



ANNUAL PLAN 1983-84

**ECONOMIC FRAMEWORK AND MAIN FEATURES OF
SECTORAL PROGRAMMES**

PLANNING COMMISSION, GOVERNMENT OF PAKISTAN

Islamabad, September, 1983

1950

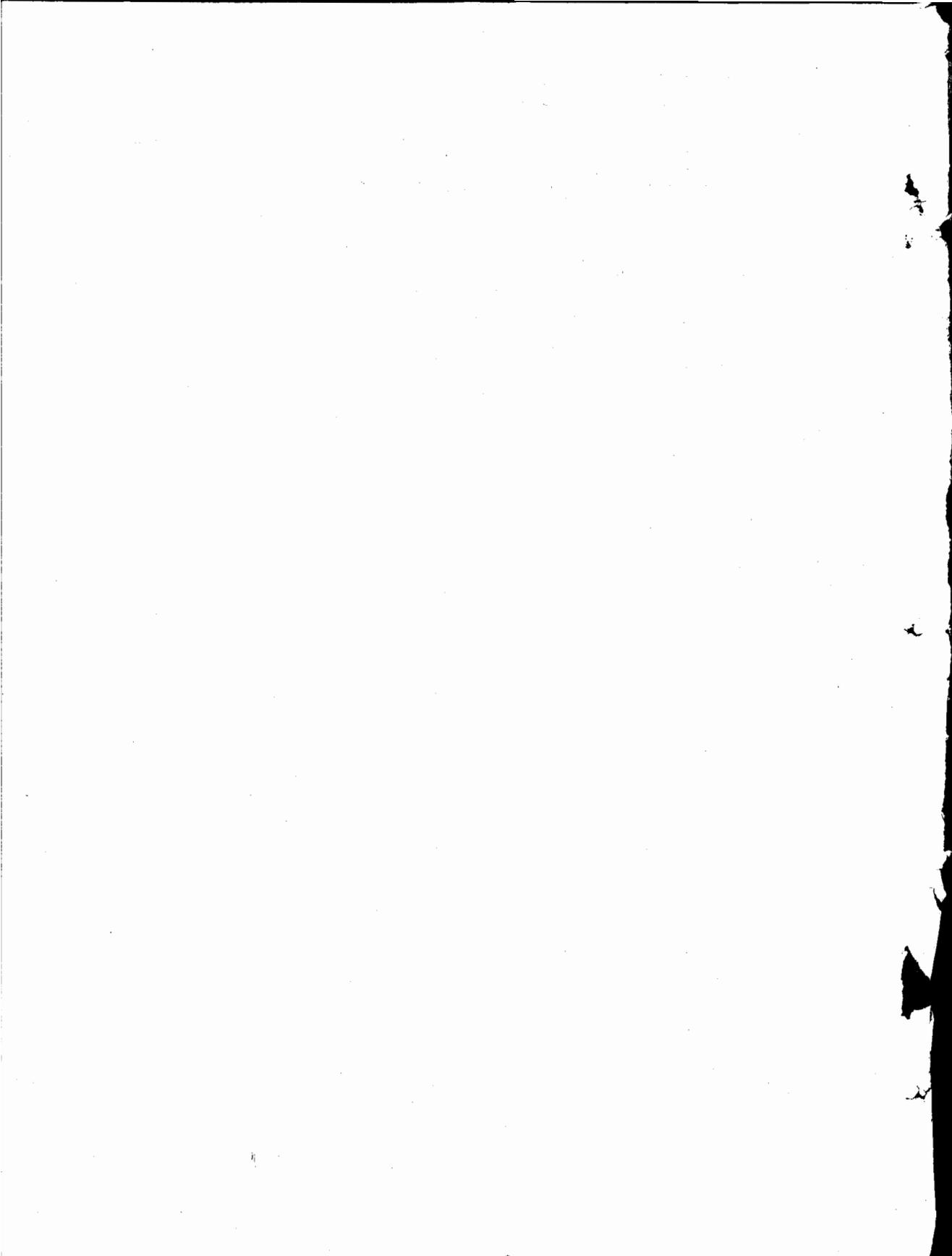
...

...

...

CONTENTS

	PAGES
1. Overall Economic Performance and Prospects	1
2. Public Sector Development Programme	45
3. Financing of Public Sector Development Programme	55
4. Private Investment and Financing	82
5. Main Features of Sectoral Programmes	81



CHAPTER I
OVERALL ECONOMIC PERFORMANCE AND PROSPECTS
OUTPUT, INVESTMENT AND SAVINGS

Review of 1982-83

The Annual Plan for 1982-83 envisaged a GDP growth rate of 6.3 per cent in real terms, the target for agriculture being 4.9 per cent and that for manufacturing sector 9.0 per cent. Gross fixed capital formation was projected to increase by 19.6 per cent in current prices and by about 10.8 per cent in real terms. Despite a strong resource mobilization effort, the size of the public sector development effort was considerably constrained as a consequence of unfavourable external environment. The investment programme was designed to prepare for the agenda of the Sixth Plan *i.e.* arresting and possibly reversing the decline in the ratio of public investment to GNP, and making bold and widespread advance in social progress and equitable regional development. The public savings which had risen substantially in the previous years were expected to continue to rise though at a modest pace. The export forecast was based on the assumption of some recovery in the world economy and a strong supply response stemming from movement in real effective exchange rate for imports. It was projected that exports would increase by 17.5 per cent and imports by 10.6 per cent in nominal prices, assuming import substitution in some cases.

2. The provisional estimates of national expenditure flows indicate a mixed performance. At macro level, the domestic production targets are likely to be substantially realised. GDP growth has again been broadbased with commodity producing sectors contributing 57.5 per cent of GDP growth. On the whole, it appears that the overall progress of the economy along the broad approach adopted for the Annual Plan was maintained. The latest indications are summarised below :

- (a) Against the Plan Target of 6.3 per cent, the GDP is expected to grow by 5.8 per cent with major deviation from the Plan Targets recorded in the output of Construction, Electricity and Gas, Public Admn and Defence Sectors.

- (b) In agriculture, an insignificant decrease in growth of major crops was counter balanced by the higher growth in livestock, fisheries and forestry products. The overall growth is expected to be around 4.8 per cent compared to the Plan Target of 4.9 per cent.
- (c) Industrial output is expected to be nearly on target. Major additions to capacity and output were realised in fertilizer, cement, and steel industries. Besides, improved performance in other industries, particularly of those in public sector, has made significant contribution to growth.
- (d) As a combined result of (b) and (c) above, about 50 per cent of GDP growth was contributed by the agricultural and manufacturing sectors.
- (e) Fixed investment is likely to fall short of Annual Plan Targets by over 8.5 per cent in nominal terms shared both by public and private sectors. However, because of a lower than projected increase in investment costs, the physical progress was affected by a smaller margin.
- (f) There was a significant decline in the inflow of foreign savings (Rs. 11.1 billion lower than the planned target). The ratio of foreign savings has correspondingly declined to 1.4 per cent of GNP against 4.3 per cent contemplated in the Annual Plan.
- (g) National savings improved significantly and are likely to be 14.1 per cent of the GNP as against the Plan Target of 12.6 per cent and 10.9 per cent in 1981-82. The marginal saving rate improved to 34.2 per cent against the target of 15.2 per cent. The domestic saving stood at 6.4 per cent of GDP against the target of 6.9 per cent.

3. The sector-wise achievements are discussed below :

4. *Agriculture*.—In agriculture, revised estimates place growth rate at around 4.8 per cent against the target of 4.9 per cent. While the major crops have recorded a lower growth rate of 5.0 per cent compared to the Plan Target of 5.7 per cent, the output of livestock, fishing and forestry together marginally exceeded the targets. However, the composition of growth rate was mixed. Whereas the output of rice and sugarcane fell short of target by 3.7 per cent and 4.4 per cent respectively, the output in respect of other major crops marginally exceeded Plan Target. On the minor crops front, the growth target was fully attained with pulses and oil seedst registering 54.4 per cent and 12.7 per cent growth respectively. Thus the agriculture sector as a whole contributed about 24 per cent to the GDP growth as against 23 per cent envisaged in the Plan.

5. The growth momentum was maintained due to adequate and timely availability of basic inputs and judicious pricing policies. The agricultural credit is estimated to increase from Rs. 5100 million in 1981-82 to Rs. 6050 million in 1982-83. On the other hand, the fertilizer off-take increased by about 10 per cent and the availability of water and tractors by about 5 per cent and 20 per cent respectively. During the year the productivity per hectare (at 1981-82 prices) increased from Rs. 2976 to Rs. 3090 or by about 3.8 per cent.

6. *Manufacturing.*—Next to agriculture the growth pattern of the economy is largely determined by the level and composition of output in the manufacturing sector. These two sectors contribute about half of the GDP and account for over 85 per cent of the commodities output, with 53 and 32 per cent share respectively.

7. The preliminary estimates for 1982-83 show that against the Plan Target of 9.0 per cent, value added in manufacturing sector has increased by 8.3 per cent. The lower growth in this sector is mainly attributed to the upward revision of base year estimate. The major increases were recorded in the output of urea (55.3%), synthetic yarn (25%), jute goods, bicycles, tractors and basic chemicals. Besides, partial production of Karachi Steel Mill, modest increases in the output of other items and overall improvements in the performance efficiency of existing industries made significant contribution to growth. As a result of steady and continuously consistent growth rate, the relative share of the manufacturing sector in GDP increased from 17.1 per cent in 1981-82 to 17.6 per cent in 1982-83 with about 27 per cent contribution to the incremental GDP.

8. *Services.*—Against 6.0 per cent increase in the output of commodity producing sectors, the services sectors grew by 5.6 per cent. The substantial shortfall from the targets and deviations from the past trends were recorded in the contribution of Construction, Public Administration and Defence Sectors, which may be attributed to the slow down in the construction activity on account of lowering of inflationary expectations and almost no expansion in the public administration and defence services due to economy measures taken to curtail the government consumption expenditure. Linked with the output of agriculture and manufacturing sectors, the value added in the Trade Sector grew by 10 per cent. The share of services in the incremental output, thus increased from 35 per cent as planned to 42.5 per cent.

Overall Assessment

9. The performance during the fiscal year 1982-83 on the whole has been encouraging. The overall availability of resources in nominal terms stood at 98.9 per cent of the Plan target. A major part of the increase emanated from net factor income from abroad which rose to Rs. 33.0 billion against the Plan Target of Rs. 24.00 billion. As a result, about 79 per cent of the short fall in the net external resource inflow was counter balanced by the excess receipt in the net factor income from abroad. Further to over 37.5 per cent excess receipt over the Plan Target in factor income from abroad, the GNP at Market prices exceeded the Plan Target by 1.7 per cent on the uses side, consumption expenditure remained on target while fixed investment fell short of the targets by 8.4 per cent in nominal terms. However, investment in real terms has been above the Plan projections. As a percentage of GNP, gross investment is now estimated at 15.5 per cent against the Plan projection of 16.9 per cent. Overall national savings are likely to exceed the plan target by Rs. 7.6 billion and would be 14.1 per cent of the GNP as against 12.6 per cent projected in the Plan. Against the plan target of 75 per cent, about 91.1 per cent of investment was financed from national savings. The marginal saving rate also improved from projected 15.2 per cent to about 34.3 per cent.

Annual Plan 1983-84

10. The year 1983-84 will be the first year of the Sixth Five Year Plan, the dimensions and policy imperatives of which will be partly reflected in the Annual Plan. However, the Annual Plan will first have to clear the backlog of the past so that the room for manoeuvre in accommodating new programmes and priorities will remain somewhat limited in the first year of the Sixth Plan.

11. For the year 1983-84, GDP is projected to grow at 6.4 per cent with commodity producing sectors of agriculture and manufacturing growing at 4.9 per cent and 9.3 per cent respectively. With the projected growth rate, about 17.3 per cent of the Sixth Plan growth target may be achieved. The growth rate assumed for 1983-84 in agriculture reflects recovery in the output of rice and sugarcane. The output of sugarcane is projected to increase by 7.5 per cent but still is lower than the level attained in 1981-82. Rice production is projected to increase by above 6 per cent. In view of the bumper wheat and cotton crops in the current year, increase during 1983-84 is being kept at around 4 per cent in both the crops. The production target in agriculture also reflects the policy shift of concentrating on high value crops. Compared to major crops growth of 4.8 per cent, the minor crops are forecast to increase by 5.5 per cent against 4.0 per cent during the current year. Commodity-wise details of estimated production during 1982-83 and targets for 1983-84 are shown in Annexure II. It would be seen that production of pulses, onions,

fruits and oil seeds (other than cotton seeds) is projected to increase by more than 10 per cent during 1983-84.

12. The projected growth of 9.3 per cent (Annexure-I) for the manufacturing assumes a moderate increase in overall production. The production targets assume some further recovery in the textile sector. Production of vegetable ghee, cement and fertilizer is forecast to record substantial gains though not as high as experienced during the current year. The additional capacity in cement, basic chemicals, vegetable ghee, transport equipment and better capacity utilization of steel mills, heavy engineering and automobile industries, are expected to make significant contribution to the overall industrial growth. In the electricity sector, the additional output is mainly expected from Tarbela units 7 and 8 each of 175 MW capacity.

13. The projections for 1983-84 provide for an increase of 6.4 per cent in GDP in constant prices and 13.3 per cent in current prices. The GNP in nominal terms is, however, projected to increase by 14.0 per cent. This is projected to be supplemented by over 89 per cent higher inflow of foreign resources. Overall resources therefore are projected to increase by 15.5 per cent. Consumption expenditure is projected to rise by 15.2 per cent and investment expenditure by 17.1 per cent. Against 20.7 per cent increase in fixed investment, the total investment is projected to increase by 17.1 per cent mainly due to 5.9 per cent decline in the changes in stocks. In view of the Govt. policy to develop a domestic free market in wheat and sugar through abolishing rationing system and about 15.0 per cent increase expected in the total exports including addition of urea and pig iron, the stocks of goods and raw material are expected to decline from the preceding year level. Assuming about 6.5 per cent increase in the investment price index, the fixed investment in real terms is expected to increase by 10.0 per cent.

14. As a percentage of GNP, the level of investment during 1983-84, is being maintained at the level of 15.9 per cent. The public sector investment is again being contained, but it will reflect the priorities outlined in the Sixth Five Year Plan with a slightly higher emphasis on energy and social sector development. Private sector, which has shown a distinct sign of recovery, is again expected to grow by 34.9 per cent in nominal terms and over 26.6 per cent in real terms.

15. The bulk of incremental investment will be financed from national savings which are expected to be 13.6 per cent of GNP. On the other hand, foreign savings are projected to increase from the previous year level of 1.4 per cent of GNP to 2.3 per cent. The external transaction account recorded a deficit of Rs 5.5 billion on current account compared with a deficit of Rs. 16.4 billion in the preceding year and Annual Plan Target of Rs. 16.9 billion. The shortfall from the Annual Plan Target is attributed to the improvement in the balance

of trade where exports increased by over 13.3 per cent (in dollar) compared to about 4.1 per cent decline in merchandise imports thus reducing the trade gap from 60 per cent in 1981-82 to 52 per cent in 1982-83. On the invisible transactions, the improvement was due to 19.4 per cent increase in receipts as against 4.6 per cent increase in payments. For 1983-84, the exports are forecast to increase by 15.0 per cent compared to 16.5 per cent increase in the merchandise imports. However, the overall receipts on external transactions account are forecast to increase by 11.6 per cent against 15.8 per cent increase in payments, in dollars. This together with 7.3 per cent depreciation expected in the exchange rate, will increase the current accounts deficit from Rs. 5.5 billion in 1982-83 to Rs. 10.4 billion or from 1.4 per cent of GNP to 2.3 per cent of GNP in 1983-84. The Macro-Economic Framework and Savings and Investment rates are shown in Annexure IV and V. The marginal rate of national savings implied by these estimates is about 15 per cent.

PUBLIC SECTOR RESOURCES

16. The Annual Plan for 1982-83 provided for public sector development expenditure of Rs. 39,862 million out of which a sum of Rs. 31,585 million pertain to the development expenditure to be implemented *via* the budget. The ADP was expected to be financed by Rs. 15,738 million of gross external resources of Rs. 15,847 million of domestic resources including an uncovered gap of Rs. 5656 million.

17. The position regarding availability of resources for financing the ADP substantially changed during the course of year. The inflow of foreign resources is estimated to fall short of original budget provision by Rs. 764 million. In spite of additional efforts made during the course of the year both to raise resources and rationalize prices, the domestic resources also fell short by Rs. 3101 million. The decrease in domestic resources resulted from major shortfall in customs, central excise and sales tax as well as increased non-development expenditure on debt servicing. In the case of net capital receipts, the debt re-scheduling of Rs. 1500 million provided in the original budget has not materialized. This however was offset by higher private savings transferred to government through various schemes. Accordingly, the revised ADP expenditure is estimated at Rs. 28255 million.

18. The Public Sector Development Programme for 1983-84 envisages an expenditure of Rs. 41,500 million as against the revised estimate of Rs. 38,200 million showing an increase of 8.6 per cent. This includes Rs. 1,000 million of foreign aid for Special Development Programme for Baluchistan and Federally Administered Tribal Areas, and Rs. 8,400 million to be incurred by Public Corporations outside the budgetary mechanism. The ADP of Rs. 31,100 million to be implemented *via* the budget is proposed to be financed from domestic resour-

ces to the extent of Rs. 14,324 million and the balance of Rs. 16,776 million from gross foreign resources. The detailed financing plan has been spelled out in Chapter III.

BALANCE OF PAYMENTS

An Overview

19. The balance of payments outcome for 1982-83 deviates considerably from that forecast initially in the Annual Plan. While the earlier estimates had projected a quick rebound to the strong export performance of FY77-81, it soon became apparent that such an outcome would be difficult to achieve: once again, adverse, exogenous developments were instrumental in bringing about a downward modification in attainable targets. The much-hoped-for-recovery in world economic activity which provided the underpinning for the initial forecast, failed to materialize; instead, another year of slow growth seemed inevitable. The volume of world trade which had fallen to an extremely low rate in 1981 showed signs of contracting further and, as a corollary to the weakening of demand, the prices of Pakistan's major exports continued to fall. Finally, high interest rates, debt servicing difficulties and low commodity prices were seen likely to force a further decline in the level of activity—and hence import demand—of developing countries and OPEC, previously a strong source of demand for our products.

20. Although the revised external trade and payments estimates for 1982-83 embody some downward adjustment in performance when compared to earlier estimates, they still imply an element of recovery and consolidation over the levels recorded a year ago. Indeed, 1982-83 will see a significant strengthening of the underlying balance of payments position. Gross export earnings are estimated to rise by about 10 per cent in value terms with volume growing by 12.6 per cent. On the other hand, import payments are anticipated to decline by 4.1 per cent (though volume is expected to rise marginally) reflecting stable world prices, the strong dollar, demand restraint effected through movements in the exchange rate and the impact of the powerful import substitution programme. These developments will result in a markedly lower trade deficit *vis-a-vis* that of the previous year. Worker's remittances, in response to favourable movements in the exchange rate, are expected to grow by an impressive 29.7 per cent to \$ 2886 million. The recovery in exports and the rapid expansion in remittance flows combined with the marginal reduction in import payments will mean that the current account deficit will fall sharply to an estimated \$ 433 million, a decline of some 73 per cent from the level of 1981-82 and equal to 1.4 per cent of GNP.

21. Net flows of long-term capital in 1982-83 are estimated to exceed the previous year's level by 53.5 per cent primarily as a result of the large increase in aid commitments over the past two years and a favourable shift towards quick-disbursing forms of assistance. IMF flows are also expected to rise significantly which, together with other capital flows, will permit a build-up of foreign exchange reserves by \$ 1147 million. By the end of 1982-83, total foreign exchange reserves will equal \$ 2,07 billion, the equivalent of 4.5 months of imports, fob.

22. The Government's current projections for 1983-84 are predicted on the assumption of a modest but decisive upturn in world economic activity, continuing rapid growth of the domestic economy and the full impact of the lagged effects of the exchange rate on export competitiveness. Accordingly, merchandize exports are forecast to grow by 8 per cent in volume terms ; unit export prices are predicted to recover from their present low levels by an amount sufficient to raise export revenues by 15 per cent. Reflecting the impact of further liberalisation and the requirements of faster growth in domestic investment and output, imports are projected to expand by 16.5 per cent with volume growing by 10 per cent. The growth of workers remittances, however, is expected to slow down perceptibly in response to expectations of a reduction in the levels of economic activity in the oil exporting countries. As a consequence, the current account deficit will rise significantly to a level of \$ 770 million in 1983-84, equivalent to 2.3 per cent of GNP.

23. On the capital account, it is expected that regular aid flows plus the final tranche from the IMF's EFF will more than offset the current account deficit and thereby permit a further \$ 558 million increase in Pakistan's foreign exchange reserves.

24. The following paragraphs provide a more complete description of the major components of trade and invisibles performance in 1982-83 and a discussion of the prospects for 1983-84.

Merchandise Exports

25. The Government's initial forecast for 1982-83 was based on some recovery in the world economy and a strong supply response stemming from domestic output growth and movements in the real export effective exchange rate. However, indications that the world recession was likely to persist led to a fairly substantial downward revision in these forecasts. Based on the provisional data for 1982-83, exports are now forecast to reach \$ 2701 million on C&F basis compared to an initial Plan target of \$ 2870 million. This implies an increase of

about 10 per cent over last year's export level with large volume increase (projected at 12.6 per cent) predicted to offset the adverse effect of weak prices on earnings (Table-I).

26. The somewhat restrained expansion in total export earnings in 1982-83 is explained by the disappointing performance of the category of 'major exports' compensated by the very impressive growth recorded by 'other exports'.

TABLE 1

Merchandise Exports

	(\$ Million)					
	1981-82	1982-83 (Plan Targets)	1982-83 (Prov. Act.)	1983-84 (Forecast)	Percentage Change (Col (3) over Col. (1)	Charge Col. (4) over Col. (3)
	1	2	3	4	5	6
Raw Cotton	269	350	306	361	13.8	18.0
Rice	391	410	289	386	-26.1	33.6
Cotton Yarn	194	210	258	225	33.0	-12.8
Cotton Cloth	280	310	271	271	-3.2	0.0
Carpets & Rugs	161	170	148	150	-8.1	1.4
Leather	108	120	93	95	-13.9	2.2
POL Products	194	154	64	33	-67.0	-48.4
Fish & Fish Preparations ..	76	85	69	85	-9.2	23.2
Major Exports	1673	1809	1498	1606	-10.5	7.2
Other Exports	792	1061	1203	1592	50.9	32.3
Gross Exports	2465	2870	2701	3198	9.6	18.4
Less Freight & Lags in Payments	-146	-50	-73	-176	-50.0	-
Net Exports	2319	2820	2628	3022	13.3	15.0

'Major Exports' are expected to decline by about 10 per cent in 1982-83 over the preceding year's level reflecting adverse demand and price developments in Pakistan's markets abroad. Rice export are expected to fall by close to 26 per cent primarily in response to weak prices (-22.9 per cent; this year's decline brings the cumulative reduction in rice prices to 30 per cent since the peak in 1980-81 and provides a striking illustration of the effects the world recession has had on primary product prices. Similarly, carpet and leather exports are also predicted to decline by 8.1 and 13.9 per cent respectively due

to depressed prices (—19.6 and +15.3 per cent). However, the volume of carpet exports is estimated to experience an improvement of about 18 per cent over last year, foreshadowing the end to the downward trend of the previous two years. POL export earnings will fall sharply (—67.0 per cent) due to large decrease in volume (—71.9 per cent), despite the substantial increase in price. The fall in exports in the case of POL, however, reflects rapidly diminishing export surpluses attendant to the increase in domestic requirements.

27. Raw cotton and yarn exports are the only two 'major export' commodities that are expected to witness a marked improvement in performance. Cotton exports are estimated to exceed last year's level in terms of (value 16 per cent and volume 10 per cent) with prices remaining relatively firm. The exports of yarn are expected to perform impressively despite weak prices; value is expected to be above last year's by 33 per cent largely as a consequence of large gains in volume (43 per cent). In 1982-83, yarn exports will reach record levels, exceeding by 36 per cent the previous peak of 100 million kgs. reached in 1980-81. Earnings from fish and fish preparations are estimated to record a significant decline.

28. An important sustaining factor in Pakistan export performance in 1982-83 has been the striking upsurge in the growth of 'other exports'. This represents a continuation of a trend that has been in evidence for the past three years. The results of a recent exercise show that 'other exports' expanded by a little over 50 per cent in dollar value and 37.2 per cent in volume; prices thus rose by 9.5 per cent. Growth has been especially noteworthy in the case of synthetic fabrics (a six-fold increase over the previous year*), bedsheet covers (222 per cent), canvas goods (40 per cent), fruits and vegetables (37 per cent), garments (37 per cent), napkins (32 per cent), sports goods (18 per cent), tobacco and products (13 per cent and residual items (40 per cent) which include exports of wheat, fertilizers, pig iron, coke, etc. What these data suggest is that Pakistan is gaining shares in markets for products where, despite the recession, demand continues to remain relatively buoyant and/or where these products enjoy a strong competitive price (and non-price) advantage. As a consequence, 'other exports' which comprised only 30 per cent of total earnings in 1977-78 now make up 47 per cent; the fast growth of earnings from this category has been an important offsetting factor to the disappointing performance of 'major exports'.

