7%
3.	PMI Hostel Building Islamabad	07.85	7.85	-	-
II Provincial Programme		59.80	61.08	57.73	-5.48
I	Punjab	20.00	22.78	12.72	- 44.2%
II	Sindh	8.00	12.00	14.00	16.7%
III	NWFP	6.00	2.50	2.18	-12.8%
IV	Baluchistan	25.80	23.80	28.83	21.1%
Total		95.35	112.6	77.13	- 31.5%

* Rs.18.75 million German Grant is included.

MANPOWER AND EMPLOYMENT
(Summary)

Name of the Agency Ministry/Division	Rev. Estimate for 1998-99		Demand for 1999-2000		(Million Rs.) Allocation For
	Total	FEC	Total	FEC	1999-2000
	1	2	3	4	5
<u>Federal Programme</u>					
Manpower Division	38.4	0.00	98.00	0.00	17.00
Labour Division	13.12	10.61	18.00	15.00	2.40
Total	51.52	10.61	116.00	15.00	19.4

FINANCIAL UTILIZATION / ALLOCATION

S.No.	Sub-Sector / Agencies	1998-99			PSDP 1999-2000			
		Allocation	Revised Estimates	Utilization	Original		Revised	
					Total	Foreign Aid	Total	Foreign Aid
1	2	3	4	5	6	7	8	9

A - FEDERAL GOVERNMENT

(i)	Special Education and Social Welfare Division	55.000	54.835	54.556	71.500	0.000	71.500	-
1.	Special Education and Rehabilitation Services (Directorate General of Special Education)	52.000	51.835	51.835	68.500	-	68.500	-
2.	Social Welfare Services (Social Welfare Wing)	1.000	1.000	0.721	1.000	-	1.000	-
3.	Promotion of Voluntary Welfare Services (NCSW)	2.000	2.000	2.000	2.000	-	2.000	-
(ii)	Establishment Division							
4.	Staff Welfare Services (Staff Welfare Organization)	23.575	17.030	17.030	23.575	-	23.575	-
Total Federal Government:		78.575	71.865	71.586	95.075	0.000	95.075	0.000

B - PROVINCIAL GOVERNMENTS**Punjab**

1.	Special Education and Rehabilitation Services	19.535	14.369	14.369	13.673	-	13.673	-
2.	Social Welfare Services	2.442	2.196	1.867	-	-	-	-
Total Punjab:		21.977	16.565	16.236	13.673	-	13.673	-

Sind

1.	Special Education and Rehabilitation Services	0.700	0.700	0.700	0.900	-	0.900	-
2.	Social Welfare Services	9.000	4.310	4.310	7.500	-	7.500	-
Total Sind:		9.700	5.010	5.010	8.400	-	8.400	-

NWFP

1.	Special Education and Rehabilitation Services	1.049	0.960	0.960	3.156	-	3.156	-
2.	Social Welfare Services	1.850	1.463	1.451	9.131	-	9.131	-
3.	Promotion of Voluntary Social Welfare Agencies	0.387	0.387	0.387	0.500	-	0.500	-
Total NWFP:		3.286	2.810	2.798	12.787	-	12.787	-

Baluchistan

1.	Special Education and Rehabilitation Services	3.000	2.760	2.760	1.512	-	1.512	-
2.	Social Welfare Services	11.686	9.986	9.986	5.370	-	5.370	-
3.	Promotion of Voluntary Social Welfare Agencies	1.000	1.000	1.000	-	-	-	-
Total Baluchistan:		15.686	13.746	13.746	6.882	-	6.882	-
Total Provinces:		50.649	38.131	37.790	41.742	-	41.742	-
Total Social Welfare Sector:		129.224	109.996	109.376	136.817	-	136.817	-

PHYSICAL TARGETS AND ACHIEVEMENTS

S.No.	Item	Unit	1998-99		1999-2000
			Targets	Achievements	Targets
1	2	3	4	5	6

FEDERAL GOVERNMENT

1.	Special Education and Rehabilitation Services	Institutions/ Centres	14	6	5
2.	Social Welfare Services	-do-	1	1	-
3.	Promotion of Voluntary Welfare Services/NGOs	Aided NGOs	300	199	200
Total Federal:			315	206	205

PROVINCIAL GOVERNMENTS**Punjab**

1.	Special Education and Rehabilitation Services	Institutions/ Centres	11	3	8
2.	Social Welfare Services	-do-	16	16	-
3.	Promotion of Voluntary Welfare Services/NGOs	Aided NGOs	-	-	-
Total Punjab:			27	19	8

Sindh

1.	Special Education and Rehabilitation Services	Institutions/ Centres	3	1	2
2.	Social Welfare Services	-do-	10	1	14
Total Sindh:			13	2	16

NWFP

1.	Special Education and Rehabilitation Services	Institutions/ Centres	2	2	4
2.	Social Welfare Services	-do-	4	4	9
3.	Promotion of Voluntary Welfare Services/NGOs	Aided NGOs	200	200	200
Total NWFP:			206	206	213

