

Executive Summary

Macroeconomic framework

Growth sustained during 2016-17 as macroeconomic indicators remained stable and depicted an optimistic economic outlook. GDP registered 5.3 per cent growth - highest in past nine years. Agriculture sector as targeted, grew by 3.5 per cent. Important Crops grew by 4.1 per cent while Other Crops registered growth of 0.2 per cent. Livestock, Fishery and Forestry achieved growth of 3.4 per cent, 1.2 per cent and 14.5 per cent, respectively. Industry registered a growth of 5 per cent during 2016-17.

Construction and manufacturing sectors were main contributors as manufacturing sector grew by 5.3 per cent compared to the target of 6.1 per cent. Mining and quarrying sector posted a growth of 1.3 per cent against its target of 7.4 per cent for 2016-17. Small and household sector achieved its target of 8.2 per cent. Value addition in electricity and Gas generation & distribution was 3.4 per cent against the target growth of 12.5 per cent. Construction sector showed growth of 9 per cent against the target of 13.2 per cent.

Services sector surpassed its target of 5.7 per cent and grew by 6 per cent due to revival in LSM and agriculture sectors along with increase in imports. Wholesale & retail trade managed to grow by 6.8 per cent against its target of 5.5 per cent. Finance and insurance sector attained 10.7 per cent growth against its target of 7.2 per cent. General government services grew by 6.9 per cent against the target of 7.0 per cent. Other privates services showed growth of 6.3 per cent as against the target of 6.7 per cent.

Investment remained at 15.8 per cent of GDP in 2016-17 against the target of 17.7 per cent. Fixed investment to GDP ratio grew from 14 per cent in 2015-16 to 14.2 in 2016-17, against the target of 16.1 per cent. National Savings remained at 13.0 per cent of GDP, against the target of 16.2 per cent.

GDP is expected to grow at 6 per cent during 2017-18 with contributions from Agriculture (3.5per cent), Industry (7.3 per cent) and Services (6.4 per cent). The growth targets are subject to risks of extreme weather fluctuations, interruption in envisaged reforms and non-aligned monetary and fiscal policies. However, the targets are attainable with revived agriculture sector, consistent growth in industrial sector, pick in private sector credit and expected completion of early harvest projects under China-Pakistan Economic Corridor (CPEC).

Public Sector Development Programme

Public Sector Development Programme (PSDP) is the driver of economic growth besides ensuring the equitable socio-economic development. Besides Federal PSDP, provinces, public sector enterprises and local authorities also invest their resources for development in the country. For 2016-17, the National Development Outlay was set at Rs1,675 billion, including Federal PSDP at Rs800 billion and Provincial ADPs at Rs875 billion.

The overall size of national development outlay for 2017-18 at Rs2,113 billion, is 25 per cent higher than previous year with foreign assistance component Rs 357 billion. The size of the federal PSDP is Rs1,001 billion while that of Provincial ADPs is Rs1,112 billion - the highest in the history of Pakistan. Transport and communication sector has been given highest priority (Rs411 billion) followed by energy sector Rs403 billion to overcome shortage of power in the country. Substantial funds (Rs150 billion) are earmarked for health and population (Rs56 billion), education / higher education (Rs47 billion) and SDGs (Rs30 billion). Special programmes such as energy and clean drinking water for all (Rs25 billion), Special Federal Development Programme (Rs40 billion), Prime Minister's Youth Programme (Rs20 billion), Rehabilitation of TDPs and Security Enhancement (Rs90 billion) and Gas Infrastructure Development Cess (Rs25 billion) have also been budgeted in federal PSDP 2017-18. An allocation of Rs62 billion (44 per cent higher over last year's allocation) has been made for Special Areas including AJ&K (Rs22 billion), Gilgit-Baltistan (Rs15 billion), and FATA (Rs25 billion) to formulate their Annual Development Programmes 2017-18.