29. The Government's export forecasts for 1983-84 are based on three key assumptions: first, a continuation of the trend improvement in agriculture and manufacturing performance of the last four years; second, expectations of a modest but firm upturn in world economic activity and an improvement in

* These data should be treated with caution. There is evidence to support the view that a part of the increase in earnings is fictitious, arising from misuse of the system of rebates.

commodity prices and, usually, the cumulative impact of exchange rate adjustment and other export incentives on export competitiveness. Of these assumptions, the expectation of a recovery in world economic conditions is perhaps the most crucial. Nevertheless, there are now widespread indications that recovery is gathering pace. In the USA, led by consumers' and house builders' spending, and by companies rebuilding their stocks, real GNP is expected to grow by close to 3 per cent between the fourth quarter of 1982 and 1983; for all industrial countries, real GNP is forecast to rise by 1.5 per cent in 1983 following a decline of 0.3 per cent in the previous year. In the case of non-oil developing countries, the forecast growth is 2.5 per cent, up from 1.5 per cent in 1982; the combined current account deficit of these countries is projected to decline to less than \$ 70 billion, some \$ 40 billion lower than the peak year in 1981 and smaller in relation to exports of goods and services than the average for 1976-78. This should afford an opportunity for a resumption in import volume expansion. With growth of 2.5 per cent in the non-oil output of the oil exporting countries, the volume of world trade is expected to grow by 1 per cent in 1983, a modest increase by historical standards, but an important gain when set against the dramatic contraction of world trade in 1982.

30. Thus, the projected recovery in output and demand in the world economy is expected to bring an acceleration in export volume growth; together with a partial recovery in commodity prices—the US dollar index of 30 primary commodities has, following a prolonged downward trend, increased for the fifth consecutive month—this is expected to result in an upswing in merchandize exports of 15 per cent in value and 8 per cent in volume. Recovery is expected to be fairly broad—based with volumes and prices of almost all major exports predicted to increase. Rice exports will increase by about 35 per cent in value terms due to substantial gains in volume (20 per cent) and price (15 per cent). The market which bottomed out in late 1982-83 appears poised for an improvement. Cotton exports are also expected to rise now that the downward trend in volumes and prices has been reversed. Earnings from cotton are expected to increase by 18 per cent primarily due to an improvement in prices (16.8 per cent) following the decline in global cotton output and expectations of a strengthening in demand. Fish exports are expected to show significant gains in 1983-84 and possibly reach record levels with a projected increase of 23 per cent in value and 17.6 per cent in volume. Exports of yarn will show a decline over the record levels reached this year; the Government has recently revised downwards the rebate on yarn exports—from 12 per cent to 7.5 per cent—to restrain exports and ensure adequate supplies to domestic user-industries. In 1982-83, for example, exports of towels were affected by domestic shortages and high prices of yarn. Carpet and leather exports are projected to grow modestly. POL exports will continue to decline as export surpluses diminish.

31. In 1983-84, 'other exports' are again projected to grow sharply but at a less fast pace. The rebate on synthetic fabrics has been lowered to 18 per cent (from 35 per cent) and on synthetic garments from 32 to 15 per cent to limit the incidence of misuse of the incentive system while protecting the interests of genuine exporters. In the case of remaining items, it is expected that continuing domestic output growth along with the flexible management of the exchange rate and other incentive measures will provide the stimulus needed for sustained export performance. With world markets expected to grow in response to the revival in global economic activity, 'other exports' are projected to expand by 32 per cent in value and reach \$ 1592 million by the end of 1983-84.

Merchandise Imports

32. Import expenditures increased in the 1977-82 period at a decelerating rate such that in 1982-83 they are expected to witness a decline. The revised estimates for 1982-83 suggest a drop of 4.1 per cent in imports reflecting the success of a vigorous import substitution programme especially in wheat, fertilizers, cement, steel, etc., the effects of exchange rate adjustment and lower import prices.

TABLE II
Merchandise Imports

	(\$ million)					
	1981-82 (Actuals)	1982-83 (Plan Targets)	1982-83 (Estimates)	1983-84 (Targets)	Percentage change	
					1982-83 Col. (3) over Col. (1)	1983-84 Col. (4) over Col. (3)
(1)	(2)	(3)	(4)	(5)	(6)	
Wheat & Sugar	11	—	—	—	—	—
Edible Oil	245	276	188	281	-23.3	49.5
Fertilizer	105	138	171	121	62.8	-29.2
POL	1683	1612	1620	1524	-3.7	-5.9
Imports against Project Aid/ Equity	508	659	581	724	-1.4	44.5
Public Sector	250	235	213	315	-14.8	47.9
General Private Sector	2222	2525	2212	2722	+0.4	23.1
Others	1256	1290	1114	1345	+11.3	20.7
Total Imports (cif)	6280	6675	6019	7032	-4.1	16.8
Freight & Insurance	511	545	487	587	-4.7	20.5
Total Imports (f.o.b)	5769	6130	5532	6445	-4.1	16.5

POL import costs are expected to fall by 3.7 per cent in value terms for the first time since 1977-78 in response to demand management backed by strong conservation efforts and the recent drop in oil prices. The imports of edible oil will also decline significantly due to reduced volumes and lower world prices. Fertilizer imports will however rise significantly (62.8 per cent) as stocks were largely depleted last year. Nevertheless, total imports at \$ 171 million are still substantially below the \$ 357 million recorded in 1980-81 and reflect the magnitude of the import substitution effort. Project aided imports are estimated to decline by close to 1.4 per cent; private sector imports will roughly remain unchanged from the previous year's level.

33. According to present estimates, imports are expected to rise by 16.5 per cent in 1983-84 with volume growing by 10 per cent. Fertilizer imports will fall sharply following the rapid build-up of stocks this year. Imports of POL are also expected to decline in value terms as the decline in unit prices is expected to outweigh the projected rise in POL product imports. Similarly, low world prices for edible oil will help limit the impact of an increase in volume on import expenditures. Most of the projected increase in imports in 1983-84 will arise from the projected expansion in the imports of the Public Sector Imports under Project Aid and General Private Sector needs. The planned increase in the category of private sector imports reflects the continuation of the Government's liberalized policy with respect to imported inputs and technology, a restocking of inventories, larger machinery imports against cash due to an increase in the value limits for machinery items and a special provision of \$ 100 million to Bankers Equity Ltd. and National Development Finance Corporation to finance private investment in approved projects. Of these measures, the impact on imports of the recently announced Import Policy Order for 1983-84 is expected to be particularly significant. Among the important measures included in the Order are (i) a transition from a positive to a negative import list system (ii) a decision to place 122 new items on the importable list (iii) shifting an additional 15 items from the Tied List to the Free List, and (v) removing quantitative restrictions on 22 essential consumer items.

Current Invisibles

34. The surplus on current invisibles is estimated to increase by 34.0 per cent to \$ 2,471 million in 1982-83 (Table III). This is largely a reflection of the impressive growth in workers' remittances which are expected to reach \$ 2,885 million in 1982-83, an increase of 29.7 per cent over the previous year. Invisible

payments are forecast to rise by 1.0 per cent with interest payments increasing by 1.9 per cent.

TABLE III

Current Invisibles

	(\$ Million)			
	1981-82 (Actuals)	1982-83 Plan (Targets)	1982-83 (Revised Estimates)	1983-84 (Targets)
Receipts	3323	3530	3969	4342
Home Remittances	2224	2352	2886	3174
Freight, Other Transportation and Travel ..	552	616	606	642
Others	547	562	477	526
Payments	1483	1684	1498	1689
Freight, Other Transportation and Travel ..	782	876	786	896
Interest	416	416	424	450
Others	285	362	278	343

35. Current projections for 1983-84 indicate that Pakistan's surplus on current invisible will rise by 7.4 per cent largely on account of the deceleration in the growth of remittance flows. The 7 per cent nominal increase projected for 1983-84 incorporates the likely impact of the incipient slowdown in the level of economic activity in the oil exporting countries. Invisible payments are forecast to increase by 12.7 per cent with interest payments rising marginally.

Capital Account

36. The evolution of the capital account in 1982-83 has been marked by a number of favourable developments. Gross disbursements of official aid (excluding Refugee Assistance) rose by 23.1 per cent over the previous year largely on account of a 15.7 per cent increase in project aid flows. While disbursements under commodity assistance were somewhat below expectations on account of a shortfall in US assistance, this was partly compensated by rapid disbursements under Pakistan's first structural adjustment loan. With lower amortization payments, net aid flows rose by 87.8 per cent. Substantial increases in foreign-currency deposits were also recorded following the application of improved incentives to such deposits. When combined with the \$ 424 million tranche from the IMF's EFF and other capital flows, Pakistan's overall balance of payments recorded a surplus

of \$ 729 million compared with an earlier estimated deficit of about \$ 225 million and in sharp contrast to the \$ 580 million deficit in 1981-82. Total foreign exchange reserves rose by \$ 1147 million in 1982-83.

37. The Government expects that 1983-84 will mark another year of strength in the balance of payments. Despite the projected widening in the current account deficit to \$ 770 million, current estimates suggest that movements in the capital account will be more than sufficient to offset the deficit and permit a further accumulation of foreign exchange reserves. At \$ 1214 million, gross official aid flows (excluding Refugee Assistance) are projected to rise by 23.4 per cent, with project and non-project assistance expanding by an estimated 29.2 per cent and 13.9 per cent respectively, the latter reflecting disbursements from a proposed second structural adjustment loan and about \$ 90 million of US assistance already in the pipeline. With an estimated \$ 155 million from the final tranche of the EFF and other capital flows, Pakistan will once again be in a position to add to its reserves by \$ 558 million; thus, total foreign exchange reserves in 1983-84 are estimated to equal approximately 5 month's of imports fob.

38. Annexure VI provides a summary statement of developments in the major components of the balance of payments comparing actual performance with the Plan targets for 1982-83 and projections for 1983-84.

MONETARY POLICY AND CREDIT PLAN

Containment of inflationary pressures, tuning monetary expansion to economic growth and catering to credit needs of productive sectors remained the major objectives of monetary and credit policy for 1982-83. The Credit Plan approved by the National Credit Consultative Council placed the domestic credit expansion for 1982-83 at Rs. 21,931 million. Assuming a foreign exchange reserves drawdown of Rs. 4,380 million, the monetary expansion was placed at Rs. 17,551 million, an expansion of 15 per cent for the year. A review of the situation in January, 1983 led to a downward revision of domestic credit to Rs. 18,462 million. Monetary expansion was also revised downward to Rs. 15,211 million or 13 per cent. A sum of Rs. 6,700 million was projected for the government sector—Rs. 5,700 million for budgetary support and Rs. 1,000 million for commodity operations. The allocations for private sector were placed at Rs. 9,462 million while a sum of Rs. 3,800 million was projected

for public sector enterprises. A decline of Rs. 1,500 million was also estimated under other items. The original and revised projections are given below :

TABLE I
Original and Revised Credit Plan 1982-83

	(Million Rs.)	
	Original Credit Plan for 1982-83	Revised Credit Plan for 1982-83
1. Private Sector Including Foreign Currency Loans of ADBP & IDBP.	10,731	9,462
2. Public Sector Enterprises	5,500	3,800
3. Government Sector (Net)	6,700	6,700
(i) Commodity Operation	1,000	1,000
(ii) Budgetary Support	5,700	5,700
4. Other Items (Net) (Including Long Term Foreign Borrowings) ..	-1,000	-1,500
5. Total Domestic Credit Expansion	21,931	18,462
6. Foreign Assets (Net)	-4,380	-3,251
Total ..	17,551	15,211

2. The latest available data indicate that monetary assets which amounted to Rs. 116,510 million at the end of June, 1982 increased by Rs. 30,665 million up to the end of June, 1983 compared with an increase of Rs. 11,889 million during the same period last year.

3. The following table shows changes in monetary assets with causative factors of changes in monetary assets during July, 1981 to May, 1982 and July, 1982 to May, 1983.

TABLE II
Changes in Monetary Assets

	(Million Rs.)	
	July, 1982 to June, 1983	July, 1981 to June, 1982
1. Private Sector (Including Foreign Currency Loans of ADBP & IDBP).	10,898	8,986
2. Public Sector Enterprises	4,000	3,027
3. Government Sector (Net)	9,346	6,756
(i) Commodity Operation	3,566	1,959
(ii) Budgetary Support	6,124	5,519
(iii) Others	-344	178
4. Counterpart Funds and Other Items (Net) (Including Long Term Foreign Borrowings)	-4,487	-1,524
5. Foreign Assets (Net)	10,907	-5,356
Total ..	30,665	11,889

4. Expansion in monetary assets depicted in the above table is mainly the combined effect of expansionary forces of private Sector, Public Sector Enterprises, Government Sector, and Foreign Sector. At the same time, Counterpart Funds and other items exercised a contractionary impact on monetary assets. As is evident the increase in monetary assets was most significant in case of foreign Sector which expanded by Rs. 10,907 million.

5. The revised credit expansion in the private sector during 1982-83 was originally estimated at Rs. 10,731 million and Rs. 5,500 million was allocated to public sector enterprises. Subsequently in January, 1983, this ceiling was reduced to Rs. 13,262 million of which Rs. 9,462 million was earmarked for private sector and Rs. 3,800 million for public sector enterprises. The actual total expansion upto June, 1983 was Rs. 14,898 million ; Rs. 10,898 million in the private sector and Rs. 4,000 million in public sector enterprises.

6. The revised target limited credit expansion in the government sector to Rs. 6,700 million—Rs. 5,700 million for budgetary support and Rs. 1,000 million for commodity operation of the government. Actual credit expansion emanating from the government sector amounted to Rs. 9,346 million upto June, 1983 as against Rs. 6,756 million during the corresponding period last year. Out of this bank financing required for budgetary support amounted to Rs. 6,124 million as against Rs. 5,519 million during the corresponding period last year. Commercial borrowing for financing trading operation increased by Rs. 3,566 million during July, 1982 to June, 1983 compared with an increase of Rs. 1,059 million during the same period last year.

7. The foreign sector has exerted an expansionary impact of Rs. 10,907 million upto June, 1983 as compared with a decline of Rs. 5,356 million during the corresponding period last year. The original estimate for this sector was a contraction of Rs. 4,380 million which was later revised to a contraction of Rs. 3,251 million.

8. The component-wise break-up of monetary assets during July, 1982 to June, 1983 (Table III) shows that a large part of the increase in monetary assets was contributed by the time deposits which increased by Rs. 15,206 million and constituted 50 per cent of the total increase in monetary assets against Rs. 4,523 million during July, 1981 to June, 1982. The demand deposits went up by Rs. 7,402 million constituting 24 per cent of the total increase in monetary assets during July, 1982 to June, 1983 against increase of Rs. 4,433 million during the corresponding period last year. The currency in circulation increased by Rs. 8,114 million or 26 per cent of the total increase in monetary assets during July, 1982 to June, 1983 against Rs. 2,899 million during the corresponding period last year.

9. The component-wise break-up of increase in monetary assets during July, 1982 to June, 1983 is given in Table III.

TABLE III

Component-wise break-up of the Changes in Monetary Assets

		(Million Rs.)	
		July, 1982 to June, 1983	July, 1981 to June, 1982
1. Currency in Circulation	.. .. .	8,114	2,899
2. Demand Deposits	... ..	7,402	4,433
3. Time Deposits	.. .. .	15,206	4,523
4. Other Deposits	.. .. .	-57	34
Total ..		30,665	11,889

Monetary and Credit Expansion, 1983-84

10. Monetary assets during 1983-84 should be in line with the projected increase in GNP at current market prices. Monetary assets are likely to be around Rs. 137.50 billion by the end of June, 1983. Assuming an increase of over 15 per cent in monetary assets against 13 per cent in 1982-83, total expansion in the monetary assets would be Rs. 20.6 billion over the year and should permit credit expansion of Rs. 22.6 billion after making an adjustment for the likely draw-down of about 10 per cent in the foreign sector. The major part of credit availability would be earmarked for working capital and investment requirements of the private sector in Agriculture, Industry, Housing and Transport. Tentatively, public sector utilization of credit is being kept at Rs. 8.10 billion on the assumption that commodity stocks are not built up further beyond Rs. 14 billion of credit tied in them at present. In fact, efforts should be made to reduce the size of such stocks. Borrowing from the banking system has been reduced progressively over the years to keep it within the safe limits. With an anticipated overall rate of monetary expansion of 15 per cent in 1983-84 against 26 per cent in 1982-83, the public sector can easily make use of Rs. 8.10 billion for financing the ADP while fully meeting the credit requirements of the private sector. The amount being earmarked for Private Sector is Rs. 11.00 billion which is about 16 per cent higher than the amount allocated during the year 1982-83. A sum of Rs. 3.50 billion is being allocated to public sector enterprises. The proposed allocations are tentative and will be firmed up by the National Credit Consultative Council in accordance with the approved Annual Plan.

PRICE SITUATION

Inflation, measured by either of the price indices, namely Consumer Price Index, Wholesale Price Index and Sensitive Price Indicator slowed down considerably during 1982-83 as compared to the rate of inflation depicted last year, as indicated in Table I below.

TABLE I

Particulars	Consumer Price Index (202 items)	Wholesale Price Index (433 items)	Sensitive Price Index (38 commodities)
Annual Price change in June, 83/June, 82	6.3 (8.5)	4.1 (7.0)	6.8 (8.3)
Annual Price change based on 12 monthly average index	5.2	4.5	3.7
July, 82—June, 83			
July, 81—June, 82	(11.5)	(9.7)	(13.2)

Note :—Figures in parantheses represent price charges recorded during the corresponding period last year.

2. Increase in the consumer price index for the year 1982-83 aggregated to 5.2 per cent which was 54.8 per cent lower than the rate of 11.5 per cent reported for the corresponding period last year. This rise resulted mainly from the upward revision of the prices of petroleum products, gas, electricity, tea, wheat and rice and the impact of seasonal and wheather variations on the supply and marketing position of food items like fruits, vegetables and poultry etc.

3. About 73 per cent of the rise was contributed by the indices of food and Miscellaneous groups. Apparel, textile and footwears and housing and household operations groups generated the remaining 27 per cent of the general price rise indicated in Table II.

TABLE II

Group	Weight	Percentage Price increase during 1982-83	Percentage Contribution to the price rise
Food, Beverages and Tobacco	54.4	2.5	23.2
Apparel, Textile and Footwears	9.1	9.8	15.1
Housing and Household Operations	14.6	4.8	11.9
Miscellaneous	21.9	13.5	49.8

Wholesale Price Index

4. Wholesale prices showed more stability as compared to consumer prices. The wholesale price index of 72 commodities (433 items) rose by 4.5 per cent during 1982-83 as against a rate of 9.7 per cent during 1981-82. All the constituent sub-groups recorded increase with 89 per cent contribution by the food and manufactures groups.

TABLE II

Group	Weight	Percentage Price increase (1982-83)	Percentage Contribution to the price rise
Food	53.49	4.5	53.4
Raw Materials	13.16	1.2	3.4
Fuel, lighting and lubricants	5.71	6.2	7.9
Manufactures	27.64	5.8	35.3

Sensitive Price Indicator

5. The sensitive price indicator of 38 essential commodities rose by 3.7 per cent during the year 1982-83. The increase in 1981-82 was 13.2 per cent. Major price increases were recorded in case of wheat (A. Q.), eggs, tomatoes, gur, milk powder, tea, shoes and chappal gents. Moong pulse, gram pulse, potatoes, and red chillies registered price declines.

Price Stabilization Measures

6. Improvement in the price situation during 1982-83 resulted mainly from the following :—

- (i) Satisfactory growth took place in case of both main Agricultural and Industrial commodities like wheat, cotton, potatoes, onions, sugar and vegetable ghee etc. because of adoption of suitable measures during last few years by the Government.
- (ii) Efforts were made to contain public sector non-development expenditure, monetary expansion and deficit financing. These efforts were successful to a great extent.
- (iii) Essential commodities were provided on lower prices to the public through Ration Depots, Utility Stores, PASSCO and Juma Bazar scheme.
- (iv) A liberal import policy was followed to ease the tight marketing position of some essential commodities like tea, milk (powder), edible oil, cement and pulses.

- (v) Agricultural Marketing and Storage limited Co. which was set up last year by the Federal Cooperative Bank remained in operation throughout the year by undertaking competitive marketing of fruits, vegetables, milk and meat etc. This helped a lot in stabilizing price situation
- (vi) Spot checking and visits were carried out by the Administration in the markets to ensure stability in prices.

CONSUMPTION PLAN

Review of 1982-83

The availability of essential items, covered by the Consumption Plan, depicted a mixed trend during 1982-83. The *per capita* availability of rice, pulses, raw sugar and cloth declined while that of refined sugar, vegetable ghee and edible oil, milk and tea improved over the previous year. The position in case of wheat and meat remained almost stable. The overall *per capita* availability of these items declined by 0.9 per cent. Table-I below gives *per capita* availability and percentage change in case of ten consumption items during 1981-82 and 1982-83.

TABLE I

Per-Capita Availability of Essential Items of Consumption

Items	Unit	Per capita availability 1981-82 (Actual)	Per capita availability 1982-83 (Estimate)	change in 1982-83/1981-82 %
1. Wheat	Kgs/Annum	113.76	114.71	0.84
2. Rice	"	25.13	22.35	(-)-11.06
3. Pulses	"	6.02	5.47	(-)-9.14
4. Sugar Refined	"	11.24	13.94	24.02
5. Sugar Raw	"	19.48	16.96	(-)-12.94
6. Vegetable Ghee and Edible Oil	"	7.77	8.17	5.15
7. Milk	"	52.09	54.11	3.88
8. Meat	"	10.83	10.84	0.09
9. Tea	"	0.82	0.92	12.20
10. Cotton/Synthetic Cloth	Sq. meter/Annum	18.08	10.01	(-)-11.45

Weighted Growth Rate : (-)-0.9

2. Decrease in the production of foodgrains was mainly responsible for lower *per capita* availability of the foodgrain items. Wheat crop in 1982-83 was affected adversely by unprecedented rains all over the country. The production

of wheat is estimated at 11,000 thousand metric tons in the year against a target of 11,640 thousand metric tons. The production in 1981-82 was 11,473 thousand metric tons.

3. The production of rice fell down by 1.8 per cent in 1982-83 as compared to the previous year level. The level of domestic consumption deteriorated also due to larger procurement of rice by the Government for export purposes.

4. The decline in the *per capita* availability of pulses may be attributed to the low production due to heavy rains during 1981-82. To meet the pulses deficiency, imports were allowed but the quantity imported was not sufficient to help maintain the previous year's level of *per capita* availability.

5. *Per capita* availability of raw and refined sugar, if taken together, was 0.59 per cent higher than that of previous year level but taking separately, the *per capita* availability of raw sugar declined by 12.94 per cent whereas per head availability of refined sugar registered a substantial increase of 24.02 per cent as compared to the previous year level.

6. Due to more exports of cotton yarn and auxiliary items of cloth, cotton cloth's *per capita* availability experienced a visible decline of 16.10 per cent over the previous year, however, this decline was minimised with the availability of synthetic cloth to 11.45 per cent.

Annual Plan 1983-84

STRATEGY AND POLICIES

7. The Sixth Plan would lay special emphasis on the provision of basic needs of life like food, cloth, shelter, health and education to the masses. Supply of all basic consumer items would be carefully planned and the existing distribution system would be streamlined. Efforts would be made to improve the *per capita* availability of food items and to make them available at low prices to the public. The Consumption Plan conceived for 1983-84 has been formulated in the context of overall strategy of the Sixth Plan and would be the first step towards achieving the goals and objectives of the Sixth Five Year Plan.

8. In 1983-84, suitable policy measures would be taken to increase the production of essential consumer items. GDP would grow at 6.4 per cent with commodity producing sectors of Agriculture and Manufacturing at 4.9 and 9.3 per cent respectively. The growth rate assumed for Agriculture would reflect recovery in the output of rice and sugarcane. Production of pulses, onions and fruits and oil seeds other than cotton seeds is projected to increase by more than 10 per cent during 1983-84.

9. Steps would be taken during the year to strengthen price controlling machinery. The existing net work of Utility Stores, Fair Price Shops, Juma Bazars and PASSCO sale activities would be extended further. More markets will be set up in towns for the wholesale trade of fruits and vegetables.

10. The existing marketing system for essential commodities would be improved and their distribution would be streamlined to cater to the needs of the people. The operation of existing National Logistic Board and Agricultural Marketing and Storage Ltd., Co. would be streamlined to ensure adequate supply and speedy transportation of essential commodities in the country.

11. Liberal import policy would be followed to supplement or make available deficient essential commodities in the market to the public.

12. The system of providing productive incentives and support prices to the farmers in case of agricultural commodities would continue. Derationing of sugar would come into effect from 1st August, 1983 but suitable arrangements would be made to keep the price of sugar in the open market under control.