Baluchistan

1.	Special Education and Rehabilitation Services	Institutions/ Centres	2	2	2
2.	Social Welfare Services	-do-	4	4	3
3.	Promotion of Voluntary Welfare Services/NGOs	Aided NGOs	200	200	-
Total Baluchistan:			206	206	5
Total Provinces:			452	433	242
Total Social Welfare:			767	639	447

S.A.Table-22.1

FINANCIAL ALLOCATION & UTILIZATION
Culture, Sports, Tourism and Youth

S.No.		1998-99 Allocation	Utilization	(Rs Million) Percentage Utilization
FEDERAL				
1.	Culture and Archeology	60.647	37.034	61%
2.	Sports	86.884	1.998	2%
3.	Youth	4.500	4.500	100%
4.	Tourism	60.690	50.605	83%
Sub-Total Federal (A):		212.721	94.137	44%
PROVINCES				
1.	Punjab	24.000	9.500	40%
2.	Sindh	20.000	26.500	133%
3.	NWFP	44.534	22.199	50%
4.	Balochitan	3.876	—	—
Sub-Total Provincial (B):		92.410	58.199	63%
Total CSTY (A+B):		305.131	152.336	50%

CULTURE, SPORTS, TOURISM AND YOUTH

Sl. No.	Name, Location and Status of the Scheme	Estimated Cost		Expenditure upto June 1998	Revised Estimates 1998-99	Allocation for 1999 - 2000		
		Total	Foreign Aid			Total	Foreign Aid	Rupee
1	2	3	4	5	6	7	8	9
A. CULTURE, SPORTS, TOURISM AND YOUTH AFFAIRS DIVISION								
Sports (On-going)								
1.	Synthetic Athletic Trac at National Sports Training and Coaching Centre Karachi.	18.251	0.000	17.029	0.000	1.282	0.000	1.282
2.	Laying of Hockey turf at Bannu (NEW)	19.913	0.000	15.000	1.998	2.915	0.000	2.915
3.	Synthetic Turf for Hockey Stadium at Sialkot	18.000	0.000	0.000	0.000	18.000	0.000	18.000
Sub-Total (Sports)		56.164	0.000	32.029	1.998	22.197	0.000	22.197
Tourism (On-going)								
4.	Establishment of Austrian Pakistani Institute of Tourism and Hotel Management Studies at Gullibagh Swat (App.) (Austrian Govt.)	96.992	64.262	9.348	29.105	20.000	19.000	1.000
5.	Motel at Ramalake, Skardu (App.)	19.614	0.000	11.972	1.000	6.000	0.000	6.000
6.	Extension of Motel at Besham (Ph.III) Swat (App.)	17.000	0.000	11.821	1.000	5.900	0.000	5.900
7.	Pakistan Institute of Hotel & Restaurant Management Karachi.	26.622	0.000	13.853	6.000	0.100	0.000	0.100
8.	Motel at Satpara Lake Skardu	19.374	0.000	10.000	2.000	7.374	0.000	7.374
9.	PTDC Motel at Bambruet	16.290	0.000	7.998	1.000	7.292	0.000	7.292
10.	Motel at Mastuj, Chitral	15.783	0.000	8.953	1.000	5.830	0.000	5.830
11.	Motel at Gupis	19.444	0.000	8.202	1.000	10.242	0.000	10.242
12.	Motel at Khaplu, Skardu	17.965	0.000	13.392	2.000	2.573	0.000	2.573
13.	Motel at Phander	19.507	0.000	10.532	2.000	6.975	0.000	6.975
14.	Motel at Dir.	11.389	0.000	7.731	3.000	0.658	0.000	0.658
15.	Motel at Birmoglast	19.696	0.000	13.183	0.000	6.513	0.000	6.513
16.	Tourism Master Plan	17.760	12.210	0.100	1.500	16.160	12.210	3.950
Sub-Total (Tourism)		317.436	76.472	127.085	50.605	95.617	31.210	64.407

CULTURE, SPORTS, TOURISM AND YOUTH

S.A.Table-22.2
(MILLION RUPEES)