Population

Countries with high population growth rate have adverse consequences on socio-economic fabric because of pressure on limited resources, high rate of dependency and ultimately poverty with all its allied problems. The provincial governments of Punjab, Sindh and Khyber Pakhtunkhwa have developed their population policies and strategies to ensure the universal access to family planning and reproductive health services. The population policy of Balochistan is also ready for the approval of the Cabinet. The present government has taken a major initiative by conducting the long awaited 6th Population and Housing Census, which has started from 15th March 2017 in two phases. Another important step of this government is the formation of the National Population Policy, which is being prepared under the guidance of Planning Commission.

In 2016-17, an amount of Rs8.2 billion was spent on population welfare projects by federal and provincial governments. The same amount is again allocated in PSDP 2017-18. The provincial governments are also funding their population welfare projects. To improve the performance of family planning services, new initiatives have been taken by the provincial governments of Punjab, Sindh and Khyber Pakhtunkhwa for 2017-18.

School and college education

Federal government will consolidate the ongoing initiatives in education sector while some new projects will be implemented through PSDP 2017-18. The areas of interventions include access to the educational opportunities by establishing, upgrading, strengthening educational institutions, increasing literacy, creating child-friendly environment, acknowledging teachers' performance at the national level, mainstreaming the *Madressah* students in the contemporary system of education, harmonizing and standardizing of curriculum, assessment and training at the national level, and increasing vertical mobility by providing merit scholarship through the NEST. The coordination between Federal and Provincial Education Departments will be strengthened through Inter Provincial Education Ministers Conference (IPEMC) which is functional under Ministry of Federal Education & Professional Training Islamabad.

Health

The Government will strengthen, upgrade and manage healthcare facilities particularly primary health care. Rs16 billion have been earmarked for National Programme for Family Planning and Primary Healthcare, Rs7.4 billion for Expanded Programme for Immunization, Rs3 billion for Prime Minister's National Health Programme. Besides new Programmes will be started in 2017-18, including Prime Minister's Programme for New Hospitals (Phase-I) with an allocation of Rs8 billion, Prime Minister's National Health Programme (Phase-II) Rs7 billion and Prime Minister's Programme for New Hospital, Master Planning, Rs1.3 billion. Non-communicable diseases (NCDs) and cancer will be controlled through establishment of Cancer Hospitals.

Establishment of integrated health emergency surveillance and response system would be carried out; Incorporation of E-health and M-health, and establishment of strong and organized Health information and Disease Surveillance System. The other major schemes would be implementation of a national plan for affordable vaccinations, efforts to improve child health and reduce stunting, increase in the number of paramedical staff, expansion of the Lady Health Worker Programme to target poor female patients; bring fertility rates to the levels consistent with maternal health, and skilled personnel including women medical officers in BHUs/RHCs.

Labour, employment and skill development

Unemployment has decreased from 5.96 per cent in 2013-14 to 5.94 per cent in 2014-15. The planned initiatives for employment and skill development along with higher economic growth and CPEC related investments in energy and infrastructure projects would help in alleviating the unemployment in the country. The Plan focuses to provide and promote technical and vocational training by extending geographical access through the public-private partnership in market demand trades. The targeted GDP growth of 6 per cent for 2017-18 will not only absorb the growth in labour force, but also clear some portion of the backlog.

Skill development is an important instrument for socio-economic transformation of the society. The current plan focuses on promotion of technical and vocational training in demand driven areas particularly CPEC related identified priority areas. Prime Minister's youth training Programme, National Internship Programme, Prime Minister's Youth Skill Development Programme (phase IV) are being implemented all over the country which will contribute towards availability of trained and productive workforce both local and abroad and ultimately socio-economic uplift of people of country.

Poverty alleviation and Sustainable Development Goals

The first goal of Sustainable Development Goals calls for an end to poverty in all its manifestations everywhere by 2030. Although, this is in complete consonance with slogan of Pakistan Vision 2025 "people first" but at the same time it poses the challenge of eradicating poverty in all its dimensions and from all parts of Pakistan.