CONSUMPTION TARGETS

13. The overall *per capita* availability of the ten essential items included in the Consumption Plan is projected to increase by 4.9 per cent in 1983-84. Item-wise availabilities are given in Table II, below :

TABLE II

Per Capita Availability of Essential Items of Consumption

Items	Unit	Per capita availability 1982-83 (Estimates)	Per capita availability 1983-84 (Targets)	change in 1983-84/1982-83 (%)
1. Wheat	Kgs/annum	114.71	121.53	5.95
2. Rice	„	22.35	23.55	5.37
3. Pulses	„	5.47	5.96	8.96
4. Sugar Refined	„	13.94	15.60	11.91
5. Sugar Raw	„	16.96	18.06	6.49
6. Vegetable Ghee and Edible Oil	„	8.17	8.39	2.69
7. Milk	„	54.11	55.75	3.03
8. Meat	„	10.84	11.23	3.60
9. Tea	„	0.92	0.94	2.17
10. Cotton/Synthetic Cloth	S. meter/annum.	16.01	16.55	3.37

Weighted Growth rate : 4.9

14. The production of wheat is estimated at 12,270 thousand metric tons in 1983-84 which is higher by 11.54 per cent as compared to the previous year. *Per capita* availability of wheat would increase by 5.95 per cent from 114.71 Kg. in 1982-83 to 121.53 Kg. during the plan period. Increased domestic production of wheat would require more storage capacity in order to ensure uniform supply of wheat at all places throughout the year. Existing storage capacity will be increased during the plan period both in the private and public sectors.

15. The *per capita* availability of rice would increase from 22.35 Kg. in 1982-83 to 23.55 Kg. in 1983-84 showing an increase of 5.37 per cent. This would result from the net availability of 2,106 thousand metric tons in 1983-84 for domestic consumption as compared to its availability of 1942 thousand metric tons in 1982-83 (Annexure VII). To achieve appropriate increase in production, procurement prices of different varieties of rice will be enhanced.

16. Production of pulses has been following a downward trend for several years, but during 1982-83, due to favourable climatic conditions regular supply of water in canals, timely rains and higher prices in the market, the production of gram is expected to register an exemplary increase of 73.07 per cent over the previous year. Overall *per capita* availability of pulses would be better off to a great extent i.e. 8.96 per cent (Annexure VIII).

17. The production of refined sugar is projected to increase from 1,150 thousand metric tons in 1982-83 to 1,360 thousand metric tons in 1983-84 registering an increase of 18.2 per cent. As regards production of raw sugar, it is expected to increase by 9.52 per cent. The *per capita* availability of sugar, refined and raw, therefore, is estimated to go up from 30.90 Kg. in 1982-83 to 33.66 Kg. in 1983-84 (Annexure IX).

18. Since self-sufficiency has been attained in sugar, Government has decided to discontinue its rationing with effect from 1st August, 1983. However, in order to keep the price within reasonable bounds, imports could be allowed if needed as a remedial measure.

19. Domestic production of edible oil at 319 thousand metric tons supplemented with 640 thousand metric tons of imports would increase the *per capita* availability of ghee and oil from 8.17 Kg. in 1982-83 to 8.39 Kg. in 1983-84 showing an increase of 2.69 per cent (Annexure X).

20. The net domestic production of milk is estimated to increase from 7730 thousand metric tons in 1982-83 to 8,192 thousand metric tons in 1983-84 showing an increase of about 6 per cent. Imports of powder milk would also increase from 45 thousand metric tons in 1982-83 to 48 thousand metric tons in 1983-84. *Per capita* availability of milk would accordingly increase by 3.03 per cent from 54.1 Kg. in 1982-83 to 55.75 Kg. in 1983-84 (Annexure XI).

21. The production of meat including beef, mutton and poultry would increase from 942 thousand metric tons in 1982-83 to 1004 thousand metric tons in 1983-84 resulting in an increase in *per capita* availability of meat by 3.60 per cent (Annexure XI).

22. Import of tea would follow usual upward trend. It will go up to 84 million Kgs. in 1983-84 from 80 million Kgs. in 1982-83. With the increase in imports of tea, its *per capita* availability is likely to increase by 2.17 per cent in 1983-84 over 1982-83 (Annexure XI).

23. The *per capita* availability of cotton and synthetic cloth is anticipated to increase by 3.37 per cent from 16.01 sq. meter in 1982-83 to 16.55 sq. meter in 1983-84 (Annexure XII).

NUTRITION PLAN

Review of 1982-83

The over-all calorie-protein consumption during 1982-83 remained about the same over the year. Availability of all food items included in the Consumption Plan depicted a marginal increase except gram and meat with a slight shortfall. The protein and calorie consumption was about 58.33 grams and 2352 calories during 1982-83 as compared to 55.58 grams, 2254 calories respectively during the previous year.

2. The specific intervention programmes included in the Plan remained in progress. The study on aetiology of anaemia is in its completion stages, the feasibility study on Khewera Salt Iodization Plant has been completed during the Plan. A booklet of low cost recipes consisting of locally available foods, as motivational step for development of weaning foods, has been published for general use and for the purpose of educational campaign. Further steps are underway to launch Nutrition Education campaign and to strengthen existing Nutrition Education Programmes.

Programme for 1983-84

3. The Nutrition Plan would be geared to carry out the activities in order to meet the objectives of the Sixth Five Year Plan. On an average the intake of protein and calories available through essential consumption items is estimated at 59.00 grams and 2370 calories respectively during 1983-84 as given in Annexure. The projected protein and calorie availability is estimated at 108 per cent and 93 per cent respectively of National Recommended Dietary Allowances. Though this on an average depicts a satisfactory mean national nutrients availability position, the actual situation is not as comfortable due to inter and intrafamilial maldistribution and special inequalities in food availability

Indications are that the vulnerable groups i.e. infants, children, expectant and nursing mothers in general and of very poor in particular alongwith food deficit areas like rain-fed areas and far-flung regions of the country would require special policy measures in order to ameliorate the national/nutritional scenario.

4. The immediate objectives being to strengthen the steps taken to eliminate goitre, in the entire goitre endemic areas, to reduce iron deficiency anaemia, especially in the vulnerable groups, to reduce infant mortality, by decreasing Protein Energy Malnutrition (PEM), to improve quality and coverage of Nutrition Education both formal and non-formal.

5. In the light of the results of the feasibility study recently conducted further steps will be taken for installation of bigger plant, to supply iodized salt to entire area of goitre endemicity in N.W.F.P. and Punjab, covering about 20 million population.

6. After the completion of the study on the aetiology of amebiasis, its prevention will be pursued through a comprehensive programme to control the problem effectively through food fortification.

7. An amount of Rs. 8.6 million have been allocated in the development budget of 1983-84 for carrying out the priority Nutrition Programmes in addition to the on-going nutrition activities in the country.

GDP GROWTH RATES

(CONSTANT PRICES)

(Percentage increase)

Sectors	1981-82	1982-83		1983-84
		Targets	Estimates	Targets
A. Commodity Sector	6.12	7.1	6.00	7.1
1. Agriculture	3.30	4.9	4.82	4.9
(i) Major Crops	3.16	5.7	5.02	4.8
(ii) Minor Crops	3.34	4.0	4.00	5.5
(iii) Others	3.55	4.4	4.78	5.0
2. Manufacturing	11.87	9.0	8.31	9.3
(i) Large Scale	13.70	9.6	8.68	10.0
(ii) Small Scale	7.30	7.3	7.30	7.3
3. Mining and Quarrying	7.42	13.5	5.92	8.6
4. Construction	22.2	10.8	4.83	10.5
5. Electricity and Gas	4.65	11.1	6.58	9.0
B. Services Sector	5.41	5.3	5.61	5.5
1. Wholesale and Retail Trade	7.71	6.8	10.0	6.8
2. Transport and Communications	6.37	6.5	4.84	6.0
3. Public Admn and Defence	1.63	3.0	0.19	3.5
4. Others	5.57	4.9	5.61	5.01
GDP	5.63	6.3	5.83	6.4

PRODUCTION TARGETS AND ACHIEVEMENTS
AGRICULTURE SECTOR

Crops	Units	1981-82	Production				Annual Growth Rate (per cent)	
			1982-83		1983-84		1982-83	1983-84
			Targets	Estimates	Targets	Estimates		
Wheat	.. Mil. M.T.	11.00	12.20	12.27	13.00	11.5	5.9	
Rice	.. ..	3.40	3.50	3.37	3.57	(-0.9)	5.9
Maize	.. ..	0.93	0.98	1.00	1.05	7.5	5.0
Gram	.. ..	0.28	0.50	0.50	0.52	78.6	4.0
Sugarcane	- ..	36.58	35.00	33.47	35.00	(-8.5)	4.6	
Cotton	.. ..	0.748	0.816	0.816	0.850	9.1	7.4
	(Mill. Bales)	(4.40)	(4.80)	(4.84)	(5.20)			
Pulses	- "000" M.T.	179	203	217	242	21.2	11.5	
Potatoes	- ..	476	470	516	550	8.4	6.6	
Onions	- ..	452	470	475	530	5.1	11.6	
Fruits	.. ..	2590	2980	2680	2950	3.5	10.0
Vegetables	.. ..	667	1770	1730	1850	3.8	6.9
Oil Seeds Other than Cotton Seed	.. ..	279	360	364	437	30.5	20.0

**PRODUCTION TARGETS AND ACHIEVEMENTS
(LARGE SCALE MANUFACTURING)**

Items	Units	1981-82	1982-83		1983-84	Annual Growth Rate (Per cent)		
			Targets	Estimates	Targets	1982-83	1983-84	
Sugar	'000' M.T.	1,205	1,300	1,150	1,360	(-)	4.6	18.3
Vegetable Oil and Ghee	'000' M.T.	531	600	580	620	9.2		6.9
Cotton Yarn	Mill. Kg.	430	430	430	460	—		7.0
Cotton Cloth	Mill. Sq. Mt.	325	350	350	380	7.7		8.6
Polyster Yarn.	'000' M.T.	—	N.A.	20	25	—		25.0
Soda Ash	'000' M.T.	107	125	125	135	16.8		8.0
Paper and Board	„ „	105	100	115	121	9.5		5.2
Caustic Soda	„ „	41	47	50	60	21.9		20.0
Cement	„ „	3,657	4,250	4,160	4,600	13.8		10.6
M. S. Products.	„ „	551	630	630	650	14.3		3.2
Fertilizer (N).	„ „	730	932	932	1,008	27.7		8.1
Basic Steel and its Products.	„ „	—	—	250	700	—		180.0
Electric Fans	'000' Nos.	216	N.A.	225	235	4.2		4.4
Cycles	„ „	377	N.A.	390	405	3.4		3.8
Tractors	„ „	12.4	N.A.	23.0	28.0	85.5		21.7

MACRO-ECONOMIC FRAMEWORK
(AT CURRENT PRICES)

(Billion Rupees)

	1981-82	1982-83		1983-84 Projections	Annual Growth Rate (Percent)	
		Targets	Estimates		1982-83	1983-84
GDP (FC)	292.1	333.7	329.8	373.7	12.9	13.3
Indirect Taxes Less Subsidies	31.4	36.5	38.2	44.3	21.7	16.0
GDP (MP)	323.5	370.2	368.0	418.0	13.8	13.6
Net Factors Income	21.8	24.0	33.0	39.2	51.4	18.8
GNP at MP	345.3	394.2	401.0	457.2	16.1	14.0
Net Foreign Savings	16.4	16.9	5.5	10.4	(-)-66.5	89.1
Total Resources :	361.7	411.1	406.5	467.6	12.4	15.0
Total Consumption	307.8	344.6	344.4	394.9	11.9	14.7
Private	274.4	308.1	305.2	348.8	11.2	14.3
Public	33.4	36.5	39.2	46.1	17.4	17.6
Fixed Investment	46.9	58.5	53.6	64.7	14.3	14.7
(i) Private	16.5	20.5	19.5	26.3	18.2	34.9
(ii) Public	30.4	38.0	34.1	38.4	12.2	12.6
Changes in Stocks	7.0	8.0	8.5	8.0	21.4	(-)-5.9
Total Investment	53.9	66.5	62.1	72.7	15.2	17.1
Total Uses	361.7	411.1	406.5	467.6	12.4	15.0

SAVING AND INVESTMENT
(AS PER CENT OF GNP)

	1981-82	1982-83	1982-83	1983-84
		Targets	Estimates	Projection
Total Investment	15.6	16.9	15.5	15.9
Total Fixed Investment	13.6	14.8	13.4	14.2
Net Foreign Saving	4.7	4.3	1.4	2.3
National Saving	10.9	12.6	14.1	13.6
Domestic Saving/GDP	4.9	n.a.	6.4	5.6

SUMMARY BALANCE OF PAYMENTS

(\$ Million)

	1981-82 (Actuals)	1982-83 (Plan Targets)	1982-83 (Prov. Actuals)	1983-84 (Fore- cast)
A. Trade Balance	-3450	-3310	-2904	-3423
Exports (fob)	2319	2820	2628	3022
Imports (fob)	-5769	-6130	-5532	-6445
B. Invisible Balance	1840	1846	2471	2653
Payments	-1483	-1684	-1498	-1689
(of which : interest)	(-416)	(-446)	(-424)	(-450)
Receipts	3323	3530	3969	4342
(of which : workers remittances)	(2224)	(2352)	(2885)	(3174)
C. Current Account Balance	-1610	-1464	-433	-770
D. Capital Account	1375	1698	1580	1328
(a) Long-term capital (net)	746	1072	1145	1147
Gross Aid Inflows	1092	1410	1224	1487
Amortization	-492	-413	-407	-442
Other (including private long-term)	146	75	328	100
(b) Short-term and trade credits	26	27	-24	28
(c) IMF (net)	345	599	424	155
(d) Other capital inflows	258	—	35	—
E. Change in Reserves	235	-234	-1147	-558

PRODUCTION AND AVAILABILITY OF CEREAL FOOD GRAINS

(000 M. Tons)

Items	1981-82 (Actual)	1982-83 (Estimate)	1983-84 (Targets)
A. Wheat (May—April)			
1. Production*	11,473	11,000	12,270
2. Deduction @ 10% for seed, feed and wastage ..	1,147	1,100	1,227
3. Govt. Procurements	3,989	3,131	3,600
4. Imports	(136)	—	—
5. Exports	—	(75)	(130)
6. Available with private sector	6337	6769	7443
7. Off-Take from Govt. Stocks	3305**	3199**	3425**
8. Net availability	9642	9968	10,868
9. Population (Million)	(84.76)	(86.90)	(89.43)
10. Per capita availability (Kgs/Annum)	113.76	114.71	121.53
B. Rice (July—June) :			
1. Production	3430	3369	3570
2. Deduction @ 6% for seed and wastage ..	206	202	214
3. Govt. Procurement	1094	1225	1250
4. Exports	(951)	(925)	(1100)
5. Availability for Domestic Consumption ..	2130	1942	2106
6. Per Capita Availability (Kgs/Annum) ..	25.13	22.35	23.55
PER CAPITA AVAILABILITIES OF FOODGRAINS (Kgs/Annum)			
1. Wheat	113.76	114.71	121.53
2. Rice	25.13	22.35	23.55
3. Maize	9.29	9.68	9.86
4. Other Foodgrains	6.54	6.62	6.57
Total ..	154.72	153.36	161.51

* One year lag has been taken between Production and Consumption.

** Includes wheat released from Govt. stocks for the stabilization of prices of wheat/atta in the open market which stands at 5.3 thousand tonnes in 1981-82, 400 thousand tonnes in 1982-83 and 325 thousand tonnes in 1983-84.

PRODUCTION AND AVAILABILITY OF PULSES
(JULY—JUNE)

(000 M. Tons)

Items	1981-82 (Actual)	1982-83 (Estimate)	1983-84 (Targets)
1. Production			
(i) Gram*	337	286	495
(ii) Other Pulses	179	215	215
2. Deduction for seed, feed and wastage :			
(i) Gram @ 31 %	104	89	153
(ii) Other Pulses @ 11 %	20	24	24
3. Imports	118	87	—
4. Net Availability of gram and other pulses	510	475	533
5. Per Capita availability (Kgs/annum)	6.02	5.47	5.96

* One year lag has been taken between production and consumption.

**PRODUCTION AND AVAILABILITY OF SUGAR
(DECEMBER—NOVEMBER)**

(000 M. Tons)

Items	1981-82 (Actual)	1982-83 (Estimate)	1983-84 (Target)
A. Sugarcane :			
1. Production	36,580	32,071	35,000
2. Deduction for Seed, Feed and Wastage @ 10%	3,658	3,207	3,500
3. Crushed by Mill Sector	14,577	12,488	13,560
4. Available for Raw Sugar	18,345	16,376	17,940
B. Refined Sugar :			
1. Opening Stocks	71	418	310
2. Production	1,300	1,150	1,360
3. Export	—	47	60
4. Closing Stocks	418	310	215
5. Net Availability for Consumption	953	1,211	1,395
6. Per Capita availability (Kgs/Annum)	11.24	13.94	15.60
C. Raw Sugar ;			
1. Production @ 10% recovery.. .. .	1,835	1,638	1,794
2. Deduction for Animal feed @ 10%	184	164	179
3. Net availability	1,651	1,474	1,615
4. Per Capita availability (Kgs/Annum)	19.48	16.96	18.06
5. Total per capita availability of Raw and Refined Sugar (Kgs/Annum)	30.72	30.90	33.66

Annexure X

PRODUCTION AND AVAILABILITY OF EDIBLE OIL AND VANASPATI
(JULY—JUNE)

(000 M. Tons)

Items	1981-82 (Actual)	1982-83 (Estimate)	1983-84 (Targets)
I. Edible Oil Availability :			
1. Opening stocks	60	180	258
2. Production	260	301	319
(i) from cotton seeds	151	165	178
(ii) from other seeds	109	136	141
3. Imports	624	630	640
4. Total availability	944	1,111	1,217
II. Uses :			
1. Industrial use	59	75	75
2. Direct consumption and refined poly unsaturat- ed oil	95	130	131
3. Required for Vanaspati	610 (531)	648 (580)	670 (620)
4. Closing stocks	180	258	341
5. Total Use	944	1,111	1,217
III. Per Capita Availability :			
1. Vegetable ghee (Kgs/Annum)	6.65	6.67	6.93
2. Refined including direct consumption (Kgs/ Annum)	1.12	1.50	1.46
3. Total per capita availability (Kgs/Annum)	6.77	8.17	8.39

PRODUCTION AND AVAILABILITY OF MILK, MEAT AND TEA
(JULY—JUNE)

(000 M. Tons)

Items	1981-82 (Actual)	1982-83 (Estimate)	1983-84 (Targets)
A. Milk :			
1. Production (Net)	7,609	7,730	8,192
2. Per Capita Production (Kgs/Annum)	89.77	87.57	90.31
3. 55% consumed as fresh milk	4,185	4,252	4,506
4. Dry Milk Import*	230	450	480
5. Net Availability	4,415	4,702	4,986
6. Per capita availability (Kgs/Annum)	52.09	54.11	55.75
B. Meat :			
1. Total Production**	918	942	1,004
2. Per capita availability (Kgs/Annum)	10.83	10.84	11.23
C. Tea :			
1. Imports (Million Kgs)	62.45	80.00	84.00
2. Per capita availability (Kgs/Annum)	0.82	0.92	0.94

* One ton of imported dry milk—Ten tons of liquid fresh milk.

** Include beef, mutton and Poultry meat.

AVAILABILITY OF CLOTH
(JULY—JUNE)

Items	1981-82 (Actual)	1982-83 (Estimate)	1983-84 (Targets)
A. Yarn (Million Kgs)			
1. Opening Stocks	25	25	15
2. Production	430	430	460
3. Required for Hosiery etc.	16	17	19
4. Export of Yarn	96	127	127
5. Consumed by mill sector	46	50	54
6. Closing stocks	25	15	15
7. Availability for non-mill sector	272	246	260
B. Cotton Cloth : (Million Sq. Meter) :			
1. Opening stocks	35	41	30
2. Total Production	2,229	2,072	2,200
(i) Mill Sector*	325	350	380
(ii) Non-mill sector*	1,904	1,722	1,820
3. Export of Cloth	584	550	580
4. Required for Export of bags, towels, tents, ready-made garments etc.	496	550	600
5. Closing stocks	41	30	25
6. Availability for domestic consumption	1,143	983	1,025
7. Per capita availability (Sq. meter/Annum)	13.48	11.31	11.46
C. Synthetic Cloth (Million Sq. Meter)			
1. Production	402	450	500
2. Exports	12	42	45
3. Net Availability	390	408	455
4. Per Capita availability	4.60	4.70	5.09
5. Total Cloth (Cotton and Synthetic) per Capita availability (Sq. M/Annum)	18.08	16.01	16.55

* One Kg of yarn = 7 Sq. meter of Cloth.

CALORIC/PROTEIN VALUE OF CONSUMPTION LEVEL (PER CAPITA/PER DAY)

Items	1981-82			1982-83			1983-84		
	Qty. consumed per person (Grams)	Calories	Protein (Grams)	Qty. consumed per person (Grams)	Calories	Protein (Grams)	Qty. consumed per person (Grams)	Calories	Protein (Grams)
TOTAL CEREALS									
Wheat	412.10	1462	40.92	434.15	1540	43.12	442.50	1570	44.07
Rice	304.38	1078	31.96	321.00	1136	33.71	332.96	1179	34.96
Maize	64.11	226	4.81	67.32	238	5.05	64.52	228	4.84
Other Cereals	24.60	89	2.34	25.97	94	2.47	27.01	98	2.56
	19.01	69	1.81	19.86	72	1.89	18.00	65	1.71
PULSES									
Gram	16.68	58	3.60	17.85	62	3.91	16.33	59	3.45
Others	7.66	28	1.53	6.53	24	1.31	10.47	39	2.10
	9.02	30	2.07	11.32	38	2.60	5.86	20	1.35
SUGAR									
Raw	99.89	365	—	100.59	368	—	92.24	341	—
Refined	60.30	212	—	59.59	209	—	49.50	191	—
	39.59	153	—	41.00	159	—	42.74	150	—
FATS AND OILS									
Vegetable Ghee	21.23	190	—	22.00	196	—	23.00	207	—
Refined Oil	18.16	162	—	18.90	168	—	19.00	171	—
	3.07	28	—	3.10	28	—	4.00	36	—
MEAT									
Beef	29.67	65	5.41	30.60	67	5.57	30.70	67	5.58
Mutton	12.54	30	2.35	12.39	200	2.32	12.40	30	2.32
Poultry	15.19	32	2.69	16.05	34	2.84	16.10	34	2.84
	1.94	3	0.37	2.16	3	0.41	2.17	3	0.41
MILK									
	146.58	114	5.65	148.66	119	5.73	152.74	126	5.90
Total	—	2254	55.58	—	2352	58.33	—	2370	59.00

CHAPTER 2

PUBLIC SECTOR DEVELOPMENT PROGRAMME

Review of 1982-83

The public sector development programme for 1982-83 envisaged an outlay of Rs. 39,862 million out of which Rs. 31,585 million was to be financed from the normal budgetary resources, Rs. 1,010 million of foreign aid for special development plan for Baluchistan and priority sectors programmes and Rs. 7,267 million from sources outside the Annual Development Programme through the Credit Budget, foreign loans, equity and savings by the public sector corporations/agencies. According to the latest information, implementation of the ADP during 1982-83 has been of the order of Rs. 28,255 million or 89.5 per cent of the budgeted ADP of Rs. 31,585 million. The shortfall of 10.5 per cent on this count is due mainly to less than expected availability of foreign project aid—a shortfall of Rs. 1,050 million in project aid is estimated during 1982-83. However, the investment programme of the various public sector corporations which is financed from non-budgetary sources is likely to be implemented at Rs. 7,500 million or 103.2 per cent of the original plan of Rs. 7,267 million. The allocations and utilization for the national ADP and the investment programme outside ADP for 1982-83 alongwith their likely implementation are summarised in Table 1 below.

TABLE 1

Implementation of Public Sector Development Programme, 1982-83

		(Million Rupees)		
		ADP 1982-83		Percentage
		Allocation	Utilization	Implementation
		1	2	3
A. Federal Government	.. .. .	24,365.0	21,479.4	88.2
B. Provinces	.. .. .	6,520.0	6,125.6	94.0
1. Punjab	.. .. .	3,542.0	3,193.0	90.1
2. Sind	.. .. .	1,303.0	1,302.3	99.9
3. N.W.F.P.	.. .. .	1,092.0	1,089.0	99.7
4. Baluchistan	.. .. .	583.0	541.3	92.8
C. Special Priority Sector Programme	.. .. .	500.0	500.0	100.0
D. Spl. Dev. Plan for Baluchistan and Tribal Areas of N.W.F.P.	.. .. .	200.0	150.0	75.0
	Total ADP	31,585.0	28,255.0	89.5
E. Foreign aid for Special Development Programme	.. .. .	1,910.0	600.0	59.4
F. Outside ADP	.. .. .	7,267.0	7,500.0	103.2
	Total (PSDP)	39,862.0	36,355.0	91.2

ANNUAL DEVELOPMENT PROGRAMME FOR 1983-84

2. The Annual Development Programme for 1983-84 has been formulated with the objective of making a serious beginning towards the implementation of the Sixth Plan. The year 1983-84 being first year of the Plan reflects the development strategy and priorities envisaged in the Sixth Plan. However, the full impact of the Sixth Plan priorities cannot be reflected just in the first year of the Plan since some of the Fifth Plan programmes like Steel Mills and Fertilizer Subsidy will taper off only slowly thereby releasing much needed financial resources to accommodate the essential requirements of other sectors.

Basic Strategy for 1983-84 ADP

3. The basic strategy for the annual development programme 1983-84 will be :

- (a) shift in development priorities towards Sixth Plan goals by emphasizing energy development and other physical infrastructure, a major agricultural break-through accompanied by massive rural development, and a decisive acceleration in social sectors ;
- (b) a selective shedding of Government's financial burdens to relieve the pressure on limited public resources, particularly by reducing fertilizer subsidy, restricting the role of public sector in future industrialization, and associating private sector in building physical and social infrastructure ; and
- (c) introducing some policy changes to continue the process towards decentralization of development functions and deregulation of the economy.