Sl. No.	Name, Location and Status of the Scheme	Estimated Cost		Expenditure upto June 1998	Revised Estimates 1998-99	Allocation for 1999 - 2000		
		Total	Foreign Aid			Total	Foreign Aid	Rupee
1	2	3	4	5	6	7	8	9
Culture								
17.	Conservation and Restoration of Perimeter Wall of Jahangir's Tomb	13.460	0.000	12.823	0.594	0.043	0.000	0.043
18.	Conservation and Restoration of Sang-e-Badal Flooring of Jahangir's Tomb Lahore.	11.710	0.000	6.727	1.000	0.750	0.000	0.750
19.	Preservation and Restoration of Red Stone Facades of Jahangir's Quadrangle Lahore Fort.	12.895	0.000	4.652	1.000	0.760	0.000	0.760
20.	Preservation and Restoration of Eastern Dalans of Jahangir's Quadrangle Lahore Fort.	6.150	0.000	3.741	1.000	1.409	0.000	1.409
21.	Preservation and Restoration of Sheesh Mahal inside Lahore.	5.500	0.000	4.640	0.340	0.520	0.000	0.520
22.	Estab. of Institute for revival of vanishing Arts and Crafts Lok Virsa Islamabad Scheme.	4.625	0.000	0.450	0.100	1.000	0.000	1.000
23.	Preservation and Restoration of Basement Chambers of Sheesh Mahal Lahore Fort.	9.393	0.000	4.372	1.000	0.800	0.000	0.800
24.	Preservation and Restoration of Western dalans of Jahangir's Quadrangle, Lahore Fort.	9.484	0.000	2.790	1.000	0.800	0.000	0.800
25.	Survey and documentation of Archaeological Sites and Monuments in the Punjab Province	6.963	0.000	6.006	0.500	0.457	0.000	0.457
26.	Survey and documentation of Archaeological Sites and Monuments in Sindh Province	6.191	0.000	2.268	0.500	3.423	0.000	3.423
27.	Museum Education Service, National Museum Karachi.	4.732	0.000	3.390	0.500	0.842	0.000	0.842
28.	Preservation and Restoration of Mughal Garden Wah.	14.919	0.000	8.195	2.000	1.000	0.000	1.000
29.	Conservation of Umerkot Fort and Development of Museum	8.035	0.000	4.447	0.500	0.500	0.000	0.500
30.	National Arts Gallery Islamabad.	249.008	90.305	24.223	25.000	8.000	0.000	8.000
31.	Conservation and Restoration of the Tomb of Mirza Jehan Baig, Thatta.	1.622	0.000	0.811	0.000	0.811	0.000	0.811
32.	Renovation of National Monuments	71.320	0.000	15.000	2.000	30.000	0.000	30.000
	(New)							
33.	Improvement of Library of Iqbal Academy Lahore.	1.500	0.000	0.000	0.000	1.500	0.000	1.500
Sub-Total (Culture)		437.607	90.305	104.536	37.034	62.615	0.000	62.615
Youth (On-going)								
34.	Construction of Youth Hostel at Gilgit	7.328	0.000	1.170	0.500	3.000	0.000	3.000
35.	Construction of Youth Hostel at Jamshoro (app).	4.694	0.000	1.170	1.000	1.000	0.000	1.000
36.	Construction of Youth Hostel at Quetta.	15.142	0.000	1.500	3.000	2.000	0.000	2.000
Sub-Total (Youth)		27.164	0.000	3.840	4.500	6.000	0.000	6.000
Total (Culture, Sports, Tourism and Youth)		838.271	166.777	267.489	94.137	176.429	31.210	145.219

**ACHIEVEMENT DURING 1998-99
& TARGETS FOR 1999-2000 IN RESPECT OF
SOCIAL & PHYSICAL INFRASTRUCTURE IN RURAL AREAS**

Sl. No.	Province/Items	Unit	Targets Achievements for During 1998-99	Targets 1999-2000
1	2	3	4	5
A.	Construction & Improvement of Farm to market/Rural Roads.	Km	1900.00	2500.00
B.	Rural Water Supply & Sanitation.			
i	Rural Water Supply	Addl. Pop. to be served in million	6.59	7.00
ii)	Rural Sanitation	do	1.50	1.89
C.	Rural Health			
i)	Basic Health Units.	Nos.	72	90
ii)	Rural Health Centers	do	28	34
D.	Village Electrification.	do	4900	5000

FINANCIAL UTILIZATION AND ALLOCATION

(Million Rs)

Agency	1998-99		1999-2000
	Allocation	Utilization	Allocation
1. Ministry of Science & Technology (Main)	30.000	4.000	2.000
2. National University of Sciences & Technology (NUST)	50.000	50.000	80.099
3. Pakistan Council for Scientific & Industrial Research (PCSIR)	9.000	9.000	18.000
4. Central Testing Laboratories (CTL)	6.700	5.702	2.476
5. Pakistan Council of Research in Water Resources (PCRWR)	4.000	4.000	5.955
6. Technology Development Action Plan (TDAP)	9.660	9.660	17.720
7. National Institute of Electronic (NIE)	6.000	6.000	1.000
8. National Institute of Oceanography (NIO)	4.700	4.700	0.000
9. Pakistan Atomic Energy Commission (PAEC)	30.000	30.000	30.000
10. Planning & Development Division	0.000	0.000	100.000
	170.060	123.062	258.250

S.A.Table-29.1

GOOD GOVERNANCE: FINANCIAL ALLOCATION AND UTILIZATION

(Rs. Million)

S.No.	1988-99		1999-2000
	Allocation	Utilization	Allocation
01	5.9	0.492	6.0