The government recognises social protection/social safety nets as a means to mitigate risks and vulnerabilities and to reduce poverty through transfers and social insurance for risk mitigation regardless of prior or future contribution. In 2016, the Technical Advisory Committee for Social Protection led by the Planning Commission approved a social protection policy

framework that outlines the institutional arrangements and fundamental elements of the national system to provide targeted support to the poor.

The provisional pro-poor expenditure for July-December 2016-17 was estimated at Rs1017.5 billion. Benazir Income Support Programme (BISP) allocation and penetration has been increased. Impact evaluation analysis indicates that unconditional cash transfers contributed to reduce poverty among BISP beneficiaries (20 per cent reduction in the proportion of beneficiaries living below the poverty line from 2011 to 2014 in the sample) and strengthened women's empowerment by providing the cash transfer to any ever-married woman in a BISP-eligible household. Prime Minister's youth loan scheme and Prime Minister's Skill Development Programme were also instrumental in poverty alleviation and employment generation endeavours.

Social welfare

The Plan focuses on providing an enabling environment for sustainable community development, people participation and provision of need based social services by the stakeholders in poverty stricken and miserable areas. Voluntary work, mobilizing local resources and effective community mobilization will be promoted by providing technical, social and financial assistance to target groups. Inclusive education and protecting senior citizens rights will be an important area. It would also focus on formulation of guidelines and a standardized framework in area of social welfare for empowerment of vulnerable people including women, children, youth, persons with disabilities, transgender persons, patients and senior citizen etc. The initiatives for promotion of social entrepreneurship under the "Center for Social Entrepreneurship" would be promoted in the country by encouraging stakeholders.

Gender and women empowerment

A women right based approach to develop women's economic, social and development rights, entitlements and sensitization on gender issues would have to be encouraged. The representation of women in decision making bodies, participation in electoral process, opportunities for women entrepreneurship and gender equality are being promoted. Focus of the public and private sector stakeholders' intervention would be on addressing issues faced by the poor, vulnerable and marginalized women living in rural and urban areas through poverty alleviation, income support, protection of women rights, women entrepreneurship and affirmative action by the government.

Youth and sports

The federal government is implementing a comprehensive programme for development and mainstreaming of the young population of the country. All programmes are running successfully and have so far benefitted more than one million young people. Similarly sports facilities are being established in various cities of the country. For creating sportsman spirit in youth, National competitions are being arranged every year. These competitions play a key role in creating national harmony, tolerance and identifying fresh talent for national and international championships in different games. An amount of Rs1,322 million was allocated for sports in last year which have been substantially increased to Rs3,044.16 million in 2017-18.

Religious pluralism and interfaith harmony

The Constitution of Pakistan makes the State of Pakistan responsible for protecting rights of all citizens without any discrimination. To achieve the religious pluralism and promote interfaith harmony, a national framework and national guidelines for equitable opportunities of development for all communities would be developed in consultation with stakeholders. Tolerance among different segments of society would be enhanced by promoting peace and harmony as envisaged in 11th Five Year Plan 2013-18 and Vision 2025. The intervention for protection and welfare of minority communities would be further enhanced.

Mass media, culture and national heritage

For providing television signals to the left out pocket in the Gilgit-Baltistan, Azad Jammu & Kashmir, Baluchistan and others areas of the country, Rebroadcast Stations (RBS) are being installed such as Kotli Sattian, Buner, Pooran, Astore, Barkhan, Karan, Athmuqam, Ziarat etc. FM Radio Stations are set up at the district level for providing community Radio facilities. So far 46 FM Radio Stations have been installed by Public Sector (Pakistan Broadcasting Corporation) and 210 FM Radio Stations have been established by the private sector. The balancing, modernization and replacement of equipment is an ongoing process both in Pakistan Television (PTV) and Radio Pakistan for improving the quality of sound and picture. Medium wave transmitters are also being installed / replaced in various parts of the country such as Gwadar, Mirpur, Muzaffarabad. Urdu Dictionary has been computerized and will be available on website. The revised allocation to Mass Media Sector is Rs300.60 million. Similarly, the revised allocation to Culture Sector is Rs63.88 million. The allocation for the Mass Media and Culture sectors for 2017-18 is Rs811.79 million and Rs272.7 million, respectively.