4. To implement the above strategy within the resource constraint Annual Development Programme for 1983-84 has been fixed at Rs. 31.1 billion which represents an increase of 9.9 per cent over the estimated implementation of Rs. 28.3 billion in 1982-83.

5. The ADP of Rs. 31.1 billion comprises the following :

	<i>(Rs. Billion)</i>
(a) Federal ADP	23.9
(b) Special provision for Karachi Water Supply and Sports Stadia ..	0.1
(c) Provincial ADP	6.9
(b) Govt. Contribution to Special Development Plan for Baluchistan and Tribal Areas of NWFP	0.2
Total ..	31.1

6. The distribution of the programme between Federal and Provincial ADPs flows from the priorities adopted in the Sixth Plan and reflected in 1983-84. The 1983-84 ADP will continue the process of gradual decentralization of development functions. The share of the Provincial ADPs will rise to 22.2 per cent in 1983-84 compared to 21.5 per cent in 1982-83 because of the major acceleration in Education, Health, Agriculture and other sectors which fall primarily under provincial jurisdiction. (The sector-wise details of the Federal and Provincial Programmes are given in Annexure I, II & III).

7. In addition to the above allocations, provisions have also been made for external assistance for SDP for Baluchistan and programmes for energy development outside ADP. Thus if the total size of the Public Sector Development Programme for 1983-84 including Outside ADP is taken into account, it will be Rs. 41.5 billion compared to Rs. 36.4 billion in 1982-83, thereby showing an increase of 14.0 per cent. This programme of Rs. 41.5 billion is summarised below :—

TABLE 2
Public Sector Development Programme, 1983-84

		(Rs. Billion)		
		1982-83 (Estimated Implementa- tion)	1983-84 (Budget)	Percentage Increase
1.	ADP	28.3	31.0	8.4
2.	Special provision for Karachi Water Supply and Sport Stadia	—	0.1	—
3.	Special Development Programme (SDP) for Baluchistan and FATA *	0.6	1.0	66.7
4.	Public Corporations	7.5	8.4	12.0
5.	Programmes for energy development outside ADP**		1.0	
Total ..		36.4	41.5	14.0

* Representing external assistance for SDP not reflected in the ADP.

** On the assumption of mobilisation of additional external assistance and commercial credits.

Sectoral Programmes and Priorities

8. In line with Sixth Plan strategy the Public Sector Programme for 1983-84 has initiated the process bringing about the desired structural shift in the pattern of investment by increasing the shares of agriculture, energy and social sectors in

the national ADP as indicated in the following table: (Details are given in Annexure IV).

TABLE 3
Sectoral shares in National ADP
(Percentage)

Sector	1987-83 Revised Estimates	1983-84 Allocation
1. Agriculture, Water and Rural Development (Fertilizer Subsidy)	34.0 (6.6)	32.5 (5.4)
2. Industry and Minerals (Steel Mills)	10.7 (8.8)	8.1 (5.9)
3. Energy (Excluding Village Electrification)	20.0	21.5
4. Transport and Communications	17.0	15.2
5. Physical Planning and Housing	7.2	8.7
6. Education and Manpower	5.4	6.3
7. Health	3.7	5.0
8. Others	2.0	2.7
Total ..	100.0	100.0

9. The major emphasis in the public sector development programme is on the building of physical infrastructure, particularly on energy development. The fuel and power programme is expected to be about Rs. 2 billion more in 1983-84 compared to 1982-83. In addition, the Government is exploring the possibility of mobilizing additional external assistance or commercial credits for installing gas turbines to be operated on crude or furnace oil to relieve at least part of the energy shortage in the next two years. Similarly, negotiations are also being conducted for additional external credit for the procurement of rigs for Oil and Gas Development Corporation and for other investments needed to accelerate oil and gas development and exploration. The energy development programme is being pursued on a high priority basis and no effort would be spared to obtain an early relief in the situation. The physical targets in the energy sector include; additional generation capacity of 225 MW, additional crude oil production of 1,112 barrels per day, additional gas production of 30 BCF, additional rural electrification of about 3,000 villages and additional 312,000 consumers to get electricity conceptions during 1983-84 by WAPDA.

10. In agriculture, the major programmes will include the construction of 0.384 million additional storage capacity to provide adequate storage for our emerging agricultural surpluses. Agricultural research programmes, particularly

in oil seeds, and programmes to emphasize high value crops and agricultural activities like fruits, vegetables, livestock, poultry, fisheries and forestry would get greater emphasis. The agricultural programme will be backed by a major increase in rural services, particularly village electrification, farm to market roads, clean water, education and health.

11. A major increase is also planned in the allocations for education and health which together are projected to increase by 35 per cent between 1982-83 and 1983-84. The physical targets in these sectors include: opening of additional 5005 primary schools and upgradation of 430 primary and 282 middle schools; a new drive for adult literacy (primarily through non-formal channels) to spread literacy to additional one million adult population in 1983-84, accelerated completion of the campuses of various universities which have been languishing for a long time; accelerated completion of Bolan Medical College, Ayub Medical College, Islamabad Hospital and Children Hospital in Islamabad; construction of 407 new basic health units and 34 new rural health centres and continuation of the principal focus of health programme on primary health care. The targets in primary health care include 8.65 million new children's immunization, 13,763 additional dai training, 10.2 million packets of oral rehydration salts; targetted programmes for 0.1 million malnourished children; and new programmes to look after 5,000 handicapped children.

12. Provision is also being made for high priority programmes in other sectors, including the completion of Pakistan Steel Mill, adequate fertilizer subsidy, transport and communication infrastructure, mineral development (particularly exploitation of coal reserves in Lakhra and Duki), and essential programmes in all other sectors of the economy.

Public Corporations Programme

13. In order to conserve the public sector budget resources for the most essential development needs, a major expansion is planned in the programmes of public corporations on the basis of self-financing as well as a large increase in private investment. The public corporations are being asked to undertake more capital formation and to finance an increasing proportion of their future development out of self-generated resources.

14. The investment Plan of the public sector corporation envisages a programme of Rs. 8.4 Billion for 1983-84 against an estimated implementation of Rs. 7.5 billion during 1982-83. The investment plan includes self-financing to the tune of Rs. 3,270 million, foreign credits (not provided through the budget) of Rs. 1,573 million and domestic credits from the banking system of Rs. 3,557 million.

15. The programme of Rs. 8.4 billion for 1983-84 includes various projects|programmes of autonomous and semi-autonomous agencies in the field of power, fuels, industry, minerals, transport and housing. A statement showing semi-public investment programme for 1983-84 and its financing in respect of various semi-autonomous organizations is given in Annexure V.

PUBLIC SECTOR DEVELOPMENT PROGRAMME 1983-84

(Million Rupees)

S- No.	Sector	Federal ADP	Provincial ADP	Total ADP (Col. 3+4)
1	2	3	4	5
I. Normal ADP :				
A. Production :				
1.	Agriculture	583.680	697.664	1281.344
2.	Subsidy on Fertilizer	1720.000	—	1720.000
3.	Industry	2152.403	107.661	2260.064
4.	Minerals	219.571	35.128	254.699
B. Infrastructure :				
5.	Water	2890.814	969.185	3859.999
6.	Power	6049.890	43.819	6093.709
7.	Fuels	2038.087	0.500	2038.587
8.	Transport and Communications	4620.515	790.990	5411.505
9.	Physical Planning and Housing	931.542	1785.661	2717.203
10.	Mass Media	158.196	—	158.196
11.	Rural Development	71.493	1020.411	1091.904
12.	Science and Technology (All Sectors)	472.538	101.745	574.283
C. Social Development and Human Resources :				
13.	Education and Manpower	941.445	1047.808	1989.253
14.	Culture and Sports	175.804	9.399	185.143
15.	Health	792.576	818.207	1610.783
16.	Special Development Programme for Women	51.600	—	51.600
17.	Social Welfare	53.123	37.100	90.223
18.	Population Welfare	262.625	—	262.625
19.	Misc./Block Allocation	6.450	100.800	107.250
	Total (Gross)	24192.352	7566.018	31758.370
	Less (Shortfall)	192.352	666.018	858.370
	Total ADP (Net)	24000.000	6900.000	30900.000
II. Contribution for Special Development Plan :				
1.	Baluchistan	172.000	—	172.000
2.	FATA	50.000	—	50.000
	Grand Total	24222.000	6900.000	31122.000

PROVINCIAL ADPs BY SECTORS 1983-84

(Million Rupees)

Sl No.	Sector	Punjab	Sind	NWFP	Baluchis- tan	Total
1.	Agriculture	440.217	126.315	93.042	147.247	806.821
2.	Industry	96.234	6.080	17.071	39.276	108.661
3.	Minerals	3.766	3.000	22.407	7.357	36.530
4.	Water	521.104	140.950	175.108	117.346	954.508
5.	Power	41.079	—	2.740	—	43.819
6.	Fuels	—	—	0.500	—	0.500
7.	Transport and Communications ..	272.000	298.083	152.939	69.968	792.990
8.	Physical Planning and Housing ..	944.800	523.500	205.877	112.147	1786.324
9.	Education and Manpower ..	534.900	171.536	250.436	92.836	1049.708
10.	Culture and Sports	4.000	1.756	0.400	3.183	9.339
11.	Health	488.900	124.280	162.069	43a258	818.507
12.	Social Welfare	22.500	3.900	7.700	3.000	37.100
13.	Rural Development	845.000	47.000	86.211	42.200	1020.411
14.	Misc./Block Allocation	55.500	3.000	—	42.300	106.800
	Total (Gross)	4220.000	1449.400	1176.500	720.118	7566.018
	Less (Shortfall)	620.000	—	—	46.018	666.018
	Total (Net)	3600.000	1449.400	1176.500	674.100	6900.000

PUBLIC SECTOR DEVELOPMENT PROGRAMME 1983-84

(SUMMARY)

(Million Rupees)

S.No.	Sector	Federal					Provincial					Total	
		ADP other than S&T/R&D	Science and Tech./R&D	Total	ADP other than S&T/R&D	Science and Tech./R&D	Total	ADP other than S&T/R&D	Science and Tech./R&D	Total	ADP other than S&T/R&D	Science and Tech./R&D	Total
1	2	3	4	5	6	7	8	9	10	11			
1.	Agriculture ..	583.680	233.658	817.338	697.664	87.210	784.874	1281.344	320.868	1602.212			
2.	Fertilizer Subsidy ..	1720.000	—	1720.000	—	—	—	1720.000	—	1720.000			
3.	Industry ..	2152.403	50.290	2202.693	107.661	1.000	108.661	2260.064	51.290	2311.354			
4.	Minerals ..	219.571	15.134	234.705	35.128	1.402	36.530	254.699	16.536	271.235			
5.	Water ..	2890.814	54.262	2945.076	969.185	6.270	975.455	3859.999	60.532	3920.531			
6.	Power ..	6049.890	50.260	6100.150	43.819	—	43.819	6093.709	50.260	6143.969			
7.	Fuels ..	2038.087	4.414	2042.501	0.500	1.000	1.500	2038.587	5.414	2044.001			
8.	Transport and Communications ..	4620.515	16.790	4637.305	790.990	2.000	792.990	5411.505	18.790	5430.295			
9.	Physical Planning and Housing ..	931.542	2.314	933.856	1785.661	0.663	1786.324	2717.203	2.977	2720.180			
10.	Mass Media ..	158.196	—	158.196	—	—	—	158.196	—	158.196			
11.	Rural Development ..	71.493	1.093	72.586	1020.411	—	1020.411	1091.904	1.093	1092.997			

1	2	3	4	5	6	7	8	9	10	11
12. Education and Manpower ..	941,445	25,699	1,900	1049,708	1989,253	27,599	2016,882			
13. Health and Nutrition ..	792,576	818,207	0,300	1610,783	7,882	1618,665				
14. Culture and Sports ..	175,804	9,339	185,143	185,143						
15. Special Dev. Programme for Women ..	51,600	51,600	51,600	51,600						
16. Social Welfare ..	53,123	0,602	37,100	90,223	0,602	90,825				
17. Population Welfare ..	262,625	10,440	262,625	262,625	10,440	273,065				
18. Miscellaneous/Block Allocations ..	6,450	6,450	100,800	107,250	107,250	107,250				
Total (Gross) ..	23719,814	472,538	24192,352	7464,273	101,745	7566,018	31184,087	574,283	31758,370	
Less-Shortfall ..	192,352	666,018	858,370							
Total (Net) ..	24000,000	6900,000	30900,000							

Special Development Plan for :

(i) Baluchistan ..	172,000
(ii) FATA ..	50,000
Grand Total ..	31122,000

NATIONAL ADPs 1982-83 & 1983-84

(Million Rupees)

Sector	1982-83		1983-84		Percentage change
	Implementation	% Share	Allocation	% Share	
1	2	3	4	5	6
1. Agriculture & Rural Dev.	10044	34.0	10379	32.5	3.3
(i) Agri. & Rural Dev. ..	2495	8.4	2737	8.6	9.7
(ii) Fertilizer Subsidy ..	1948	6.6	1720	5.4	(-) 11.7
(iii) Rural Electrification ..	1220	4.1	1371	4.3	12.4
(iv) Rural Roads ..	518	1.8	580	1.8	12.0
(v) Water ..	3863	13.1	3971	12.4	2.8
2. Industry & Minerals	3165	10.7	2582	8.1	(-)18.4
(i) Industry ..	3046	10.3	2311	7.2	(-) 24.1
(ii) Minerals ..	119	0.4	271	0.9	127.7
3. Energy	5918	20.0	6867	21.5	16.0
(i) Power (Excl. Village Electrification) ..	4164	14.1	4823	15.1	15.8
(ii) Fuels ..	1754	5.9	2044	6.4	16.5
4. Transport and Communications	5037	17.0	4870	15.2	(-)3.3
(i) Railways ..	1207	4.1	1442	4.5	19.5
(ii) T&T ..	1450	4.9	1647	5.1	13.6
(iii) Others ..	2380	8.0	1781	5.6	(-) 25.2
5. Physical Planning & Housing	2129	7.2	2770	8.7	30.1
(i) Rural Water Supply ..	320	1.1	349	1.1	9.1
(ii) Others ..	1809	6.1	2421	7.6	33.8
6. Education & Manpower	1600	5.4	2017	6.3	26.1
(i) Primary Education ..	460	1.6	333	1.0	(-) 27.6
(ii) Others ..	1140	3.8	1684	5.3	47.7
7. Health	1085	3.7	1619	5.0	49.2
(i) Primary Health Care ..	415	1.4	440	1.4	6.0
(ii) Others ..	670	2.3	1179	3.6	76.0
8. Other Sectors	581	2.0	876	2.7	50.8
Total (Gross)	29559	100.0	31980	100.0	
Less — shortfall	1304		858		
Total (Net)	28255		31122		10.1

**FINANCING OF SEMI-PUBLIC SECTOR INVESTMENT PROGRAMME OUTSIDE ADP
1983-84**

(Million Rupees)

Sector/Agency	Total Outside ADP 1983-84	Bank Credit	NDFC	Self- Financing	Foreign Credit
1	2	3	4	5	6
FEDERAL:					
I. Agriculture	50	—	—	50	—
(i) Commerce Division	30	—	—	30	—
(ii) NLC	20	—	—	20	—
II. Power	2514	950	—	950	614
(i) KESC	2514	950	—	950	614
III. Fuels	1971	850	24	950	507
(i) Hydrocracker	196	150	—	46	—
(ii) NRL Lube Exp.	495	280	—	28	187
(iii) Dir. Gen. Oil	265	—	24	241	—
(iv) IGC	32	24	—	8	—
(v) SNGPL	567	200	—	167	200
(vi) KGC	65	16	—	49	—
(vii) SGTC	341	180	—	41	120
(viii) Multan Refinery	10	—	—	10	—
IV. Industry	2198	1450	33	271	444
(i) PASMIC	1200	1200	—	—	—
(ii) SEC	53	—	33	—	20
(iii) PIDC	22	10	—	8	4
(iv) SCCP (Cement)	475	200	—	150	125
(v) PACO	37	17	—	—	20
(vi) FCCCL	8	3	—	—	5
(vii) NFC	213	20	—	93	100
(viii) NLC (Industrial Investment)	20	—	—	20	—
(ix) NDFC	170	—	—	—	170
V. Minerals	24	20	—	3	1
(i) RDC	21	20	—	—	1
(ii) PMDC	3	—	—	3	—

1	2	3	4	5	6
VI. Transport and Communications..	866	110	—	749	7
(i) PNSC	17	10	—	—	7
(ii) KPT	210	—	—	210	—
(iii) NLC	339	—	—	339	—
(iv) Hind Carriage Way ..	200	—	—	200	—
(v) Civil Aviation Authority ..	100	100	—	250	—
(vi) Railways	100	—	—	—	—
VII. Physical Planning and Housing.	116	—	—	116	—
(i) CDA	50	—	—	50	—
(ii) Mirpur Development Authority	20	—	—	20	—
(iii) NLC	26	—	—	26	—
(iv) PTDC	20	—	—	20	—
Total (Federal) ..	7739	3380	57	2729	1573
PROVINCIAL :					
(i) Punjab	311	100	—	211	—
(ii) Sind	200	10	—	190	—
(iii) N.W.F.P.	100	10	—	90	—
(iv) Baluchistan	50	—	—	50	—
Total (Provincial) ..	661	120	—	541	—
Total (Outside ADP)	8,400	3500*	57	3270	1573

*The allocation for bank credit is gross.

CHAPTER 3

FINANCING OF PUBLIC SECTOR DEVELOPMENT PROGRAMME

The financing of public sector development programme has to be considered as a crucially important issue in the context of the financial year 1983-84 which marks the beginning of the Sixth Five Year Plan. The total public sector development programme for 1983-84 which consists of ADP financed directly through the Budget, the special development programmes for Baluchistan, FATA and energy development outside ADP, and the extra-budgetary investment by public corporations adds up to Rs. 41.50 billion showing an increase of 14.2 per cent over the estimated implementation during 1982-83. At this level, the total public sector development programme for 1983-84 is slightly less than to the annual phasing of the Sixth Plan which projects this expenditure at Rs. 45.00 billion for 1983-84. The Annual Plan for 1983-84 is thus aimed at making a serious beginning for the implementation of the Sixth Plan. The year 1983-84 initiates pursuance of the fiscal strategy recommended for the Sixth Plan. The total programme of Rs. 41.50 billion includes a sum of Rs. 31.10 billion to be financed directly from the budget. The financing pattern of this programme continues to reflect Government concern to preserve the overall financial discipline and to manage within the resources which can be mobilized without affecting the overall economic stability.

REVIEW OF 1982-83

2. The Annual Plan for 1982-83 envisaged the total public sector development expenditure at Rs. 39,862 million consisting of Rs. 31,585 million on account of development expenditure to be implemented *via* the normal budget, Rs. 1,010 million of foreign aid for special development programme of Baluchistan and special priority sectors ; and Rs. 7,267 million relating to the programme of public sector undertakings to be financed from resources outside the budget. The ADP of Rs. 31,585 million was expected to be financed by Rs. 15,738 million of gross external resources and Rs. 15,847 million of domestic resources including an uncovered gap of Rs. 5,656 million. Thus, the non-inflationary domestic resources for 1982-83 were estimated at Rs. 10,191 million.

3. The new fiscal measures taken in the budget for 1982-83 were estimated to provide a net revenue yield of Rs. 4,908 million on account of tax measures. The budget also provided for relief to government employees involving an estimated expenditure of Rs. 2,468 million. A sum of Rs. 15 million was also provided as a part of new budgetary measures on account of contributions to daawa programme and qarz-e-hasna fund for students. On an overall basis.

these measures were estimated to provide net additional resources of Rs. 2425 million.

4. Major fiscal measures taken during the course of the year are as follows :

- (a) The prices of gas were revised upward in January, 1983. However, no increase in charges of gas was made for domestic consumers.
- (b) As an outcome of the delinking of Pakistani rupee from dollar, the prices of POL products were also increased in January, 1983 with the exception of kerosene and light diesel oil.
- (c) The price of ration-depot atta was increased in June, 1983.

5. The position regarding availability of resources for financing the ADP however, changed during the course of the year. The inflow of foreign resources is estimated to fall short of the original budget provision by Rs. 764 million. On the domestic resources side, there is likely to be a shortfall of Rs. 3,101 million in non-inflationary resources. Annexure I indicates broad details of the estimates of resources for financing the ADP. As indicated in this Annexure, the major components of the estimates indicate significant variations from the original provisions. These are discussed in the subsequent paragraphs.

Revenue Receipts of the Federal Government

6. As against the original provision of Rs. 62,205 million, the revised estimates of gross revenue receipts of the Federal Government are placed at Rs. 59,916 million. The decline of Rs. 2,289 million is due mainly to shortfall of receipts under import duties (Rs. 1,338 million), export duties (Rs. 281 million), and sales tax (Rs. 347 million) which has occurred due to world recession. Federal excise duties are likely to decline by Rs. 751 million due to shortfall in production mainly of vegetable ghee products and natural gas. The non-tax receipts are also estimated to decline by Rs. 400 million due mainly to increase in the loss of Post Office Department, lower collections of interest receipts and decrease in rice trading profits. These declines are estimated to be partly off-set by increase in income and corporation tax of Rs. 455 million and an estimated improvement of Rs. 309 million in the revenue yield from surcharge on petroleum products due to post-budget increase in oil prices. Transfers to provinces are likely to increase from Rs. 9,892 million in the original budget to Rs. 9,979 million in the revised estimates for 1982-83. Deducting payments to provinces from gross revenue, the net revenue receipts of the Federal Government are estimated at Rs. 49,937 million in the revised estimates for 1982-83 as against the original budget of Rs. 52,313 million.

Current Non-Development Expenditure

7. As against the budget provision of Rs. 48,511 million, the current non-development expenditure of the Federal Government is placed at Rs. 50,950

million in the revised estimates for 1982-83. The comparative position of major items of this expenditure as shown in Annexure I would indicate that the increase is due mainly to increased requirements for debt servicing and defence.

Net Capital Receipts

8. Net capital receipts of the Federal Government are estimated to increase from Rs. 3,463 million in the original budget for 1982-83 to Rs. 5,817 million in the revised estimates for that year. The increase of Rs. 2,354 million is mainly attributable to higher private savings transferred to the government through various savings schemes and government treasury deposit receipts.

Provincial Contribution

9. The original estimates of contribution by the Provincial Governments to the financing of the ADP for 1982-83 were assumed at Rs. 188 million. During the course of the year, the budgetary position of the provinces has shown a considerable deterioration and none of them is able to make any contribution to the financing of the ADP for 1982-83. The main reasons for the shortfall are increase in dearness allowance and pensions allowed to the government servants, grant of charge allowance to teachers and increase in the number of selection grade posts, abolition of land revenue consequent upon the introduction of Ushr, non-materialisation of expected receipts under some heads; and increases in certain items of current non-development expenditure allowed during the course of the year.

Self-financing by Autonomous Bodies

10. At Rs. 2,286 million in the revised estimates for 1982-83, self-financing by autonomous bodies indicates a decrease of Rs. 452 million compared to the original provision of Rs. 2,738 million. The decrease has occurred mainly on account of a reduction of Rs. 425 million in WAPDA's contribution to the financing of ADP. This decrease is mainly because of increase in the allowances of staff in line with the increase announced for the federal and provincial governments' employees, increase in prices of POL and non-availability of natural gas forcing WAPDA to use higher priced HSD/Furnace Oil for generation of thermal power.

External Resources

11. The inflow of gross external resources for financing the ADP 1982-83 is now estimated at Rs. 14,974 million as against the budget provision of Rs. 15,738 million. The shortfall is accounted for by lower availability of project assistance and commodity aid, partly off-set by increase in other aid.

Overall Position

12. The size of the ADP to be implemented *via* the budget is estimated to decrease from Rs. 31,585 million in the original Plan to Rs. 28,255 million in the revised estimates for 1982-83. The total non-inflationary domestic resources for financing the ADP are placed at Rs. 7,090 million in the revised estimates for 1982-83 as compared to the original provision of Rs. 10,191 million. Thus, the gap between development expenditure and resources is placed at Rs. 6,191 million against the original level of Rs. 5,656 million. The position regarding deficit financing has been discussed in a separate chapter.

Public Sector Development Programme outside ADP

13. The original investment programme of public sector undertakings outside the ADP amounting to Rs. 7,267 million was estimated to be financed from local rupee resources of Rs. 4,855 million (including bank credit Rs. 3,350 million, NDFC loans Rs. 91 million and self-financing Rs. 1,414 million), and the balance of Rs. 2,412 million from foreign resources. According to the current assessment, the implementation of this programme during 1982-83 is estimated at about Rs. 7,500 million with the overall pattern of financing as proposed in the original Plan remaining almost unchanged.

FINANCING OF PUBLIC SECTOR DEVELOPMENT PROGRAMME FOR 1983-84

14. The overall public sector development programme approved for 1983-84 amounts to Rs. 41,500 million as summarised in the following table :

	(Million Rs.)
(a) ADP to be implemented directly <i>via</i> budget	31,100
(b) Special Development Programme for Baluchistan and FATA (Representing external assistance not reflected in ADP)	1,000
(c) Public Corporations	8,400
(d) Programmes for energy development outside ADP (Assuming additional external assistance and commercial credits)	1,000
Total	41,500

Full details of this programme are discussed in Chapter—2 pertaining to Public Sector Development Programme.