Fiscal, monetary and capital market development

During July-March 2016-17, fiscal deficit stood at 3.9 per cent of GDP as compared to 3.5 per cent during the corresponding period of last year. It has already surpassed its annual target of 3.8 per cent due to low growth of total revenue as a result of a shortfall realised in tax collection and a decline in non-tax revenue. During 2017-18, efforts will be made to maintain fiscal deficit in manageable limits with the confines of Fiscal Responsibility and Debt Limitation Act (FRDLA) 2005 by enhancing revenue mobilization and containing non-priority / non-development expenditures.

Money supply as measured by broad money (M2) expanded by Rs936.4 billion (7.3 per cent) during 1st July 2016 to 5th May 2017 as compared to its expansion of Rs716.9 billion (6.4 per cent) during the corresponding period of last year. This higher monetary expansion is due to a low policy rate of 5.75 per cent adopted by the State Bank of Pakistan since May 2016. During 2017-18, better energy supplies to manufacturing sector and higher aggregate demand would necessitate higher business /private sector loans which along with growing bank financing for CPEC related activities and accelerated development works would lead to higher monetary expansion. Average CPI rose to 4.1 per cent in July-April 2016-17 from 2.8 per cent in the corresponding period of last year. Average CPI inflation during 2017-18 is expected to increase by around 6 per cent. Anticipated higher aggregate demand, greater monetary expansion and impact of rising global prices would put upward pressure on inflation.

During 2016-17, the Securities & Exchange Commission of Pakistan (SECP) initiated number of structural, legal and fiscal reforms in order to develop a fair and competitive capital

market. Capital market is expected to remain vibrant during 2017-18 through various measures to be adopted by the SECP under its future roadmap comprising of measures for capital market development and subsidiary legislation under the Securities Act and Futures Market Act.

Trade and commerce – Balance of payments

The current account deficit was targeted at \$ 4.5 billion (-1.5 per cent of GDP) in the Annual Plan 2016-17 against a deficit of \$3.4 billion (-1.2 per cent of GDP) recorded in 2015-16. With estimated trade deficit at \$23.8 billion and estimated remittances of \$ 19.9 billion during 2016-17, the current account in 2016-17 is estimated to be in deficit by around \$ 8.3 billion

Exports of goods stood at \$16.1 billion during July-Mar 2016-17 against \$ 16.3 billion in the corresponding period of last year thereby showing a contraction of 1.4 per cent. Exports for the full year of 2016-17 are estimated to be around \$ 21.6 billion against the Annual Plan target of \$ 24.8 billion. Services exports during July-Mar 2016-17 witnessed a decline of 2.8 per cent to US \$ 1977 million from \$ 2033 million during July-Mar 2015-16. Imports increased by 14.2 per cent during July- Mar 2016-17 and stood at \$ 33.9 billion and expected to reach around \$ 45.4 billion by the end of this fiscal year with the Annual Plan target of \$ 45.2 billion. Remittances reached \$ 14.1 billion during July-Mar 2016-17 from \$ 14.4 billion in the corresponding period of last year thereby registering a decrease of 2.3 per cent. The annual plan target of remittances for 2016-17 was \$ 20.2 billion.

Exports in 2017-18 are projected to grow by 6.8 per cent to \$23.1 billion from \$ 21.6 billion estimated for 2016-17. Imports during 2017-18 are projected to increase by 7.6 per cent to \$ 48.8 billion from \$ 45.4 billion estimated for 2016-17. Hence, the trade account is projected to be in deficit by \$ 25.7 billion in 2017-18 from \$ 23.8 billion estimated for 2016-17. The current account is targeted to be in deficit by \$ 8.9 billion in 2017-18 (2.6 per cent of GDP) as against a deficit of \$ 8.3 billion (2.7 per cent of GDP) estimated for 2016-17.

Balanced development – Focus on the less developed regions

During 2016-17 various Programmes/projects were implemented in Special areas, which primarily focused on the improvement of socio economic conditions of the people. An amount of Rs42.36 billion was allocated. During the year a major initiative taken by federal government, was introduction of FATA reform for mainstreaming of less developed areas.

The Programme for 2017-18 proposes Rs46.08 billion for Special areas (FATA, AJK & GB). The major chunk of financial resources has been allocated for FATA with share of 48 per cent, whereas for AJK and Gilgit Baltistan the shares are 28 per cent & 22 per cent respectively, remaining 2 per cent were allocated to area development projects under M/o Interior & Narcotics Control. The funds allocated for these regions will be primarily spent for those on-going schemes which are near completion. The allocation during FY 2017-18 is 9 per cent higher than the previous year. It will bring a considerable improvement in existing facilities to the people of less developed areas.

Physical planning and housing

To tackle the rapid urbanization issues, during the current financial year, the government's focus was to formulate and implement the Spatial Strategy, with spatial development action plans at provincial, district and tehsil level, besides, undertaking

metropolitan economic planning across entire urban regions enabling all stakeholders to formulate comprehensive development plans and carry out a coordinated set of targeted investments, to link cities with rural suburbs. For the year 2017-18, an allocation of Rs41 billion has been made for the physical planning and housing sector programmes to be implemented by various ministries, divisions and departments. The important programmes/projects include Establishment of Pakistan Urban Planning and Policy Centre; Gwadar Port Green and Smart City Master Plan; and Establishment of Bureau of Infrastructure Development.

Institutional reforms and governance

Public sector management will be made more efficient through a variety of measures including modernization and capacity building of public sector institutions, civil service reforms (recruitment, training, promotion, transfer/ posting and performance evaluation); procedural reforms; procedural regulations and controls; tax and judicial reforms. Smart governance would be ensured for big push to increase transparency, fair play and make systems faster and user friendly. Effective monitoring and evaluation would be encouraged and supported. Corporate governance will be improved to increase public-private interface, and by developing legal and regulatory frameworks.

Energy

Energy sector is one of the major recipients of Federal PSDP. Around 74 per cent of total CPEC projects are energy related projects which include coal, hydro and wind. It is expected that 7524.28 MW will be added to the national grid by the year 2017-18 and consequently it will almost equate the supply and demand. The strategy aims at making electricity more affordable by improving and diversifying the fuel mix and fully harnessing country's renewable energy potential as well as domestic coal. The RLNG projects are being implemented on fast track basis to overcome power shortages at the earliest. Other measures are to reduce the pilferage, clear circular debt, curtail line losses and improve collection of arrears. The Plan includes interventions to improve system efficiencies by taking up long-term strategic investments in the transmission and distribution networks. The project CASA 1000 transmission line will transmit 1000 MW of surplus hydel power generated in the central Asian countries to Pakistan and will not only connect the power transmission lines but will also promote regional connectivity.

In petroleum sector, environment friendly and efficient fuel RON 92, 95/97 has been introduced. Moreover, entire imports of High Speed Diesel (HSD) shall conform to Euro-II specification. To supplement the indigenous gas supply, LNG import would be increased to 9 million tonnes per annum. Moreover, to enhance handling capacity for the LNG import, 2nd LNG Terminal at Port Qasim is expected to be commissioned by end 2017. Both SNGPL and SSGCL are augmenting their gas transmission infrastructure to effectively utilize the additional supply of gas through import of LNG.

Water

Pakistan is a water stressed country, efficient use of water is an important requirement for sustainable agricultural growth. The Annual Plan 2017-18, centres around five important elements i.e. water augmentation, water conservation, groundwater management, protection of infrastructure from water logging, salinity, floods and proposition of institutional reforms. The Plan is aimed at construction of small/medium and large dams and development of I&D

infrastructure to achieve improved water conveyance and use efficiency. An amount of Rs38 billion has been allocated to achieve the above mentioned objectives/programmes for 2017-18.