Financing of Public Sector Budgetary Outlay

15. The ADP of Rs. 31,100 million to be implemented *via* the budget is proposed to be financed from domestic resources to the extent of Rs. 14,324 million and

the balance of Rs. 16,776 million from gross foreign resources. Taking foreign resources on a net basis, *i.e.* excluding debt servicing and retirement of credits, the domestic contribution increases to Rs. 27,869 million or about 90 per cent of the total, and the foreign contribution declines correspondingly to about 10 per cent only. The overall position of financing of the ADP for 1983-84 is summarised in Table I below.

TABLE I
Financing of ADP 1983-84

	<i>(Rs. Million)</i>
A. Domestic Resources	14,324
(a) Without New Measures	5,922
(i) Federal Government	3,595
(ii) Provinces	—
(iii) Autonomous Bodies	2,327
(b) Net effect of new budgetary measures	2,282
(i) Cut in Federal and Provincial current expenditures (+)	1,737
(ii) Reduction in subsidy and price and fare adjustments (+)	2,141
(iii) Improvement in tax administration (+)	2,000
(iv) Tax measures (net revenue yield) (+)	563
(v) Relief to govt. servants (—)	2,650
(vi) Picking up revenue deficits of the Punjab and Sind (—)	1,359
(vii) Contributions to Daawa programme, Qarz-e-Hasna scheme, Islamic Centres, Karachi Water Supply scheme and grants to provinces for construction of stadia (—)	150
(c) Gap between development expenditure and resources	6120
B. External Resources	16,776
(a) Project Aid	7,101
(b) Commodity Aid	3,930
(c) Food Aid	1,437
(d) Other Aid	4,303
C. Total Financing	31,100

Broad details of the various estimates for 1983-84 as compared to the estimates for previous year are shown in Annexure I. The various components are discussed in the subsequent paragraphs.

Revenue Receipts of the Federal Government

16. The gross tax receipts of the Federal Government for 1983-84 at 1982-83 rates are estimated at Rs. 54,195 million as against the previous year's revised estimate of Rs. 47,370 million. These estimates assume normal growth in the economy, continuance of a liberal import policy and some improvement in international trade in 1983-84. Import duties account for an improvement of Rs. 1,800 million, export duties Rs. 19 million, excise duties Rs. 1,532 million, sales tax Rs. 347 million, income and corporation tax Rs. 1,050 million, and surcharges Rs. 2,076 million. Excluding the effect of new measures, the non-tax receipts of the Federal Government are estimated to increase from Rs. 12,546 million in the revised estimates for 1982-83 to Rs. 14,727 million in 1983-84. The increase of Rs. 2,181 million is estimated to emerge from all major components of non-tax receipts namely recovery of interest from provinces and autonomous bodies etc., profits of T&T, trading profits and other item.

17. Without taking into account the effect of new measures taken in the federal budget for 1983-84, transfers to the provinces out of federal taxes during 1983-84 are estimated at Rs. 11,074 million. Excluding these payments, the net revenue receipts of the Federal Government during 1983-84 are estimated at Rs. 57,848 million as compared to the previous year's revised estimate of Rs. 49,937 million.

Current Non-Development Expenditure

18. The current non-development expenditure of the federal government for 1983-84 without the effect of new measures is estimated at Rs. 57,290 million as compared to the previous year's revised estimate of Rs. 50,950 million. About 82 per cent of the overall current expenditure of the federal government (excluding the effect of new budgetary measures) is claimed by defence, debt servicing, grants to provinces/local authorities and subsidies. Defence and debt servicing alone would claim 72.6 per cent of the total provision for 1983-84 without the effect of new measures. Subsidies are estimated to increase from Rs. 1,758 million in the revised estimates for 1982-83 to Rs. 1,917 million in the budget for 1983-84. Grants to provinces/local authorities stand increased from Rs. 2,644 million in the revised estimate for 1982-83 to Rs. 3,428 million in the next year. Excluding the effect of new measures, provision for other expenditure including general administration, law and order, economic, social and community services etc., is estimated to increase from Rs. 8,970 million in the revised estimates to Rs. 10,339 million during 1983-84.

Net Capital Receipts

19. At Rs. 3,037 million in the budget estimates for 1983-84, the net capital receipts of the Federal Government indicate a decline of Rs. 2,780 million against

the previous year's revised estimate of Rs. 5,817 million. This decline is due mainly to lower estimates of the net yield from small savings schemes, retirement of Government Treasury Deposit Receipts (GTDRs) and higher non-developmental capital expenditure.

Contribution of Provinces

20. As explained earlier, the provincial governments will not be making any contribution to the financing of ADP for 1983-84. This position remains unchanged during 1983-84 without taking into account the effect of new measures taken in the federal budget.

Autonomous Bodies

21. Self-financing by autonomous bodies is estimated at Rs. 2,327 million during 1983-84 as against the revised estimate of Rs. 2,286 million for 1982-83. As indicated in Annexure I, WAPDA's contribution during 1983-84 is estimated to be slightly lower as compared to the previous year's level. In the case of other public corporations, the overall estimate for 1983-84 is Rs. 220 million out of which a sum of Rs. 200 million will be contributed by Airport Development Authority alone.

External Resources

22. The availability of gross foreign assistance for financing the ADP for 1983-84 is placed at Rs. 16,776 million including Rs. 7,101 million of project assistance, Rs. 3,930 million of commodity aid, Rs. 1,437 million of food aid, and Rs. 4,308 million of other assistance. Detailed projections and assumptions for adopting these estimates are given in a separate chapter.

New Budgetary Measures

23. The resource gap between the ADP and the available resources increased from Rs. 8.30 billion to Rs. 12.46 billion because of provision for relief to government servants (Rs. 2.65 billion), picking up of the un-anticipated deficits of the Punjab and Sind (Rs. 1.36 billion) and Federal Government's contribution to Karachi Water Supply Scheme, *Qarz-e-Hasna* Scheme etc., (Rs. 0.15 billion). The need for raising additional resources was, therefore evident in order to avoid undue reliance on deficit financing. Excluding the provision for defence, debt servicing, subsidies and other obligatory payments, economy cuts of 10 per cent and 7.5 per cent were levied on Federal Government's and Provincial Government's current expenditures respectively. Corrections in prices of services were

also made in certain cases. In order to reduce Railways losses, the passenger fares were increased. The postal rates were increased to cover the increased cost of paper, printing charges, cost of transportation of mail and other overhead charges. To check excessive use of natural gas and its wastage and to bring gas prices in line with alternative fuels, gas prices were increased by an average of 25 per cent. The increase for domestic consumers is, however, half of the average increase. As a part of Government's programme to phase out subsidy on fertilizer by 1985 and to reflect the increase in the cost of inputs in the support prices of agricultural commodities, fertilizer prices were increased by about 10 per cent. In order to recover a part of the additional cost of production resulting from switching over of the cement factories from gas to furnace oil, the price of cement was increased by Rs. 5.00 per bag. In view of the surplus production of sugar in the country and to abandon evils associated with rationing system, rationing of sugar has been done away with. As regards direct and indirect taxes, the major objectives which were kept in view are as follows :—

- (a) To provide incentives for work, saving and investment at all levels.
- (b) To help in the removal of regional disparities, bring about rapid industrialisation of the country through expansion of its manufacturing capacity, encourage agro-based, agro-allied, import substitution and export oriented industries and at the same time enlarge the corporate ownership base by providing incentives and opportunities to the common man for participation in corporate ownership.
- (c) To remove tariff anomalies and to reduce the areas of discretion.
- (d) To protect the requirements of the local industry and to provide relief to the low-income consumers.

The specific measures are indicated in Annexure II.

Overall Position

24. After taking into account the net effect of new budgetary measures taken by the Federal Government, there would still be left a resource gap of Rs. 6,120 million to be met by borrowings from the banking system.

Public Sector Development Programme Outside ADP 1983-84

25. The development programme of public sector undertakings outside ADP amounting to Rs. 8,400 million is estimated to be financed from local rupee resources of Rs. 6,827 million and the balance of Rs. 1,573 million from foreign

credit. Broad details of the financing pattern by sectors/agencies are given in Table II below :

TABLE II

Financing of Investment Programme Outside ADP 1983-84.

								(Million Rs.)
A. Rupee Resources								6,827
(i) Bank Credit	..	..	...	..	..	..	..	3,500
(ii) NDF Loans	..	..	...	..	..	..	..	57
(iii) Self-financing	..	..	..	..	..	..	..	3,270
B. Foreign Resources :								
(i) Credit/Equity	..	..	..	..	..	..	..	8,400
C. Total								1,573

Details by major projects and executing agencies may be seen in Chapter 2 Public Sector Development Programme.

Zakat and Ushr

26. On 20th June, 1980, the Government had promulgated the Zakat and Ushr Ordinance 1980, later amended from time to time. Effect had not however, been given for a variety of reasons to the provisions in the Ordinance relating to Ushr. In accordance with the decision taken last year, the provision pertaining to the compulsory levy and recovery of Ushr has since become operative.

FINANCING OF ANNUAL DEVELOPMENT EXPENDITURE

(Implemented *via* normal Budget)

(Million Rs.)

	1982-83 Budget	1982-83 Revised	1983-84 Budget
	1	2	3
I. Size of ADP :	31585	28255	31100
II. Financed by :			
A. Domestic Resources			
(a) Federal Government :			
1. Revenue Receipts (Gross)	62205	59916	68922
(i) Tax Receipts	49259	47370	54195
Direct Taxes	8495	8949	9999
Income and Corporation Tax	8295	8750	9800
Wealth Tax and Gift Tax	162	164	164
Workers Welfare Tax	38	35	35
Indirect Taxes	40764	38421	44196
Import Duties	20009	18671	20471
Export Duties	612	331	350
Federal Excise	14124	13373	14905
Sales Tax	3747	3400	3747
Surcharges	2266	2635	4711
Stamps	6	11	12
(ii) Non-Tax Receipts	12946	12546	14727
Interest Receipts including dividends	7048	6883	7986
Post Office and T & T	1852	1699	1865
Profits of SBP	1000	1000	1355
Trading Profits	358	208	463
Others	2688	2756	3058
Less— Transfers to Provinces	9892	9979	11074
Net Revenue Receipts	52313	49937	57848

	1	2	3
2. Current Non-Development Expenditure ..	48511	50950	57290
Defence including Defence Administration	22871	23224	25219
Debt Servicing	12383	14354	16387
Subsidies	1362	1758	1917
General Administration including Law and Order	3557	3674	4913
Economic, Social and Community Services	5290	5290	5420
Grants to Provinces and Local Authorities	2696	2644	3428
Others (Unallocable)	352	6	6
3. Revenue Surplus	3802	(—)1013	558
4. Net Capital Receipts	3463	5817	3037
(i) Capital Receipts	12829	18391	15907
Unfunded Debt	3849	7022	5415
Deposits Bearing Interest	1991	1819	2240
Recoveries of Investment	3	4	4
State Trading (Net)	(—) 243	(—)266	—
Recovery of Loans	1910	1981	2254
Domestic Debt (Permanent)	2039	3109	3110
Floating Debt	—	932	(—)900
Deposits not Bearing Interest	3584	4164	4366
Suspense Accounts	(—)304	(—)374	(—)582
(ii) Capital Payments	9366	12574	12870
Government Investments	1070	1497	2180
Repayment of Foreign Debt	7868	9272	8489
Deposits Bearing interest	1764	1613	1987
Deposits not Bearing Interest	164	192	214
Debt Rescheduling	(—)1500	—	—
TOTAL—(Federal Government)	7265	4804	3595
(b) Self-Financing by Autonomous Bodies	2738	2286	2327
WAPDA	2576	2151	2107
Other Public Corporations	162	135	220
(c) Provincial Contribution	188	—	—

	1	2	3
(d) Total Domestic Resources	10191	7090	5922
(e) Net Effect of New Budgetary Measures	—	—	2282
(f) Total Non-inflationary Domestic Resources] ..	10191	7090	8204
(g) Gap between Development Expenditure and Resources	5656	6191	6120
(h) Total Domestic Resources	15847	13281	14324
B. External Resources	15738	14974	16776
Project Aid	5883	4833	7101
Commodity Aid	3683	3522	3930
Food Aid	955	1228	1437
Other Aid	5217	5391	4308
C. Total Financing	31585	28255	31100

NEW BUDGETARY MEASURES FOR 1983-84 FEDERAL BUDGET

A. TAX MEASURES

(a) Indirect Taxes

(i) Customs

1. The following concessions and exemptions, aimed at encouraging the growth of industries in the industrially backward areas and to promote the establishment of certain agro-based and export oriented industries, have been continued :—

- (i) Total or partial exemption of customs duty on the import of machinery in less-developed areas of the country.
 - (ii) Exemption of duty (a) on machinery for fertilizer manufacture, poultry farming, dairy farming and meat processing industries (b) on machinery for BMR purposes in the textile industry, (c) on machinery for textile processing and manufacturing of ready-made garments, towels and hosiery products, and (d) on machinery for BMR purpose in tanning, cutlery, surgical instruments, sports goods, shoes, gloves, leather garments, onyx and marble processing industries, and concession of duty on import of machinery under non-repatriable investment scheme.
2. Soyabean meal and vitamins required by the poultry feed industry have been totally exempted from customs duty.
 3. Customs duty has been reduced on natural and synthetic rubber from 60% to 40%.
 4. Such machinery for cement projects, which cannot be produced locally, has been exempted from customs duty.
 5. Raw materials imported by HMC Texila for local manufacture of cement machinery has been exempted from customs duty and sales tax.
 6. Industrial sewing machines have been given general exemption from customs duty.
 7. Customs duty on hosiery needles has been abolished.
 8. Power driven post hole diggers required for plantation of trees have been exempted from customs duty.

9. Customs duty on evacuators required for discharge of bulk items in the port areas has been reduced to 20% and sales tax, thereon, has been totally abolished.

10. Raw materials and components required for local manufacture of domestic electric appliances has been allowed a concessionary rate of 40% duty.

11. Customs duty on fork lift trucks for use in industrial units has been reduced to 20% and sales tax has been totally abolished.

12. Customs duty on computer tapes has been reduced from 120% to 60%.

13. Following measures have been taken to remove tariff anomalies and to reduce areas of discretion:—

- (i) Duty on petroleum bitumen falling under heading 27.14 has been reduced to 40%.
- (ii) Duty on all colours falling under heading 32.10 has been levied at a uniform rate of 40% with no sales tax.
- (iii) Customs duty on pencil ferrules made of brass and aluminium has been equalized at 100%.
- (iv) Customs duty on silk yarn spun from noil and that spun from waste has been equalized at 85%.

14. Customs duties have been increased on synthetic dyes falling under heading No. 32.05 from 70% to 85% with 10% sales tax. Moreover, custom duty has been increased on acrylic sheets, metallized film, metallic yarn, dry battery cells, deep-freezers and refrigerators to meet the genuine protection requirements of the local industry.

15. Customs duty on solid caustic soda has been reduced from 140% to 85%.

16. Customs duty on grinding wheels and discs has been equalized at 100%.

17. Duty on gaskets of all types has been increased to 70%.

18. Duty on scrap ships has been increased to 85%.

19. To protect the auto-filter industry, customs duty on imported auto-filter has been increased to 120%.

20. Road rollers, electric over-head cranes, mobile cranes and asphalt mixing plants have been subjected to enhanced rate of duty of 85% and sales tax @ 20%.

21. Electric motors have been excluded from the scope of concession of 40% duty under machinery SRO thus subjecting them to normal rate of duty of 85%.

22. Duty on buses, trucks and light commercial vehicles imported in built up form has been increased from 50% to 60%. Similarly, duty on foreign assembled motorcycles and scooters has been increased from 100% to 120% and sales tax from 10% to 20%.

23. Customs duty on betel nuts, betel leaves, biri leaves and cutch and gambier has been increased from Rs. 20 per kg to Rs. 25 per kg, from Rs. 60 per kg to Rs. 80 per kg, from Rs. 6 per kg to Rs. 8 per kg and from Rs. 20 per kg to Rs. 25 per kg respectively.

24. Export rebate on art silk fabrics has been reduced from 32% and 35% to 15% and 18% respectively.

25. The concessionary rate of duty and sales tax on import of raw material and components for local manufacturing of capital goods and machinery etc. has been limited primarily to raw materials.

26. Concessionary rate of duty of 20% on PVC resin for the wire and cable has been withdrawn.

27. Appropriate changes have been made in the tariff schedule in anticipation of further liberalization of import policy.

28. Appropriate changes have been made in the baggage rules as explained below :

- (i) Duty free allowance available to the Pakistanis returning within six months has been increased from Rs. 750 to Rs. 2000 and duty free allowance for those coming after six months has been increased from Rs. 2500 to Rs. 6000.
- (ii) The concessionary rate of 125% duty has been kept available on all items other than air-conditioners, refrigerators, video cassette recorders, televisions, sewing machines, cooking ranges and washing machines.
- (iii) Personal computers upto C&F value of Rs. 30,000 required by the professionals returning from abroad after a stay of six months have been allowed free of custom duty under the baggage allowances.
- (iv) Duty free limit of post parcels has been increased from Rs. 250 to Rs. 350.
- (v) Necessary changes have been made in the baggage rules to check the abuse of baggage concessions.

(ii) *Central Excise*

1. Rate of duty on cigarettes falling in the higher slab has been enhanced from the average 67.5% to 70% and those in the lower slab from 50% to 52%.

2. Syrups, squashes and juices have been subjected to duty @ 5 per cent of the retail price whereas instant drinks have been charged to duty @ 10 paise per ordinary size bottle.

3. In order to streamline the collection of central excise duty on fans, it has been decided to place the fan manufacturing units under self clearance system and charge fans to statutory rates of duty.

4. Manufacturers of washing machines and spring mattresses have been excluded from the ambit of the cottage industry exemption.

(iii) *Sales Tax*

1. Sales Tax has been levied @ 12½% on locally manufactured air conditioners and refrigerators.

2. Locally manufactured machine-made carpets have been charged to 5% sales tax.

3. Locally manufactured cosmetics, toilet preparations and perfumery have been subjected to 7½% sales tax.

4. Sales tax @ 20% has been imposed on imported dry fruits.

5. To protect local industry and to provide relief to the low income consumers, the following measures have been taken :—

(i) Component parts of sewing machines manufactured or assembled in Pakistan have been exempted from sales tax.

(ii) Sales tax on locally manufactured baby feeding bottles has been withdrawn.

(iii) Table clocks have been exempted from sales tax.

(iv) Sales tax on "Printing type" industry has been withdrawn.

6. Sales tax has been levied at 10% on fatty acid classified under heading Nos 15.10 and 29.14.

7. Sales tax @ 10% has been levied on boric acids, borates and borax falling in chapter 25.

8. Sales tax @ 10% has been levied on ferric earth colours falling under 25.32 A.

9. Sales tax has been increased on flavouring powders and concentrates under heading No. 3304 to 20%.

10. Sales tax on import of sugar plants has been increased from 10% to 20%.

(b) **Direct Taxes**

(i) *Income Tax*

1. Exemption limit has been raised from Rs. 12000 to Rs. 18000.

2. Surcharge previously levied at 10% and 5% respectively on individuals and companies has been abolished. Surcharge on registered firms has also been withdrawn.

3. Rates of super tax on firms have been revised.

4. Tax holiday for industries established in the territories of Baluchistan, Azad Kashmir, Northern Areas, Tribal Areas, Divisions of D. I. Khan and Malakand, district of Mansehra, Kohistan, D. G. Khan and Rajanpur as well as in approved industrial estates in NWFP, Districts of Mianwali, Shikarpur, Jacop-Abad, Dadu, Sukkur and Tharparker and Tehsil of Khushab during 1-7-1983 and 30-6-1988, has been further extended for five years.

5. Income equal to 10% of capital employed has been exempted for five years in the case of such industries which are set up between 1-7-1983 and 30-6-1988 in specified industrial estates.

6. Tax credit @ 15% of the amount invested for BMR purposes and extension, available to the existing industrial undertakings has been made to continue upto 30-6-1988 except "extensions" in Karachi, Hyderabad, and Tehsils of Faisalabad and Lahore.

7. Dividend distributed by industrial public companies established between 1-7-1983 and 30-6-1988, entitled to tax holiday has been exempted for five years.

8. Tax holiday in the case of income from manufacture of garments by industrial undertakings owned by companies, set up between 1-7-1983 and 30-6-1988, has been extended for five years.

9. Companies which set up date processing units anywhere in Pakistan between 1-7-1983 and 30-6-1988 have been granted tax holiday for 5 years.

10. Exemption of income from manufacture and sale of agricultural machinery has been extended upto 30-6-1988.

11. Exemption of income from renting of agricultural machinery, expiring on 30-6-1983, has been made available for 2 years to a business set up between 1-7-1983 and 30-6-1988.

12. Exemption of income derived from poultry farming, fish catching, cattle and sheep breeding, poultry processing, dairy farming and fish farming has been extended upto 30-6-1988.

13. Tax exemption of capital gains on sale of shares of public companies has been extended upto 30-6-1988.

14. Tax exemption on issue of bonus shares has been extended upto 30-6-1988.

15. The exemption available to income from residential houses has been made available in the existing form to houses constructed between 1-7-1983 and 30-6-1988.

16. The business income of welfare trusts has been subjected to tax at the rates applicable to public companies.

17. In order to encourage philanthropic activities in the country, the percentage of income eligible for donations in the case of individuals and other non-company tax payers has been enhanced from 15% to 25%.

B. IMPROVEMENT IN TAX ADMINISTRATION

To improve the tax collections, so as to obviate the need for new taxes, efforts would be made to make the tax administration more effective and to streamline their working. Tax collecting agencies will maximize their efforts to collect additional revenue of Rs. 2,000 million during 1983-84.

C. CUT IN CURRENT GOVERNMENT EXPENDITURE

As a measure of austerity, an economy cut of 10% and 7½% has been levied on Federal Government's current expenditures and Provincial Governments' current expenditures respectively. The cut would not, however, apply to the provision for debt servicing, defence services, subsidies and other obligatory payments.

D. REDUCTION IN SUBSIDIES AND PRICE ADJUSTMENTS

1. *Railways*.—Railway fares have been increased as follows.

a 10% increase in second class fares.

a 25% increase in first class fares.

a 40% increase in fares of air-conditioned services.

These measures would reduce Railways' losses by Rs. 394 million.

2. *Post Office*.—To cover the increased cost of paper, printing charges, cost of transportation of mail and other overhead charges etc, the postal rates have been increased as follows.

- Postal envelopes from paisas 40 to 60.
- Post Cards from paisas 20 to 30.
- Parcels from the existing rate of Rs. 1.80 per kg. to Rs. 3.50 per kg.
- Registration fee from Rs. 1.60 to Rs. 3.00 and similar increases in other services provided by the postal department.

These measures are estimated to yield revenue of Rs. 130 million.

3. *Telex Machines*.—Annual rental of telex machines of all types has been reduced from Rs. 25,000 to Rs. 20,000.

4. *Gas*.—To check excessive use of natural gas and its wastage and to bring gas prices in line with prices of alternative fuels, gas prices have been increased by an average of 25%. The increase for the domestic consumers would, however, be half of the average increase. This would yield additional revenue to government of Rs. 740 million.

5. *Fertilizer*.—As a part of governments' programme to phase out subsidy on fertilizer by 1985 and to reflect the increase in the cost of inputs in the support prices of agricultural commodities, fertilizer prices have been increased by about 10%, varying from category to category. The measure is expected to reduce government's expenditure on fertilizer subsidy by Rs. 430 million.

6. *Cement*.—In order to recover a part of the additional cost of production ; resulting from switching over of the cement factories from gas to furnace oil, price of cement has been increased by Rs. 5 per bag. This measure is expected to yield an amount of Rs. 460 million.

7. *Derationing of Sugar*.—In view of surplus production of sugar in the country and to abandon evils associated with rationing system, rationing of sugar has been done away with. The derationing would, however, be effective from August, 1983.

E. ADJUSTMENT IN INCOMES

The government expects to be able to announce its' decision on the report of the National Pay Committee by early August, 1983. The final decision will be given retrospective effect from 1st July, 1983. This measure is likely to involve an expenditure of Rs. 2650 million for which necessary provision has been made in the budget.

F. OTHER MEASURES

1. The government would contribute Rs. 20 million to finance the programme of Daawa and other activities of the institute of Daawa established in the Islamic University at Islamabad.
2. Government would contribute Rs. 25 million to the scheme of Qarz-e-Hasna.
3. Government would provide a special grant of Rs. 5 million to the Islamic Centres established recently at Karachi, Lahore and Peshawar for their revenue expenditure.
4. To enable the Government of Sind, to expedite completion of stage 1 of phase IV of water supply, Federal Government would provide an additional amount of Rs. 80 million for the project.
5. Federal Government would provide a grant of Rs. 20 million to the provinces for construction of stadia.
6. The Federal Government will pick up an amount of Rs. 1.36 billion on account of unanticipated revenue deficits of the Provinces of the Punjab and Sind.

CHAPTER 4

PRIVATE INVESTMENT AND ITS FINANCING

The Fifth Five Year Plan heralds the revival of confidence of the private sector. This is reflected in the higher than targetted level of private investment at the end of the Plan. The intended sectoral balance, however, remains to be achieved, though a tangible move has been made in the desired direction. The Annual Plan 1983-84 would consolidate gains of the Fifth Plan and lay foundations for the achievement of Sixth Plan targets regarding investment levels and sectoral balance. A major acceleration is, therefore, being envisaged during the first year of the Sixth Five-Year Plan. Private investment during 1983-84 is projected to increase to Rs. 26.29 billion from Rs. 19.5 billion during 1982-83. This implies an increase of more than 35 per cent which means, given a small increase in the investment prices a 27 per cent increase in real terms.