It is expected that total water availability (at farm gate) will be increased as an outcome of water sector development projects. A target of 134.22 MAF of water availability at farm gate has been set for the year 2017-18. During this Plan period 6 major water sector projects are hoped to be completed. Flood management has been a sensitive endeavor due to vulnerability of Pakistan to climate swingers. The Annual Plan 2017-18 duly heeds to this aspect and an amount of Rs500 million has been allocated for the implementation of seven emergent small flood schemes under “Normal/Emergent Flood Programme” in all provinces.

Food security and agricultural development

Agriculture sector achieved the target of 3.5 per cent during 2016-17 contrary to the contraction of 0.27 per cent during 2015-16. The Prime Minister Farmer’s package, government support to the sector in the last year budget, and stability in commodity market contributed to this achievement. The growth in the agriculture sector not only supported the national and rural economy but also improved food security situation. The momentum of development is expected to continue in 2017-18, keeping in view the expected stability in the commodity market. In view of the performance of the sector in outgoing year, a growth target of 3.5 per cent has been retained for 2017-18. Major growth will be contributed by the livestock (3.8 per cent), important crops (2.0 per cent), other crops (3.2 per cent), cotton ginning (6.5 per cent), fishing (1.7 per cent) and forestry (10 per cent).

Nutrition

Malnutrition is resulting in stunting and wasting that is compromising the cognitive abilities of the future generation. There is an increased political realization and commitment for improving nutrition. In addition to government, civil society, business communities, academicians and researchers are actively engaged with the relevant authorities to improve nutrition. Specialized Nutritious Products are being developed in country with the support of partners to realise the potential of human resources. The provinces are also coming up with their initiatives to address malnutrition. Evidence has been generated to guide the policy makers and development partners for investing in nutrition so as to have greatest impact in short, medium and long term.

Environment and climate change

Global Climate Risk index lists Pakistan as the 5th most vulnerable country in the world. Pakistan is amongst the smallest contributors to the global carbon emissions but is affected the most by the extreme weather events and climate change. The Prime Minister’s Green Pakistan initiative, Sustainable Land Management Programme, phase-II and Weather Surveillance Radar at Karachi are being implemented. There are also projects like Development of Reverse Linkages with MARMARA Research centre Turkey, revival of wildlife resources in Pakistan which are being executed.

A realistic approach in the management of ecosystem will be carried out with the special emphasis on imperative ecosystem segments. For increased Forestry cover and enhancement of Natural Resources a strategy to develop forest cover and along with conservation and restoration of the natural resources of the country will be implemented

through applied approach of ownership. Strategy would also include provision of alternative energy resources to the residents of forest cover areas such as LNG at affordable price. Countries are taking stock of the collective efforts in relation to progress towards the goal set in the Paris Agreement and to inform the preparation of NDCs.

Manufacturing, mineral and commerce sectors

Pakistan's industrial sector faces many challenges including non-existence of Industrial Policy, outdated technology, less innovative products, poor & ineffective academia-industry linkages, low level of integration in global value-chains, and rising cost of production due to input factors. Despite these challenges, manufacturing sector is gradually reviving and flourishing as LSM's growth rate was 5.06 per cent during the first nine months of financial year 2016-17. The Government is trying utmost to revive the industrial sector and initiated various development projects in this regard. It is expected that manufacturing sector would better perform in financial year 2017-18 compared with financial year 2016-17.