REVIEW OF 1982-83

2. The performance of first four years of the Fifth Five-Year Plan and the atmosphere generated by various Government policy initiatives to encourage private investment furnished the perspective in which the Annual Plan for 1982-83 was formulated. An evaluation of the first four years of the Plan reveals that although a breakthrough has been achieved over the stagnant level during the years 1970—77, both investment level and sectoral composition has not been in line with the Plan projections. It was, therefore, planned that during the year 1982-83 private investment accelerated significantly not only to partly overcome the shortfall for the previous year but also, being the last year of the 5th Plan, lay grounds for the acceleration and desired sectoral shifts in private investment during the Sixth Plan. To facilitate private sector achieve these objectives, the available incentive structure was further improved, corporate laws relaxed and other deregulatory measures introduced. To be specific, following measures were announced :

- (a) The limit of the value of the assets of a private undertaking requiring registration under the Monopolies and Restrictive Trade Practices Ordinance, 1970 was raised from Rs. 30 million to Rs. 50 million.
- (b) The ceiling for the conversion for a private company into a public limited company under the Capital Issues Act was raised from Rs. 5 million to Rs. 10 million.
- (c) The Securities and Exchange Rules 1971 were relaxed to dispense with six-monthly submission of return of beneficial ownership.

- (d) Over a period of time, a situation had developed where in most of the industrial projects, the financial institutions had acquired rights to nominate directors on the Boards. It was decided that in the case of Government sponsored/owned financial institutions/banks, the loan-giving agencies could coordinate their representation policy and collectively nominate one director.
- (e) No permission from any government agency would be required for establishing industrial units involving a total investment of Rs. 30 million with a foreign exchange component of Rs. 15 million.
- (f) The travel quota on private and business account was doubled from \$ 500 to \$ 1,000.

3. In aggregate terms, private investment during 1982-83 was Rs. 19.5 billion compared to Plan target of Rs. 20.5 billion, lagging behind by Rs. 1 billion. This shortfall was, however, in nominal terms. When viewed against price increases of 6 per cent as compared to Plan assumption of 8 per cent investment in real terms was affected by a smaller margin. As regards sectoral shifts, the Plan intended to shift private investment away from housing sector, and into the manufacturing sector. While it has been partly successful in containing investment in housing sector, investment in manufacturing sector did not rise. Rather, it has experienced a decline of 12.1 per cent. Investment in agriculture sector surpassed Plan target by 13.0 per cent while in transport and communications sector it declined by 25.8 per cent. The following table gives Plan targets and achievements for the year 1982-83 alongwith private investment during 1981-82.

TABLE 1
Private Investment
(Current Prices)

Sector	1981-82	1982-83	
		(Plan Projections)	(Estimated Actuals)
Agriculture	2.90	3.62	4.69
Industry	4.82	5.94	5.22
Large Scale	(3.60)	(4.80)	(3.88)
Transport & Communications	1.78	2.75	2.04
Ownership of Dwellings	4.50	5.30	5.37
Services /Others.. .. .	2.57	2.89	2.72
Total	16.57	20.50	19.44

4. Despite these setbacks, however, investment both in aggregate terms and sectoral composition has shown improvement over the previous year, though growth rates of various sectors have not been as desired. During 1982-83 overall investment increased by 17, per cent over the period 1981-82. Sector-wise largest increase was experienced by agriculture (41.0 per cent) followed by housing (19.3 per cent), transport and communications (14.6 per cent) and manufacturing sector (8.3 per cent).

ANNUAL PLAN 1983-84

5. The Annual Plan 1983-84 is being formulated in the context of Sixth Five-Year Plan. The Government is contemplating a much larger role for the private sector during the Sixth Plan. The private sector will not only be encouraged to play a leading role in the process of industrialization but would be invited to provide finance and organizational skills for the development of the infrastructure sector such as construction of roads, airport terminals, schools and hospitals. Thus, the Sixth Plan would witness a higher level of aggregate private investment as well as a shift in sectoral composition. The aggregate size of private investment for the Sixth Plan is projected at Rs. 200 billion in current prices and Rs. 182 billion in 1982-83 prices. On yearly basis, private investment is projected to increase by 25 per cent in nominal terms and over 17 per cent in real terms. As regards sectoral composition a significant shift has been planned within the overall private sector. The share of industry would increase from Fifth Plan average of 27.5 per cent to 31 per cent while that of agriculture would go up to 22.7 per cent from the Fifth Plan average of 19.4 per cent. The share of housing sector would decline from Fifth Plan average of 25.9 per cent to 21.8 per cent while that of transport and communication sector would tend to stabilize at around 13 per cent.

6. The Annual Plan 1983-84 would contain elements of the Sixth Plan strategy both for the elimination of imbalances between sectoral investment and lay foundations for the attainment of Sixth Plan objective in terms of expanded investment. It would also signify the beginning of a new area for the private sector characterised by a congenial atmosphere largely free from administrative controls and procedural hurdles, easy access to foreign exchange and domestic credit, liberal imports and export incentives, and above all a policy shift favouring private over public sector investment. In view of these measures a major acceleration is being envisaged during the first year of the Sixth Five-Year Plan. Private investment during 1983-84 is projected to increase to Rs. 26.29 billion from Rs. 19.5 billion during 1982-83. This implies an increase of about 35 per cent in nominal terms and a substantial increase in real terms given the subdued inflation rate of the recent years.

7. To facilitate realization of the above targets and let private sector play its assigned role, the Government has announced the following measures:

- de-rationing of sugar;
- abolition of 'P' Form and relaxation of other restrictions on travel;
- easing of restrictions on the utilization of travel quota;
- facility for import of medicines and medical aids for the disabled;
- easing of the procedures for opening LC's, import of old ships for scrapping, and remittance of commission abroad;
- the requirement of earning certificate removed except in the case of import of more than one-year-old vehicles;
- overseas Pakistanis allowed to invest in new public shares offered on repatriable basis;
- no permission required for establishing industrial units involving investment upto Rs. 60 million except for industries specifically excluded;
- procedures simplified for the suppliers credit and credit under "Pay-As-You-Earn Scheme", the agreements for payment of royalties, the technical fees and employment of foreign experts; and
- freely usable foreign exchange from Pakistan's own resources placed at the disposal of Bankers Equity and National Development Finance Corporation for release to private sector investors requirements of approved projects.

8. During 1982-83, the pattern of sectoral growth of private investment, has not been in accordance with the projections of the Plan. Thus the highly imbalanced nature of sectoral composition still persists. During 1983-84 concerted efforts would be made to achieve sectoral balance by quantum jumps in deficient areas and relatively slower growth in other areas. Investment in manufacturing sector, therefore, is projected to grow at as high a growth rate as 62 per cent compared to only 8.3 per cent during the previous year. Other sectors are also projected to grow at fairly high rates. However, agriculture sector would experience deceleration, with a growth rate of 35 per cent as compared to previous year's 41 per cent.

9. The level of private investment in various sectors and broad features of proposed investment are discussed below :

TABLE II
Private Investment
(Current Prices)

Sector	(Rs. Billion)		
	1982-83 (Estimated Actuals)	1983-84 (Plan Projections)	Growth % 1983-84 over 1982-83 (Estimated Actuals)
Agriculture	4.09	5.52	35.0
Industry	5.22	8.46	62.1
Large Scale	(3.88)	(6.78)	(74.7)
Small Scale	(1.34)	(1.68)	(25.4)
Transport and Communications	2.04	2.55	25.0
Ownership of Dwellings	5.37	6.55	22.0
Services/Others	2.72	3.21	18.0
Total	19.44	26.29	35.2

Agriculture

10. Investment in agriculture sector consists of such items as tractors, tubewells and farm implements like combines, trailers, threshers and cane crushers. Details of investment on these items is given below :

TABLE III

Investment in Agriculture

	1982-83		1983-84	
	No.	Value (Rs. Million)	No.	Value (Rs. Million)
1. Tractors	20,000	2,200	24,000	2,736
2. Tubewells, threshers and other machines including non-monetized investment and others		900		1077
		990		1,707
Total		4,090		5,520

11. The total investment in agriculture is projected at Rs. 5.5 billion which is 35 per cent higher than the previous year. Investment in small farm technology particularly tractors of 45 H. P. and 34 H. P. would be the major constituent of total investment. Thus, investment in tractors is expected to increase at a rate of 24 per cent while that in tubewells, threshers and other implements would grow by 20 per cent.

Manufacturing

12. Various incentives accorded to private investment during the Fifth Five-Year Plan particularly those introduced during 1982-83 went a long way in reviving confidence in the private sector. This revival is reflected in increased private investment during 1982-83 over 1981-82 by 17.3 per cent. The Annual Plan 1983-84 would endeavour to consolidate this gain and would also direct investment in priority industries within the manufacturing sector. Various policy measures which are listed in para 7 have already been announced for the attainment of these objectives.

13. Placing confidence in the response already depicted by the private sector and impetus to be given by the recently announced measures a quantum jump is projected in the growth of industrial investment. The industrial investment is expected to increase by 62.1 per cent in nominal terms and 52 per cent in real terms. The industrial investment was lower than target during 1982-83, in spite of the fact that the industrial sanctions in the past had been very high and a significant portion of these sanctions were in various stages of credit lining up etc. It is projected that there is likely to be an abnormal increase in the large scale industrial investment during 1983-84. This is also borne out by the estimates provided by financial institutions in respect of foreign currency loans and their local currency financing.

Transport

14. The investment in transport is made up of the cost of motorised vehicles for commercial purposes. During 1982-83 investment in this sector was projected to accelerate at a higher rate so that pressure on demand built up during the Fifth Plan is released. Plan targets both in physical and value terms could not be achieved, the shortfall being that of about 26 per cent. During 1983-84 resource constraint would be relaxed by placing ample funds at the disposal of the private sector. As a result, private investment is projected to grow at a rate of 25 per cent, with investment in buses and trucks being the major constituents. Details of investment in the transport sector are given in the following table.

Investment in Transport

	1982-83				1983-84	
	Plan Target		Estimated Achievement		Target	
	No.	Value (Rs Million)	No.	Value (Rs Million)	No.	Value (Rs Million)
1. Trucks .. —	4800	1092	3840	874	5480	1326
2. Buses .. —	950	214	689	155	2272	534
3. Lev's, Jeep .. —	15000	876	9104	53	4000	245
4. 4 X 4 Jeep .. —	2500	236	2023	190	2500	245
5. Others .. —	—	332	—	768	—	20
Total	—	2750	—	2040	—	2550

Ownership of Dwellings

15. Investment in the Housing sector during 1982-83 surpassed the Plan target marginally to Rs. 5.37 billion. Based on the previous experience a growth rate of 22 per cent has been envisaged for 1983-84 which will escalate the investment in this sector to Rs. 6.55 billion.

16. It may be observed that the housing sector has been assigned comparatively lower priority and its growth has been restricted to only 22 per cent as compared with exceptionally higher growth rates for industry and agriculture. This explains the policy of the government to divert the funds available in private sector from unproductive to productive sectors.

Services

17. The contribution of the Private Sector towards provision of welfare services ranges between 12 to 15 per cent of the total Private investment. These services mainly include investment in the fields of health services, educational facilities, religious institutions, entertainment facilities and welfare institutions. The Annual Plan 1983-84 envisages an investment of Rs. 3.21 billion for the provision of these services which implies an increase of about 12 per cent over the previous year's estimates.

Financing Plan, 1983-84

18. Implementation of the Sixth Plan commences with Annual Plan 1983-84. The pattern of financing projected for the year is dominated by the non-corporate sector of which self-financing will account for about 57 per cent. Substantial expansion in the bank and other institutional credit is projected (Rs. 10.17 billion) for the year 1983-84 as compared with Rs. 7.05 billion during 1982-83. The detailed sector-wise financing is shown in the Annexure.

19. The foreign resource inflow during the year 1983-84 is projected to contribute Rs. 2.44 billion or 9.3 per cent of the total finances; 92 per cent of which may pertain to industries sector. The external finances flow in the form of PAYE scheme, foreign private investment, foreign currency loans of PICIC, IDPB, ADPB and some holding companies, as detailed below :

	(Rs. Million)
ADBP	253
IDBP	340
PICIC	502
Bankers Equity	380
Investment companies	410
PAYE and Foreign	560
Private Investment	
	2,445

20. The financing of the private investment, after taking the external resources into consideration, heavily depends on the domestic resources. To provide funds to the tune of Rs. 23.85 billion, heavy responsibility will have to be shared by the household/corporate sector as well as the banking system. It is, therefore, projected that Rs. 13.68 billion or about 57 per cent will route through the household/corporate sector whereas the banking system will provide Rs. 8.27 billion or about 35 per cent of the total domestic resources. The remaining Rs. 1.9 billion or 8 per cent will be contributed by the non-bank financial institutions.

21. Sector-wise financing is briefly explained in the following paragraphs :

22. In the agriculture sector non-monetized investment is expected to remain around 10 per cent. The total investment is projected to be financed from the following sources :

	(Billion Rs.)	% age Share
Total Investment:	5.52	100.0
(a) Own Savings	2.54	46.0
(b) Foreign Currency Loans	0.20	3.6
(c) Estimated Local Currency Loans	2.78	50.4

23. The industrial investment of Rs. 8.46 billion for the year 1983-84 is mainly projected to be financed through the bank credit and through the sponsor's equity, public subscription investors, own savings and non-corporate sector savings. During 1983-84, the large scale industrial investment of Rs. 6.78 billion is projected to be financed to the tune of Rs. 2.21 billion (32.6%) from external sources which include Pay-As-You-Earn (PAYE) scheme

and foreign private investment. The remaining Rs. 4.57 billion would be financed to the tune of Rs. 3.65 billion from institutional credit of which bank credit will be Rs. 2.63 billion. Non-institutional household savings are expected to provide Rs. 0.92 billion for the purpose.

24. The pattern of financing the small scale industrial investment is somewhat different from that of the large scale industries. It is planned that of the total expected investment of Rs. 1.68 billion, foreign source finance will be about 2 per cent ; institutional credit 64.9 per cent and household savings 33.3 per cent. In absolute terms, it is projected that only Rs. 30 million will be available as foreign resources, Rs. 1090 million would be available from institutional bank and non-bank sources, and Rs. 560 million from non-institutional household savings.

25. The transport and communications sector entirely depends on domestic resources. Of the total domestic resources of Rs. 2.55 billion, Rs. 2.43 billion or about 95 per cent has been projected to come from non-institutional sources and only Rs. 120 million are expected to route through the banking system.

26. The main sources of financing the construction of houses are ; the House Building Finance Corporation, Commercial Banks, household savings and the Government Loans to its employees. During 1983-84 about 66.7 per cent of the total investment of Rs. 6.55 billion is planned to be provided by the individuals, own savings and through Government loans and advances to the employees. The House Building Finance Corporation and other financial institutions would share the remaining 33.3 per cent of the total investment.

27. Almost all the planned investment of Rs. 3.21 billion in the services sector is based on the non-institutional sources (including household savings). About 11 per cent or so may be channelled through the banking system.

Annexure IV

FINANCING OF PRIVATE INVESTMENT DURING 1983-84
(Some selected Institutions)

(Billion Rs.)

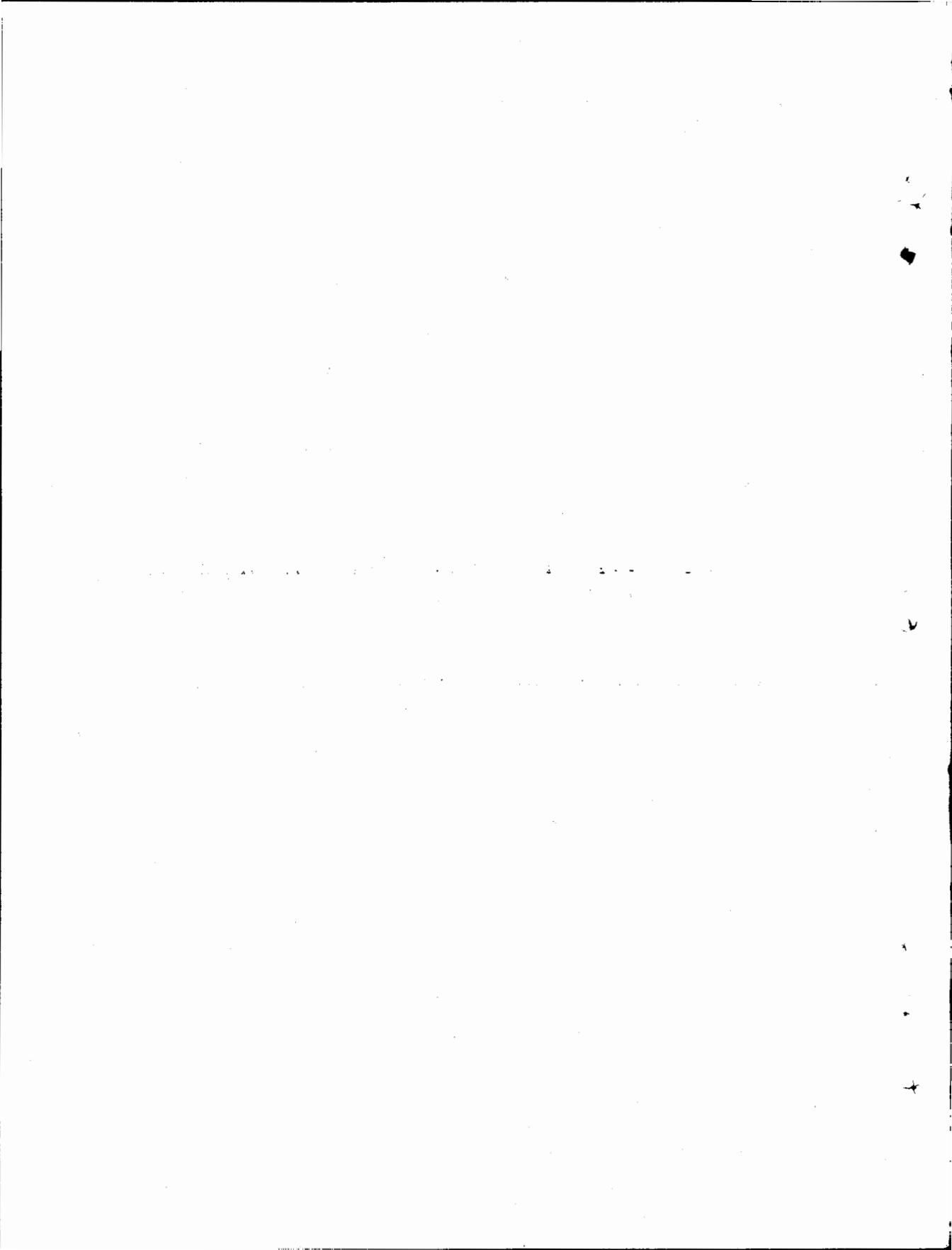
Sector	Total Investment	Foreign Loans/ Equity	Domestic Sources			
			Total	Institutional Bank	Non-Bank Institutions	Non-Institutional/ Household
Agriculture	5.52	0.20	5.32	2.77	0.01	2.54*
Industries	8.46	2.24	6.22	3.68	1.06	1.48
Large Scale	(6.78)	(2.21)	(4.57)	(2.63)	(1.02)	(0.92)
Small Scale..	(1.68)	(0.03)	(1.65)	(1.05)	(0.04)	(0.56)
Transport and Communications	2.55	0.49	2.55	0.12	—	2.43
Ownership of Dwellings ..	6.55	—	6.55	1.35	0.83	4.37**
Services/Others	3.21	—	3.21	0.35	—	2.86
Total	26.29	2.44	23.85	8.27	1.90	13.68

*Includes non-monetized investment of Rs. 0.55 billion.

** Includes House-building advances (Rs. 90 million) by the Government to its employees

MAIN FEATURES OF SECTORAL PROGRAMMES

(83—84)



1. AGRICULTURE

1.1. The annual development programme 1983-84 accords highest priority to agriculture development not only to meet the local requirement but to produce a sizeable exportable surplus. Due consideration has been given to ensure higher production by arranging timely and adequate quantity of inputs coupled with improvement of infrastructure. The major thrust of the development programme (both Federal and Provincial) is on the following :—

- (i) Allocation of Rs. 416.4 million has been made in 1983-84 for construction of storages to meet increasing storage requirements for cotton, rice, wheat and sugar.
- (ii) To cater to the needs for higher productivity emphasis has been given to research work and its wide spread and expeditious dissemination among the farmers. An allocation of Rs. 246.9 million and Rs. 155.6 million have been made for research and extension programmes, respectively during 1983-84.
- (iii) Next priority has been accorded to livestock and poultry production, forest-development and fisheries by allocating Rs. 193.3 million Rs. 162.1 million and Rs. 85.9 million, respectively during 1983-84.
- (iv) Efforts have been made to reduce the burden of subsidies on the Government by increasing the prices of fertilizers but the interest of the farmers will be safeguarded by providing them better support prices for their produce and ensuring availability of production credit.

1.2. Financial allocation and physical targets for 1983-84 are given in Annexure 1.1 and 1.2, respectively.

2. WATER RESOURCES

2.1. Development of Agriculture is directly linked with the development of Water Resources. Substantial allocations have, therefore, been made for Water Resources Sector in the Annual Plan 1983-84. Funds have been earmarked for such important projects as the repairs of Indus Basin/Tarbela, Chashma Right Bank Canal, Accelerated Programme, Canal Rehabilitation, Flood Control and On-Farm Water Management Programme, and completion of Hub and Khanpur Dams. More specifically the main thrust of the development will be on the following programmes :—

- (i) In order to achieve safety and capability of Tarbela Dam every effort would be made to meet the requirement of Tarbela special repairs and additional works. For this purpose an allocation of Rs. 602.0 million has been made in the ADP 1983-84, out of which Rs. 277.4 million will be met through Foreign Exchange.

- (ii) *Accelerated Programme.*—Water logging is one of the major factors which reduces agricultural productivity in the country. During 1983-84, a substantial area of 0.55 MA would be protected. Emphasis would be given to protect disaster area (*i.e.* where water table lies within 5 feet depth). A provision of Rs. 1202.5 million has been made for Accelerated programme during 1983-84. Out of which As. 450.0 million is against foreign aid.
- (iii) *Canal Rehabilitation Programme.*—The Irrigation System which is nearly half a century old, is in need of rehabilitation. Special thrust would, therefore, be given to rehabilitate the deteriorating canal system with the assistance of World Bank. Annual Plan provides an amount of Rs. 275.0 million for this programme which is all in foreign aid. After the completion of this programme, the system would deliver equitable canal water to the end users.
- (iv) *Hub, Khanpur Dam and Chashma Right Bank Canal.*—Special efforts have been made to complete Khanpur Dam and the remedial measures of Hub Dam. Adequate provision has been made to continue work on CRBC. The annual plan has made a provision of Rs. 34.4 million, 43.0 million and 369.7 million for Hub, and Khanpur Dams and Chashma Right Bank Canal respectively.
- (v) *On-Farm Water Management.*—This programme which is being assisted by the World Bank and Asian Development Bank would be accelerated during 1983-84 in all the Provinces. The Provinces have made adequate allocation for this programme.
- (vi) *Research.*—In addition to the above adequate provision has also been made for Research on Water Resources Development under the Science and Technology Sector—a provision of Rs. 17.2 million has been made for an “Institute of On-Farm Water Management” while an amount of Rs. 9.46 million has been provided for the Institute of Water logging and Salinity Control and the Irrigation, Drainage and Flood Control Research Council has been allocated an amount of Rs. 8.26 million to carry out necessary research in this field.

2.2. As a result of these measures the water availability at Farmgate will go up to 103.69 million acre feet (MAF) during 1983-84 compared to 101.49 MAF in the preceding year. Similarly about 307 SCARP tubewells will be completed, about 228 tubewells, replaced and 618 MCF of earthwork excavation and 70 Km of tile drains will be carried out during the year. Under the Flood Control Programme 287 MCF of earth work will be completed to protect the irrigation system and infrastructure.

2.3. Details of financial allocations and major physical targets are given in Annexure 2.1 and 2.2.

3. ENERGY

3.1. The Annual Plan for 1983-84 accords a very high priority to energy development. Energy sector has been provided an allocation of Rs. 8188 million in the ADP 1983-84—Power Rs. 6094 million, Fuels Rs. 2038 million and other energy programmes for Science & Technology Rs. 56 million. This is 26 per cent of the ADP. Besides, adequate provision for Power and Fuels has also been made under the Semi-public (Outside ADP) programme. In addition the Government is exploring the possibility of mobilizing external assistance or commercial Credits coupled with outside ADP credit allocations estimated at about Rs. 1.0 billion for the development of oil and gas resources.

3.2. In the power sector, the priority is being given to easing power shortage and cutting power losses. Some of the major projects provided for in the ADP 1983-84 include 300 MW Lakhra Coal Fired Station (Rs. 123.6 million), Tarbela Hydro-Electric Power Station—Units 9-10 (Rs. 444.3 million), 450 MW Combined Cycle Power Station (Rs. 210.6 million), Guddu Thermal—Unit IV (Rs. 298.4 million) Jamshoro Steam Power Station (Rs. 140.4 million), Barge Mounted 100 MW unit (Rs. 105.3 million).

3.3 In the Fuel sector, maximum priority is given to the increased supply and distribution of gas. To augment the supply of natural gas, Pirkoh, Sui, Mari and Khandkot fields will be in different stages of development. Additional gas is expected to become available from Pirkoh by early 1983 whereas Khandkot field will be developed by mid 1985 to meet requirements of Guddu unit IV. A great emphasis is also being laid on exploration of new resources of oil and gas. During 1983-84 Toot, Meyal, and Khaskhali and Adhi fields will be under development and the pilot study of Dhodak field will be in an advanced stage.

3.4 The physical targets in the energy sector include additional generation capacity of 225 MW, additional crude oil production of 1112 barrals per day and consumption of gas is expected to increase from 310 BCF to 340 BCF an increment of 30 BCF, electrification of about 3000 villages and 16000 Km new secondary transmission lines 40 oil and gas exploration and development wells will be drilled.

3.5. Details of financial allocations and major physical targets are given in Annexures 3.1 and 3.2.

4. INDUSTRY

4.1. The manufacturing sector forms a major part of the GDP, provides the large employment and thus plays a vital role in the economic development of the country. Accelerated growth of more than 12 per cent has been recorded during the financial year 1982-83, which is a faster expansion than the average growth of 8.5 per cent of the previous four years of the 5th Plan. Growth was particularly rapid in cotton yarn, sugar, fertilizers, mild steel products, vegetable ghee and cement but less relatively in cotton cloth.

4.2. Industrial investment in the public sector during 1983-84 has slightly decreased over the previous year. An allocation of Rs. 4589.354 million has been made for the public sector as against the allocation of Rs. 5049.2 million and revised estimates of Rs. 5257.1 million for the year 1982-83, showing a decrease of 9.1 per cent and 12.7 per cent respectively over the previous year. Outlay of Rs. 4400.693 million have been provided for development of industry in public sector for Federal Government and Rs. 188.661 million have been earmarked for the Provincial Governments. The total allocation includes Rs. 2311.354 million from ADP and Rs. 2278.000 million from outside ADP which will be met from bank credit, self-financing and foreign credit/aid. About 98 per cent of the allocation is meant for completion of on-going projects and only 2 per cent for the new projects. The break up for the Federal and Provincial allocation is shown in Annexure 4.1.

4.3 During 1983-84 the major strategy is to place greater reliance on the private sector which is being encouraged to step forward to play its vital role for the economic development of the country. Government funds in industries in the public sector have been restricted to completion of 'on-going' Projects with some provision for BMR and expansion to improve the economic and financial viability of the existing units.

4.4. The major allocation of Rs. 3081.8 million including Rs. 1200 million from outside ADP has been provided in 1983-84 for Pakistan Steel Mills complex. About 50 per cent of the funds would be provided from bank credit, self-financing and foreign aid/credit. The project is scheduled to be completed in the first quarter of 1984.

4.5. For Karachi Export Processing Zone Rs. 60 million have been allocated from ADP 1983-84. The project will boost the economic and industrial development of the country by attracting international capital investment, sophisticated technology and expert management.

4.6. The industrial production is projected to increase by 14.2 per cent during 1983-84 as compared to target of 14 per cent and revised estimates of 12.5 per cent

during 1982-83. Increase in steel products is expected from Pakistan Steel Mills in 1983-84. With effective utilization of the installed and new capacity of sugar mills, sugar production target of 1360 thousand tonnes have been fixed for 1983-84. Production of Cement, Vegetable Ghee, Cotton Yarn, Cotton Cloth, Chemicals (Soda Ash and Caustic Soda) and fertilizers will increase as a result of better utilization of installed capacity and also coming into operation of the new units during 1983-84.

4.7 The financial allocation and physical targets are given in Annexures 4.1 and 4.2.

5. MINERALS

5.1. A sum of Rs. 271.2 million has been allocated to Mineral Sector compared to Rs. 172.5 million in 1982-83 indicating a rise of 57 per cent. (Annexure 5.1). The production targets of major minerals during 1983-84 envisages at 26 per cent growth over the previous year (Annexure 5.2).

Major Mineral Activities

5.2. *Geological Surveys.*—Regional geological mapping on 1 is to 50 thousand scale covering an area of 20,480 sq. kms. in different parts of the country will be undertaken for speedier development of country's mineral wealth. The efforts of the Geological Survey of Pakistan (GSP) will also be directed to the preliminary geological evaluation of copper and iron occurrences in Chagai Distt., lead, zinc and barite prospects in Lasbella-Khuzdar Distt., coal in Sind and Punjab, placer minerals in Punjab and metallic minerals in NWFP. Fundamental research work in bio-stratigraphy and tectonics will be carried out jointly by GSP and foreign geological institutions.

5.3. *Preparation of Pre-investment Feasibility Study.*—Work on preparation of pre-investment feasibility study of commercially viable mineral projects is proposed to be undertaken during 1983-84 by Pakistan Minerals Development Corporation (PMDC). The beneficiary of these studies will be both public and private sector.

5.4. *Development and Utilization of Indigenous Coal.*—To meet large energy requirements of the Sixth Plan, it is proposed to give a thrust to the developing of coal mines and increasing its use in cement kilns, power generation and other heat process installations. To manage and coordinate the technical and administrative matters of coal, proposal to set up 'National Coal Authority in consultation with provincial governments will be considered. During 1983-84 coal production from the existing coal mines will be increased at a growth rate of 24 per cent *i.e.* from 1.8 million tons (1982-83) to 2.24 million tons 1983-84. Paleozoic coal in Punjab province will be explored. Lakhra coal will be further explored and evaluated so as to supply this coal by early 1987 to the planned

Lakhra power Station of 300 MW. At Duki (Baluchistan), exploration and development will be continued by PMDC and GSP, with WAPDA and with World Bank assistance. All the operating coal mines at Makerwal (Punjab), Sor Range and Degari (Baluchistan) and Jhampir Meting (Sind) will be modernized and reorganized. Efforts will be made to extend infrastructural facilities such as roads, electricity, water supply and telecommunication, to the operating coal mining areas.

5.5. *Exploration of Nuclear, Minerals.*—With a view to ensure indigenous supply of Uranium for generation of power, work regarding nuclear mineral surveys will be stepped up.

5.6. *Salt Iodating Plant.*—Pakistan Mineral Development Corporation, with the assistance of UNICEF will set up a salt iodating plant at Khewra to supply iodated salt to the northern parts of the country so as to prevent the disease of goitre that occurs due to lack of iodine in the diets of the victims.

5.7. *Gypsum Mining and Processing; Daudkhel; Mianwali.*—In order to exploit high quality gypsum deposits, Punjab Mineral Development Corporation (PUNJMIN) will develop Daudkhel Gypsum Mining Crushing plant to produce 0.75 million tons of gypsum and its products per year in collaboration with local commercial banks and Asian Development Bank.

5.8. *Development of Phosphate rock; Lagarban and Kakul; NWFP.*—Good quality rock phosphate deposits have been found in Hazara (Lagarban and Kakul). In the Lagarban area the estimated reserves are 12.2 mt. (measured 3.2 mt. indicated 2.97 mt. and inferred 5.94 million tons ranging in P_2O_5 content from 27 to 29 per cent. The beneficiated rock is technically suitable for the manufacture of phosphoric acid as well as nitrophosphate. A mine of 0.2 mt. annual capacity will be developed subject to the completion of a phosphatic fertilizer plant. To utilize phosphate of Kakul mines and to substitute imported rock phosphate required by the existing super phosphate plants of the National Fertilizer Corporation (NFC) at Faisalabad and Jaranwala, a crushing and grinding plant will be installed to meet the consumer's specifications. Allocation of Rs. 14.4 million has been made in the ADP 1983-84 to develop phosphate mines.

5.9. *Iron Ore Project; Nokundi; Baluchistan.*—Nearly 30 million tons of iron ore with 45 to 50 per cent Fe content have been proved in Nokundi areas, district Chagai. A feasibility study to establish the technical and financial parameters governing the economics of the Nokundi iron ore project and to demonstrate its overall viability will be undertaken.

5.10 Details of Financial allocations and Physical targets are given in Annexure 5.1 and 5.2.

6. TRANSPORT AND COMMUNICATIONS

6.1. Transport and Communications is a high priority sector which accounts for nearly one—sixth of the total National ADP for 1983-84. The allocation for this sector has been kept at Rs. 5430.295 million in the public sector. This includes Rs. 4637.305 million for the Federal and Rs. 792.99 million for the Provincial Programmes.

6.2. The programme for 1983-84 includes the development of Railways, Ports and Shipping (including Port Qasim), Telegraph and Telephones, Post Offices, Civil Aviation, roads, bridges and highways.

Railways

6.3. The Railways have been given due priority by allocating Rs. 1442 million for the development of Railways. The programme includes track rehabilitation, augmentation of locomotives fleet, improving signalling works, strengthening of major bridges, line capacity improvement works, manufacture of carriages and completion of telecommunication and related signalling works.

Ports and Shipping

6.4. Ports and shipping has been provided an allocation of Rs. 181.7 million of which as much as Rs. 174.820 million or 96.2 per cent is meant for Port Qasim Authority. Other important programmes include Gwadar Fish Harbour (Rs. 4.3 million) and Marine Academy (Rs. 1.7 million).

National Roads, Bridges and Highways

6.5. An allocation of Rs. 639.65 million has been provided for Roads, Bridges and Highways, Rs. 600.0 million for major roads and bridges and Rs. 39.6 million for minor roads. Besides, an allocation of Rs. 24.1 million has been made for F.W.O. roads. The major programmes under the sub-sector includes the Third Highway Project which has been provided an allocation of Rs. 229.0 million. Other important programmes are Karachi—Hyderabad Super Highway (Rs. 43.00 million), D. I. Khan-Darya Khan Bridge (Rs. 60.2 million), Nowshera—Peshawar dual carriage way (Rs. 34.4 million), Quetta—Sibi (Rs. 10.74 million), Quetta—Chaman (Rs. 8.06 million) and Naukandi—Tuftan Road (Rs. 10.7 million).

Civil Aviation

6.6. An allocation of Rs. 322.500 million has been provided in ADP for Civil Aviation for augmentation of ground and flight safety and opening up of new areas by air link. This allocation comprises of Government equity self-financing

out of C.A.A.'s own resources. In addition an amount of Rs. 100.00 million will be provided from commercial loans and Rs. 100.00 million as foreign aid/grant (subject to availability): Besides, an allocation of Rs. 21.5 million has also been made for Airport Security force to ensure adequate security measures. Construction of new terminal complexes at Karachi, Islamabad and Lahore International Airport will be taken in hand as commercial projects on self-financing basis.

Communications

6.7. A sizeable increase in allocation has been made for the telecommunications system in order to cater to the growing volume of traffic and meet the backlog of demand for telephones. An allocation of Rs. 1646.7 million has been made for Telegraph and Telephones in 1983-84 ADP as against Rs. 1450.0 million for 1982-83. Emphasis will be laid on acceleration of the on-going schemes and induct new schemes for expansion, augmentation and balancing the domestic and international communication. About 70,000 telephone connections will be installed during 1983-84 as against 50,000 connections in 1982-83.

6.8. Details of financial allocation and physical targets are given in Annexure 6.1 and 6.2.

7. PHYSICAL PLANNING AND HOUSING

7.1. The sectoral programme for 1983-84 has been designed in conformity, with the Sixth Plan strategy and policy imperatives. The main objective is to provide facilities of housing for the lower income groups, and improved water supply, sewerage and sanitation facilities particularly to the poorer section of the population and the rural areas. Other programmes relate to the provision of housing to the public servants, construction of office buildings, development of the Capital City of Islamabad and programmes for improving the roads and environmental condition in major cities.

7.2. Programme in the field of housing will be confined to the development of small size plots in urban areas ranging from 60 to 150 sq. yds. The construction of houses would be responsibility of the private sector. In addition, a programme for accelerating the upgradation of the existing slums and katchi abadis in major cities will also be taken up. In the field of water supply and sewerage/sanitation the emphasis would be to provide the facilities in the rural areas.

Financial Allocation

7.3. Total outlay for the Physical Planning and Housing Sector for 1983-84 is Rs. 2720,180 million including Rs. 933,856 million for the Federal Programme, the remaining amount of Rs. 1786,324 million would be shared by the four provinces. An amount of Rs. 607 million would also be spent by the semi-public sector outside ADP. The 1983-84 ADP size of Rs. 2720,180 million is about 14.1 per cent higher than the allocation provided during 1982-83. Besides the above regular ADP allocation, an amount of Rs. 145 million has been provided for sectoral projects under the Special Development Plan for Baluchistan during 1983-84.

7.4. Out of the total Provincial allocation of Rs. 1786.324 million, Rs. 942 million (52%) are provided for water supply and sewerage/sanitation sub-sector, Rs. 450 million (25%) for Government servants housing and offices/buildings and remaining Rs. 394.324 million for other programme of urban improvements. The plot development programmes would be carried out mostly on self-financing basis, through advance recoveries from the beneficiaries. The Federal programmes mainly comprises of Government servants housing and offices/buildings (Rs. 293.069 million), Capital at Islamabad (Rs. 223.6 million) office and residential accommodation for the civil armed (Rs. 98.773) and sectoral projects located in Azad Kashmir, FATA and Northern Regions. (Rs. 112.7296 million).

Physical Targets

7.5. Major physical targets include development of 85,000 residential plots in the urban areas, construction of 3,500 houses for Government Servants. As regards water supply/sanitation facilities it is proposed to cover an additional 1.4 million population with water supply facilities in urban areas and 2.5 million additional population in the rural areas. Improved sewerage/drainage facilities would be made available to an additional population of 1.010 million and 0.550 million in the urban and rural areas respectively. Work on environmental improvement of Katchi Abadis will be accelerated and it is estimated that about 0.600 million population will be covered under this programme in major cities.

7.6. Details of financial allocations and physical targets are given in Annexure 7.1 and 7.2.

8. MASS MEDIA

8.1. A sum of Rs. 158.196 million has been allocated to Mass Media agencies compared to Rs. 153.199 million in 1982-83, indicating an increase of 3.26 per cent. During the year, major portion of the allocation (except Rs. 12.031 million for new schemes) has been provided to on-going schemes.

8.2. The Pakistan Broadcasting Corporation has been provided Rs. 37.796 million compared to Rs. 40.069 million in 1982-83. During the year, the Corporation will complete the scheme of Broadcasting House, Islamabad. The station has already started production of radio programmes. Rs. 11.00 million have been provided to 300 KW MW transmitter, Khuzdar for its commissioning by December, 1984. A village broadcaster will also be installed at Sibbi. Physical work will be initiated on a new Broadcasting House at Karachi.

8.3. The Pakistan Television Corporation has been provided Rs. 111.8 million as against Rs. 113.13 million in 1982-83. During the year, PTVC will commission the main Quetta TV station. The third colour studio at Karachi television station will be completed. The Corporation will start construction work on the TV links known as Quetta-Kalat and Quetta-Loralai.

8.4. During the year, a sum of Rs. 8.6 million has been provided for publicity campaign of the Sixth Plan (1983-88). A special cell has been set up in the Ministry of Information and Broadcasting to look after internal and external publicity of the Plan.

9. EDUCATION AND MANPOWER

9.1. The Annual Plan 1983-84 has been conceived in the light of a critical but objective review of the accomplishments of the Fifth Five-Year Plan policy imperatives and strategy of the Sixth Five-Year Plan.

Financial Allocation

9.2. An allocation of Rs. 2016.852 million has been made for 1983-84 against revised estimates of Rs. 1530.0 million. The allocation for Federal Ministries/ Divisions is Rs. 967.144 million while that of the Provincial Governments is Rs. 1049.708 million. The allocation for the Punjab is Rs. 534.900 million, while that for Sind, NWFP and Baluchistan is Rs. 171.536 million, Rs. 250.436 million and Rs. 92.836 million, respectively.

9.3. In the Federal programme, over 29 per cent or Rs. 282.541 million have been earmarked for the development of University and Higher Education and Rs. 195.640 million or nearly 20 per cent of Federal allocation for the development of National Vocational Skill Training Programme. The programme for development of University and Higher Education includes, *inter alia*, allocation for feasibility study for setting up an MIT type university.

Major Physical Targets

9.4. The major physical targets to be achieved during 1983-84, include the following :

- (i) In the primary education 5005 new Primary schools including 3952 mosque schools and another 400 Mohalla schools will be opened, Construction of buildings, expansion and improvement of 2294 primary schools will be under taken. In addition residence for 600 teachers will be provided.
- (ii) The secondary education will be expanded by upgradation of 430 primary schools and 282 middle schools. About 55 new high schools will be opened. Besides the improvement and consolidation of another 345 middle schools and 182 high schools.
- (iii) About 15000 teachers will be imparted in-service training.
- (iv) Under the technical education on-going programme, of establishment of six new poly-technic institutes will be established and 12 existing units will be improved and consolidated, through the provision of additional facilities.

- (v) Under college education, 7 new intermediate colleges will be established and college education will be introduced in 8 existing high schools.
- (vi) In the university education, development of campuses in case of 11 general and 4 engineering universities will be continued.
- (vii) Over 81000 scholarships will be awarded for studies within the country and abroad. These include 38000 for the Punjab, 16000 for Sind, 10,000 for NWFP and 12,000 for Baluchistan. In addition, 5,000 scholarships will be awarded to children of government servants.
- (viii) One million additional people would be brought under the net of adult literacy through non-conventional methods.

9.5. Details of financial allocations and physical targets are given in Annexure 9.1 and 9.2.

10. CULTURE AND SPORTS

10.1. An amount of Rs. 185.143 million has been provided for the development of Culture and Sports during 1983-84 against an allocation of Rs. 117.493 million during the last year. The ADP allocation of Rs. 185.143 includes Rs. 175.804 million for Federal Government and Rs. 9.339 million for Provincial Governments.

Physical Targets

10.2. It is contemplated that during 1983-84, major work on National Institute of Sports and Culture will be completed. Work shall be continued on the consolidation of facilities of the National Hockey Stadium at Lahore whereas the on-going work on the Indoor Gymnasium Hall, Rawalpindi shall be completed. The implementation of the Master Plan for the Preservation of Moenjodaro shall be continued. Major new projects to be taken up include construction of the culture complex at Islamabad for which Rs. 22.36 million have been allocated. This complex will include the Museum of Islamic Heritage, the National Museum and the National Arts Gallery. In addition work will be initiated on the construction of the International Conference Hall and the Quaid-e-Azam Museum. The Flag Staff House shall be acquired and developed into a national manument. Financial allocations are given in Annexure 10.1.

11. SPECIAL DEVELOPMENT PROGRAMME FOR WOMEN

11.1. An allocation of Rs. 51.6 million has been made for Special Development Programme for Women in the ADP 1983-84 which is entirely for the Federal Programme. The distribution of these funds among various provinces/areas will be as follows :

Province/Area	(Million Rupees)		
	On-going Schemes	New Schemes	Total
Punjab	16.277	9.263	25.540
Sind	11.126	0.584	11.710
NWFP	5.941	0.799	6.740
Baluchistan	1.483	2.487	3.970
Azad Kashmir	1.851	0.089	1.940
FATA	0.280	0.470	0.750
Federal Capital Area	—	0.930	0.930
Northern Areas	0.015	0.005	0.020
	36.973	14.27	51.600

11.2. Major programmes to be implemented during the year will include establishment of Training Centres for Secretarial Work and Repair of Domestic Appliances, Commercial Training Centres, Adult Education Centres, Polytechnics for Women, Vocational Institutes, Community Sponsored/Multipurpose Economic Activities Centres, Pilot Centres at IRDP markaz, Carpet/Duree Centres, Silk-Rearing Centres, Handicraft Production Centres, Ready-made Garment Training Centres, Para-medical Training Centres, etc.

12. HEALTH AND NUTRITION

12.1. Although there has been a gradual decline in mortality and morbidity, the health situation of the country is still characterised by high birth rate, high infant mortality, high maternal mortality and high morbidity due to communicable diseases. The crude death rate is estimated to have declined from 16/1000 during mid 1960 to the present level of 11/1000 as a result of general improvement of nutrition, relative prosperity of masses and better health awareness. Infant mortality has declined from 136/1000 in mid 1960 to the present level of 90/1000. The maternal mortality is 6—8/1000 live births. A major reason for a high maternal mortality is high risk during child birth and poor services.

12.2. There is at present one doctor for 4600 persons, one dentist for 83,000 persons, one nurse for 6.4 hospital beds, one paramedic for 2,486 persons, one primary health care facility for 12,943 persons and one hospital bed for 1,790 persons. Primary health care facilities other than hospitals, are offered by 1,715 basic health units, 374 rural health centres, 867 MCH Centres, 3,994 dispensaries and 632 sub-centres.

12.3. The special Accelerated Health Programmes started during 1982-83 to immunize child population and control of diarrhoeal diseases by oral rehydration therapy and assistance during child birth by trained birth attendants. These programmes provide a great promise in the Sixth Plan. The strategy for the 1983-84 development programme will follow the 6th Plan approach during this year and the experience gained during the last year of the Fifth Plan. Priority will be accorded to the following :—

- (i) Programmes of maternal and child health viz. poly immunization, diarrhoeal control by ORS salts, dais training and nutrition intervention programmes.
- (ii) Upgradation and strengthening of existing facilities in the rural areas so that a beginning is made towards comprehensive national coverage.
- (iii) Completion of projects which have been limping along for quite some-time.

12.4. The annual plan lays emphasis on primary health care and speedy completion of on-going schemes. An important programme during 1983-84 will be accelerated health programme which will aim at prevention of children from six diseases of child birth, assistance to mothers during child birth and control of diarrhoeal diseases by oral rehydration salts. An amount of Rs. 331.00 million has been allocated for the accelerated health programme out of which federal component amounts to Rs. 198.665 million. Under this programme 8.646 million children will be covered by poly-immunization care, 13,763 birth attendants will be trained and 10.2 million packets of Oral Rehydration Salts will be distributed, for treatment of diarrhoea cases.

12.5. The ADP allocation for the health sector is Rs. 1618.665 million, the Federal Government's share is Rs. 800.158, while the provincial component is Rs. 818.507 million. Agency-wise allocations and major physical targets for 1983-84 are given in Annexure 12.1, and 12.2.

13. POPULATION WELFARE

13.1. Taking into consideration a critical, but objective review of the past performance and policy options outlined in the Sixth Five Year Plan ; int raction of fertility management with other development programmes, population welfare

programme will be continued during 1983-84 as a part of the development package, based on the perceived needs of the people viz., health, education, agriculture extension, labour welfare and opportunities for women development.

Financial Allocation

13.2. The ADP allocation during 1983-84 is Rs. 273.065 million. The break up by major sub-sectors is : Rs. 70.664 million have been provided for core programmes ; Rs. 55.800 million for organizational infrastructure ; Rs. 60.062 million for logistics support and supplies and Rs. 26.160 million for training and research programme.

Major Physical Targets

13.3. Major physical targets to be achieved during 1983-84 are as follows :--

Item/Method	(Figures in Million)	
	1982-83 (Performance)	1983-84 (Target)
IUDS (cases)	0.096	0.188
Oral Pills (Cycles)	0.571	4.225
Condoms (units)	43.200	128.700
Contr. ceptive surgery (cases)	0.044	0.076
Injectables (Vials)	0.064	0.095

14. SOCIAL WELFARE

14.1. An allocation of Rs. 90.825 million has been provided in the ADP 1983-84 for Social Welfare sector, against an amount of Rs. 57.359 million in the preceding year showing a substantial increase of 58 per cent. This is indicative of the importance which the government attach to the programme for social welfare and rehabilitation of the handicapped.

14.2. Out of the total allocation of Rs. 90.825, provided for 1983-84, Rs. 53.725 million have been earmarked for Federal programme and the remaining allocation is for all the provincial programmes. An amount of Rs. 25.8 million has been provided for Special Educational Training and Rehabilitation of the handicapped. Financial Allocations and physical targets are given in Annexure 14.1 and 14.2.

15. RURAL DEVELOPMENT

15.1. Rural Development is a multi-sectoral and cross-sectoral activity. As such, Rural Development cannot be isolated from other sectors of development like Agriculture, Energy, Water Resources, Physical Planning, Housing, Education, Health, Transport, and Communication. Rural Development during 1983-84 will be, therefore, reflected in various sectoral development programmes and not just confined to a small programme of Rural Development Sector executed by Local Government and Rural Development Departments at Federal and Provincial levels.

Review of programme during 1982-83

15.2. An amount of Rs. 350.195 million was utilized for Rural Development during 1982-83. Out of above expenditure Rs. 68.278 million were federal expenditure and Rs. 281.917 million were provincial expenditure. The physical targets achieved during 1982-83 included construction of school buildings, rural roads and completion of small and multi-purpose village level schemes, which include programmes for earth work, village water supply and sanitation, adult education, maintenance and repairs of small dams and culverts on self-help basis.

Programmes for 1983-84

15.3. A total sum of 1092.997 million has been provided for Rural Development Programmes during 1983-84. Details and break-down of this allocation by executing agencies are given in the Annexure 15.1. During 1983-84 the major programmes consist of multi-purpose rural community development projects which include small schemes for drinking water supply and sanitation as well as construction, repair and maintenance of rural roads, school buildings, small dams and culverts on self-help basis. The local bodies will be involved, as far as possible, for undertaking or coordinating various Rural Development Programmes with the participation of the local populace. In short, the first and foremost priority of the Annual Plan for 1983-84 will be for provision of physical infrastructure and social services in the Rural Areas through mobilisation of local resources and participation of local communities.