Government has taken various steps to overcome hurdles to explore and exploit the natural endowment of Pakistan. Currently, minerals contribution to the GDP is around 3 per cent but it has a vast potential of increasing up to 5 to 6 per cent, which is contingent upon due consideration of government authorities to develop the mineral sector of Pakistan. Geological Survey of Pakistan will undertake geological mapping of about 5120 sq.km. area in various parts of the country. Mineral exploration projects include iron ore, coal, copper, shale gas potential, gold in Punjab and Balochistan, Lead-Zinc-Barite investigations in Balochistan and Khyber Pakhtunkhwa, limestone, iron occurrences, salt, bio stratigraphic studies in Sindh, Punjab and Balochistan, copper-gold prospects in, Balochistan. Environmental, geotechnical, geo-hazard, urban and hydro geological studies will be carried out in different parts of Balochistan, Sindh and Gilgit Baltistan.

Higher education

An allocation of Rs21.49 billion was made for 122 development projects of the universities and Higher Education Commission under PSDP 2016-17. In addition to this, Rs5.45 billion were provided through technical supplementary grant for PM's Laptop Scheme (Phase-II) and Rs0.57 billion for 2 scholarships schemes for Afghan students. The increasing focus on higher education sector has significantly contributed to its better access and global visibility of the universities. The university enrolment by 2016-17 was about 1.5 million in 183 public and private universities. Similarly QS Global ranking of universities for 2016 included 5 Pakistani universities in top 200 Asian Universities and 5 universities between 200-300 rankings. In 2016-17 about 2,300 PhD and Master leading to PhD scholarships were awarded to the faculty of universities and fresh candidates. This includes 1,180 indigenous and 1,120 foreign scholarships. During 2016-17 about 30-32 per cent of the approved development funds were allocated for provision of latest teaching and research lab equipment enhance the R&D infrastructure of the universities and 20 per cent for infrastructure development.

During 2017-18, there is a remarkable increase with an allocation of Rs35.6 billion in PSDP for higher education sector. The initiatives to provide access to higher education by establishing new and strengthening existing universities to cover all districts of Pakistan, providing scholarships and missing facilities in the campuses will be continued in this year.

Science and technology

During 2016-17, an allocation of Rs1,776.87 Million was made to Ministry of Science & Technology against 21 ongoing projects. Various scientific organisations were strengthened and scholarships were provided especially through Science Talent Farming Scheme to promote science education and research. For 2017-18, an amount of Rs2,428 million has been allocated to support the development projects of the scientific organisations and educational institutions working under the Ministry of Science & Technology.

Information and communication technology

During the last year, growth in telecommunication sector remained reasonable coupled with broadband services. The Plan lays emphasis on connectivity and projects such as Remote Sensing Satellite and Optical Fibre project which will help achieve strategic objectives of the sector. To tap the potential of IT sector, certain initiatives are being launched such as Software Technology Park in Islamabad along with multi-million industry support programme. ICTs for girls programme is aimed at spurring the socio economic uplift of girls through digital learning. Establishment of ICT Innovation Centres holds paramount importance for achieving socio-economic development. In this regard initiatives such as Financial Technology, Internet of Things and Robotics will be pursued on priority basis.

Transport and logistics

Size of the proposed investment for infrastructure projects has been increased from \$46 billion to \$54 billion under CPEC. An allocation of Rs403.78 billion has been made for T&L during 2017-18 showing an increase of 55.8 per cent over the previous year which is 40 per cent of the total PSDP. For Railway, against an allocation of Rs41.0 billion in the 2016-17 whereas an amount of Rs43 billion have been allocated in 2017-18. For Ports & Shipping, against an allocation of Rs11.58 billion in 2016-17, an allocation of Rs6.74 billion has been made in 2017-18. Under national roads & highways sub-sector (NHA), an allocation of Rs319.72 billion has been made in 2017-18 as against Rs188 billion in 2016-17. Under the aviation sub-sector, against an allocation of Rs3.25 billion was made in 2016-17 whereas Rs2.66 billion have been allocated in 2017-18 for the projects of Civil Aviation Authority and Airport Security Force. During the year, the Metro Bus project connecting New Islamabad International Airport (25.6 km) from already constructed Metro bus station at Peshawar Morr, Islamabad, was initiated in 2016-17 with completion in August, 2017 for operation.