16. SCIENCE AND TECHNOLOGY RESEARCH AND DEVELOPMENT

16.1. The swiftly expanding frontiers of science and technology are fast transforming the traditional pattern of human life and have fueled an unprecedented rate of obsolescence of new products and processes developed after long and painstaking research. The phenomenal speed and scope of this continuing

change makes it imperative for a developing country like Pakistan to equip itself without delay to cope effectively with the technological challenges of the 80's and beyond. The price of being left behind can be incalculable.

16.2. A major policy shift in the Sixth Plan has been initiated to make speedy progress in science and technology as the cornerstone of our development strategy. Unlike in the past, the programmes and projects formulated for each sector will provide for a matching input of science and technology. Furthermore, needed structural changes will be initiated during the Sixth Plan to inject a new dynamism into the system and provide it with necessary resources to make its full contribution to national development.

16.3. The Science and Technology system of a country comprises a number of key elements which share a complex interdependence. The strength of the whole system being determined by its weakest link, it is necessary to adopt an integrated "broad spectrum" approach for overcoming deficiencies in the system's elements so as to optimise its contribution to national development.

16.4. During the current year, which is the first year of Sixth Five Year Plan, concrete steps are being taken for establishing well equipped modern laboratories and experimental centres where basic and applied research on problems relevant to national problems may be undertaken. Measures shall also be initiated for creation of "critical mass" of highly qualified and skilled scientists and technicians alongwith appropriate training facilities for the continuous production of quality manpower.

16.5. Accordingly, allocations for Science and Technology have been substantially increased. An amount of Rs. 574.283 million* has been allocated during 1983-84 which gives an acceleration of about 39 per cent over the Revised Estimates for 1982-83. The sectoral details are given in Annexure 16.1.

16.6. Implementation of various programmes/measures under the Sixth Plan would ensure rapid technological progress and help launch the nation on the road to early attainment of the goal of self-reliance in Science and Technology.

17. SPECIAL AREAS PROGRAMME

17.1. Special Areas comprising Azad Kashmir, Northern Areas and the Federally Administered Tribal Areas are a focus of attention to accelerate the process of development to bring them at par with comparatively developed parts of Pakistan as soon as possible.

*Includes Rs. 43,628 million allocated to DGER mainly for demonstration projects.

17.2. During 1983-84, a provision of Rs. 1051.100 million has been made for these special areas, an increase of 6 per cent over Rs. 990.800 million provided in 1982-83. An amount of Rs. 396.3 million has been allocated to Azad Kashmir, Rs. 154.8 million to Northern Areas, Rs. 390.0 million to FATA and Rs. 110.0 million to FATA DC during 1983-84.

17.3. During 1983-84, highest allocations have been made for the transport and communications sector (Rs. 273.001 million) followed by power sector (Rs. 167.467 million). The allocations are intended to create/improve the basic infrastructure for the speedy development of these areas. Next comes the allocation for education (Rs. 144.400 million), physical planning and housing (Rs. 106.265 million), water (Rs. 100.628 million) and agriculture (Rs. 99.722 million). Likewise, a total allocation of Rs. 159.617 million has been made for the development of other sectors like health, rural development and industry.

A. FATA AND FATA—DC

17.4. During 1983-84, a sum of Rs. 500.000 million (Rs. 390.000 million for FATA/NWFP and Rs. 110.000 million for FATA DC) has been earmarked for financing development projects in FATA which indicates acceleration of about 14 per cent over the previous year.

Agriculture

17.5. In this sector, 90 schemes (47 on-going and 43 new) will be undertaken. These schemes pertain to distribution of 80,000 fruit plants, awarding of 46 scholarships, opening/improvement of 15 veterinary dispensaries and afforestation of 799 hectares of forest area and raising of 17 hectares of forest/fruit nurseries. Moreover, 12 bulldozers will be purchased for ground levelling.

Communications

17.6. Work will be undertaken on 85 schemes, (33 on-going and 52 new). The schemes relate to construction of 125 km of black topped roads and 145 km of hinged roads. The improvement of 106 km of roads will be done. Moreover, 3 bridges will also be constructed.

Power

17.7. As many as 28 schemes (10 on-going and 18 new) will be undertaken in this sector. The schemes pertain to electrification of 262 villages installation of 208 transformers. The programme provides for completion/erection of 285 km of H.T. lines and 335 km of L.T. lines.

Physical Planning and Housing

17.8. In this sector, work will be executed on 48 schemes (27 on-going and 21 new); of this, 23 schemes relate to public health engineering and the remaining to housing.

17.9. The physical targets set in this sector include the following :

	Nos.
1. Establishment of Primary Schools	36
2. Construction of Existing Primary Schools .. .	36
3. Upgradation of Primary Schools to Middle Status .. .	13
4. Construction of Existing Middle Schools .. .	6
5. Upgradation of Middle Schools to High Status .. .	10
6. Construction of Existing High Schools .. .	4
7. Additional class rooms .. .	51
8. Residential quarters .. .	43
9. Construction of College .. .	1
10. Science Laboratories .. .	4
11. Hostels .. .	2
12. Improvement of Colleges .. .	3
13. Construction of buildings of Government Commercial Training Institutes .. .	4

Health

17.10. The programme covers setting up of 10 basic health units, construction of a 10 bedded hospital, improvement of 2 hospitals, upgradation of 3 dispensaries into health units, provision for equipment for 3 dental clinics and 4 blood banks and upgradation of 2 hospitals.

Rural Development

17.11. In this sector, work will continue on the three on-going projects.

17.12. *Water*.—Top priority has been accorded to exploit water resources for the development of agriculture in FATA. As many as 92 small schemes will be executed during 1983-84, out of which 60 are expected to be completed.

17.13. *Industry.*—The existing oil expelling and refining plant in Bajour Agency would be converted into ghee unit; arrangements would be made to install a cement plant and work would continue on the plantation of poplar trees in Miran Shah. In addition, survey and investigation for preparing industrial projects for FATA would remain in progress.

17.14. *Minerals.*—The programme for development of minerals by FATA-DC includes (a) exploitation of soap stone in Kurram Agency, (b) exploratory diamond core drilling for copper at Boya, (c) acquisition of technical know-how for exploration, prospection and evaluation of metallic mineral deposits of Tribal Areas and (d) detailed investigation and exploration of prospective areas in FATA.

Miscellaneous

17.15. Feasibility studies will be undertaken on the establishment of agriculture livestock farm in FATA. Construction of office and residential accommodation for employees of FATA in different agencies would also be undertaken.

B. AZAD KASHMIR

17.16. During 1983-84, an allocation of Rs. 396.300 million has been made for the development programme of Azad Kashmir compared to Rs. 369.700 million during 1982-83, an increase by 7 per cent.

Agriculture

17.17. In this sector, the major programmes pertain to improvement in per hectare yield of foodgrains, development of horticulture, promotion of livestock, development of rural poultry and continuation of reforestation programme. The physical targets set for 1983-84 cover procurement/distribution of 6500 metric tons of fertilizer and 299 metric tons of wheat, 93 metric tons of maize, 56 metric tons of paddy, and 4091 kg. of improved seeds. The programme also envisaged to produce and plant about 350,000 good quality fruit plants of different kinds in the new orchards. Further it is proposed to construct about 7 additional extension centres. To give a fillip to the extension cover for better management of crops and boost agricultural production. Besides this, supporting programmes like construction of godowns, soil conservation, plant protection etc. will also be undertaken.

Industry

17.18. In this sector, the major targets include completion of work on the small industrial estate at Bhimber, besides commencement of work on 3 more mini-industrial estates at Muzaffarabad, Rawalakot and Kotli. Work will be completed on 'Development of Sericulture industry in Azad Kashmir'. About 1.2 million mulberry plants will be planted in closures. Work on the scheme,

setting up of 10 Women Industrial schools in Azad Kashmir, will be continued. Construction of wood working training-cum-development centres at Leepa and Athmuqam will also be taken up. AKMIDC will establish two cold storage units at Muzaffarabad and Rawalakot and a graphite processing plant at Muzaffarabad.

Minerals

17.19. In the mineral sector, work will continue on detailed survey and mineral investigation of Kotli and Poonch districts and feasibility study thereof, exploration of Graphite deposits of Mohriwali, exploration of precious stones and sulphide minerals in pegmatites and Associated Rocks of Neelum Valley, detailed mineral investigation around Muzaffarabad, detailed geological investigations of Ruby occurrences and development of mica deposits in Neelum Valley and exploration of coal deposits in Azad Kashmir.

Water

17.20. About 35% work on Kheri irrigation, Mirpur will be completed; 100% work on ground water investigation, Chamb area will also be done; preliminary work will be done on irrigation of Indral and Chakswari area.

Power

17.21. In this sector, the targets set entail installation of 875 km transmission line besides erection of 380 transformers under the scheme for "Electrification of Rural Areas—Phase-II". preliminary survey of 15 nallahs and final survey on 10 nallahs under the schemes for "Investigation of Small Hydel Station in Azad Kashmir", completion of 2 small hydel stations in Neelum Valley, and supply of power to industrial growth point at Jatli.

Transport and Communications

17.22. Major targets set in this sector involve construction of 51 miles of metalling of roads, improvement/construction of 12 miles of fair weather roads, completion of 2 permanent bridges and 3 suspension bridges.

Education

17.23. In the primary education programme, P.T.C. hostel buildings at Muzaffarabad and Rawalakot will be completed while equipment will be supplied to 400 primary schools. Works on 5 on-going and 9 new schemes relating to middle schools will remain in progress. Construction of additional rooms and provision of equipment to 94 high schools will be completed. The programme envisages the construction of additional rooms with 128 high schools and necessary equipment and land for the play grounds will also be provided. Twenty new

high schools will also be opened. Under different 9 on-going schemes, construction of additional rooms with 16 new inter colleges will be completed besides acquisition of land. The programme also envisages to provide additional accommodation with the existing Degree Colleges. The building of Degree College, Rawalakot will be repaired and extension of hostel will be made. Two poly-technic institutes are proposed to be established at Muzaffarabad and Rawalkot. Two institutions for Blind and Deaf children are proposed to be established at Muzaffarabad. 465 teachers will be trained. The AJK University aims at constructing the building of Agricultural College Rawalakot has acquired land for construction of campus at Kotli, construction of students hostel at Mirpur and Muzaffarabad.

Health

17.24. In this sector, work will continue to complete para medical institute Mirpur and district Headquarters hospital, Kotli, 20 dispensaries in 4 districts, 4 Rural Health Centres and 7 Basic Health Units, 5 MCH Centres, Central Medical store building and improvements will be effected on existing hospitals/dispensaries.

Physical Planning and Housing

17.25. In this sector, work on 22 schemes will be completed while work will be at an advanced stage of completion on 5 more schemes. 50 per cent work on greater water supply scheme, Muzaffarabad will be completed and 100 per cent on water supply at Rawalakot. Major projects on which work will complete include Assembly Buildings and MLA's hostel, Kashmir House at Islamabad, provision of drinking water supply to towns in Azad Kashmir etc.

Rural Development

17.26. In this sector, the programme includes construction of 80.45 km of katcha roads and 12.872 km of pacca roads, and completion of 35 on-going suspension and 4 foot bridges. Construction of 50 new primary schools and 100 existing primary school buildings will be completed. In addition, land will be purchased for construction of additional rooms for 213 middle schools. Irrigation facilities will be provided to 255 hectares of land. The programme envisages to protect/reclaim 126 hectares of land under soil conservation scheme. Three residential buildings are proposed to be constructed. The pipes received from UNICEF will be laid in public institutions in two Markaz viz. Rawalakot and Charoi. It is also proposed to install 50 Bio-gas plants, while five industrial schools and one disabled home will be established under social welfare programme. It is proposed to give coverage to 400 villages under community development projects.

C. NORTHERN AREAS

17.27. During 1983-84, an allocation of Rs. 154.800 million has been made for the Northern Areas development programme compared to Rs. 181.400 million for the preceding year. The first priority has been given to the transport and communications followed by power, physical planning and housing and education sectors.

Agriculture

17.28. About 13,000 bags of fertilizer besides 37.3 metric tons of improved seeds of wheat, maize and potato will be procured and distributed. About 6,480 hectares of various crops, 15,000 fruit plants and 11.2 metric tons of seed will be sprayed and treated and about 15,000 litres of pesticides will be purchased. About 60,000 fruit plants will be distributed. Four new fruit nurseries will be established besides maintenance of existing nurseries. In the animal husbandry sub-sector, major works include construction of three hospital buildings, 15 veterinary dispensary buildings, establishment of diagnostic laboratories at Gahkuch and Murtazabad and opening of a diagnostic centre at Gilgit, procurement of poultry hatchery equipment and machinery besides training of 350 auxiliary village volunteer workers in simple veterinary techniques and treatment/vaccination of 500,000 animals. In the forestry sub-sector, 500,000 plants of various species will be planted, besides raising of 6 miles avenue plantation, afforestation/regeneration of 263 hectares of land in Astore sub-division and Baltistan, and purchase of land for the establishment of 6 permanent nurseries besides raising of two temporary nurseries. In the fisheries sub-sector, trout hatchery at Gilgit will be completed by 100 per cent and 90 per cent work will also be done on trout hatcheries at Astore and Darel.

Industry

17.29. Under this sector, as many as 250 girls will be imparted training in the sphere of carpet weaving, sherma weaving, duree weaving, cutting, sewing, knitting etc. The building of the match unit will be repaired and raw material will be purchased. Survey will be carried out for industrial potential in the Northern Areas.

Water

17.30. The target set includes construction of 40 km of water channels.

Power

17.31. The major targets include construction of 4 power houses (900 kw) and installation of 318 km transmission lines.

Transport and Communications

17.32. The targets include construction of 22 km pacca roads, 276 km Kutch roads (jeepable), 1.62 km truckable roads besides construction of 2 RCC bridges (70 Rft), 9 truss bridges (400 Rft), 7 suspension bridges (1060 Rft) and 10 culverts.

Physical Planning and Housing

17.33. The targets set for the year include construction of residential buildings (24,512 sft), non-residential buildings (39,001 sft). In the field of water supply, work involves laying of pipes (255,200 ft), construction of 14 filter beds and 2 storage tanks.

Education

17.34. Major targets include completion of work on 36 primary schools, different stages of completion of work on 11 new primary schools, completion of work on 40 defunct V. aid primary school buildings, supply of equipment to primary school, upgradation of 24 primary schools to middle status, construction of buildings to 4 middle schools, upgradation of 4 middle schools to secondary level, extension/reconstruction of 3 high school buildings, 43 per cent completion of hostel building for the public schools Jutial, 95 per cent work on college buildings/supply of equipment to Government Degree Colleges, Gilgit and Skardu and 50 per cent completion of work on inter college building at Chilas.

Health

17.35. In the health sector, the major targets set include provision of equipment to the completed hospital/dispensaries, construction of 17 dispensaries, 70 per cent completion of work on 29 first aid posts, and completion of hospital buildings with a capacity of about 170 beds. In addition, training will also be imparted to 40 per cent of the total birth attendants and 60 candidates of paramedical staff. It is also proposed to cover 25 per cent population under immunization programme.

Rural Development

17.36. Under this sector, it is envisaged to construct/improve 400 km of irrigation channels, 71 protective bunds, 70 small bridges/culverts, 300 pony tracks/link roads and 20 community buildings. Moreover, it is also proposed to electrify 2 villages, establish Bio-gas Plants in 3 villages and to purchase 3 drilling machines/rane pumps.

[Faint, illegible text covering the majority of the page, likely bleed-through from the reverse side.]



ANNEXURES

(109—110)

211X-1777

(11-10)

AGRICULTURE

Financial Allocation

(Million Rs.)

S. No.	Sub-sector	Provision for 1983-84	F.E.C.
A. Federal			
1.	Storages	347.677	203.300
2.	Agriculture Extension	30.220	—
3.	Agri. Eco. and Statistics	4.492	2.600
4.	Improved Seeds	2.093	0.200
5.	Plant Protection	3.396	—
6.	Soil Surveys	0.086	—
7.	Forestry	4.584	0.410
8.	Watershed Management	—	—
9.	Wild Life	3.680	1.305
10.	Agriculture Marketing	2.519	1.268
11.	Animal Husbandry	2.825	—
12.	Fisheries	23.934	14.924
13.	Agriculture Universities	42.707	2.300
14.	Narcotics Control	13.024	10.600
15.	Azad Kashmir	51.360	5.000
16.	Northern Areas	16.640	—
17.	Federally Administered Tribal Areas	33.100	—
18.	FATA DC	0.100	—
19.	Other Programmes	1.243	—
	Total (Federal)	583.680	241.907
B. Provincial			
(i)	Punjab	349.529	31.300
(ii)	Sind	120.955	9.060
(iii)	NWFP	81.533	2.829
(iv)	Baluchistan	145.647	48.062
	Total (Provincial)	697.664	91.251
	Total (Agriculture)	1281.344	333.158
C. Science & Technology/Research & Dev.			
(a)	Federal	233.658	162.798
(b)	Provincial	87.210	—
	Total (S&T / R&D)	320.868	162.798
	Grand Total	1602.212	495.956
	Fertilizer Subsidy	1720.000	—

AGRICULTURE
Major Physical Targets

Item	Unit	Estimated Achievement 1982-83	Physical Targets 1983-84
1	2	3	4
1. Crop Production	'000' tonnes		
Wheat	"	12270	12880
Rice	"	3369	3570
Maize	"	1001	1050
Sugarcane	"	32,560	35,000
Cotton	"	821	884
	000 bales each of 375 lbs.	4830	5200
2. Fertilizer	000 Neu/tonnes		
		N— 907	984
		P— 260	275
		K— 24	27
	Total :	1191	1286
3. Plant Protection	'000' Heactares	1618	1850
a. Aerial	"	275	275
b. Ground	"	1343	1575
4. Mechanization			
a. Tractors	Nos.	20,000	50,000
b. Total Net Availability	Nos.	137,400	182,200
5. Improved Seeds			
Wheat	Tonnes	59,696	69,229
Paddy	"	1,157	2,053
Maize	"	783	1,232
Cotton	"	51,549	57,846
Others	"	1,907	2,053
	Total	115,092	132,413
6. Government Storages			
Wheat	Million Tonnes	0.414	0.360
Rice	"	—	0.008
Cotton	"	0.015	0.016
	Total :	0.429	0.384

Items	Unit	Estimated Achievemet 1982-83	Physical Targets 1983-84
7. Livestock & Poultry Products :			
Milk	000 tonnes	9,662	10,240
Meat Beef	"	464	492
Mutton	"	408	432
Poultry	"	70	80
Eggs	Mill. No.s	3200	3616
Hides	"	5.15	5.24
Skins	"	28.81	29.78
Wool	000 tonnes	40	42.6
8. Fisheries			
Inland	000 tonnes	272	288
Marine	"	60	61
Total		332	349
9. Forestry :			
(a) Wood Production (Govt. Forest).			
1. Timber	000 M ³	200	240
2. Fuel Wood	"	480	575
(b) Afforestation	000 Hectares	8.5	12.9
(c) Distribution of Plants	Mill. No.s	35.1	38.6
(d) Linear Plantation	000 Av. Kms.	2.7	4.9
(e) Nursery raising	Hectares	289	328
10. Watershed Management :			
(a) Afforestation	000 Hectares	17.0	19.2
(b) Soil Conservation Works	Do.	5.7	6.5
(c) Production/distribution of forest Plants	Mill. No.s	16.5	18
(d) Production of fruit Plants	Do.	0.7	0.9

WATER

Financial Allocations

(Million Rs.)

S. No.	Sub-sector	Allocation for 1983-84	F.E.C.
A. Federal :			
1.	Indus Basin Tarbela	602.040	277.400
2.	Flood Control Programme	129.000	—
3.	Canal Rehabilitation Project	275.000	275.000
4.	WAPDA	1700.225	491.000
	(i) Chashma Right Bank Canal	369.700	30.000
	(ii) Khanpur Dam	43.000	—
	(iii) Hub Dam	34.400	—
	(iv) Accelerated Programme	1202.500	450.000
	(v) General Investigation	50.625	11.000
5.	On-farm Water Management	34.540	18.916
6.	Tubewel Subsidy	7.740	—
7.	Meteorological Services	14.015	9.600
8.	Survey of Pakistan	20.748	19.952
9.	Special Areas	107.506	—
	(i) Azad Kashmir	9.670	—
	(ii) Northern Area	10.836	—
	(iii) Federally Administered Tribal Areas Development Corporation	87.000	—
10.	IDFCRC	8.260	—
11.	Other Programmes	0.796	—
	Total	2890.814	1091.868
B. Provincial :			
	(i) Punjab	536.329	25.803
	(ii) Sind	140.330	8.000
	(iii) NWFP	175.180	12.000
	(iv) Baluchistan	117.346	11.438
	Total (Provincial)	969.185	57.241
C. Science and Technology/Research Development :			
	(a) Federal	54.262	12.700
	(b) Provincial	6.270	—
	Total (S&T/R&D)	60.532	12.700
	Grand Total	3920.531	1161.809

WATER RESOURCES

Major Physical Targets and Achievement

Item	Unit	1982-83 Achievement	1983-84 Targets
1. Water Availability (at Farmgate)	MAF		
Total		101.49	103.69
Increment		1.34	2.20
2. New Irrigated Area	MA	0.621	0.713
3. Area Protected	MA	0.25	0.55
4. Disaster Area Protected	MA	—	N.A
5. SCARP Tubewells			
New	Nos.	55	307
Replaced	Nos.	149	228
6. Surface Drains	MCF	450+78 Km.	618+70 Km(TI)
7. Flood Control, Earthwork	DFCT	588	287
8. Water Course Improvement	Nos./		
Regular	„	1043	1276
Crash	„	1550	1000

ENERGY
Financial Allocations

(Million Rs.)

S. No.	Sub-sector	Provision for 1983-84	Foreign Exchange Component
A. Federal :			
1.	WAPDA	5442.703	2623.045
2.	Diesel Generation Sets in Baluchistan	8.600	—
3.	Small Hydel Projects in Azad Kashmir, N.A. and NWFP	9.570	—
4.	Pakistan Atomic Energy Commission	428.782	389.604
5.	Azad Kashmir	78.467	—
6.	Northern Areas	24.708	—
7.	FATA	57.000	—
	Total (Federal)	6049.890	3012.649
B. Provincial :			
	(i) Punjab	41.079	—
	(ii) NWFP	2.740	—
	Total (Provincial)	43.819	—
C. Science and Technology/Research and Development :*			
	Federal	50.260	29.290
	Grand Total	6143.969	3041.939

*Includes Rs. 43,628 million for DGER.

B. FUELS

Financial Allocations

(Million Rs.)

S. No.	Sub-sector	Allocation	Foreign Exchange 1983-84 Component
A. Federal			
1.	Oil and Gas Development Corporation	1434.660	919.000
2.	Petroleum Concession	408.339	310.190
3.	Gas Operation	195.088	—
	Total Federal	2038.087	1229.190
B. Provincial			
	(i) NWFP.	0.500	—
C. Science and Technology/Research and Development :			
	Federal	4.414	—
	Provincial	0.000	—
	Total (C)	4.414	—
	Grand Total	2044.001	1229.190

ENERGY SECTOR
Major Physical Targets

Item	Unit	Estimated Actual 1982-83	Target 1983-84
No. of Consumers to be added			
WAPDA			
Domestic	No.	245,380	} 300,000
Commercial	No.	54,335	
Industrial	"	6,000	6,000
Agriculture	Mo.	6,000	6,000
Public targets	"	189	186
Bulk Supply and tradition	"	96	96
Total WAPDA		312,000	312,000
KESC	No.	40,000	42,000
Villages to be electrified	"	2,300	3,000
Fuel :			
Crude oil (addition) production	Bands per day.	2,138	1,112
Gas (addition)	Billion Cft.	16	30
Power :			
Maximum Demand :			
WAPDA System	MW	3,118	3,536
KESC System	MW	618	701
Total (Underpaid Demand)		3,736	4,237
Energy Generation :			
WAPDA System	Million KWh.		
Hydel	"	11,124	11,828
Thermal	"	5,546	6525
Total WAPDA		16,670	18,353
KESC System			
Thermal (including purchase for PASMIC)	"	3,487	3,738
Total (WAPDA and KESC systems)		20,109	22,091
Installed capacity (addition) :			
WAPDA	MW	700	25
KESC	MW	—	200
Total (WAPDA and KESC).		700	225
Installed Capacity			
WAPDA System	MW	3,954	3,979
KESC System	MW	855	1,055
Total (WAPDA and KESC).		4,809	5,034

INDUSTRY

Financial Allocations

(Million Rupees)

S.No.	Sub-sector	Allocation for 1983-84	F.E.C.
A. Federal			
1.	Industrial Corporations	1959.200	1178.330
2.	Export Processing Zone	60.200	60.000
3.	Printing Corporation of Pakistan Press	4.025	3.200
4.	Technical Assistance.. .. .	68.590	67.591
5.	Kashmir Affairs and Northern Affairs Division	22.523	—
6.	States and Frontier Regions Division	7.370	—
7.	Other Programmes	30.495	25.473
Total (Federal)		2152.403	1334.596
B. Provincial			
(i)	Punjab	95.234	0.040
(ii)	Sind	6.080	—
(iii)	NWFP.	17.071	2.250
(iv)	Baluchistan	39.276	1.020
Total (Provincial)		107.661	3.310
C. Science and Technology/Research and Development :			
	Federal	50.290	15.205
	Provincial	1.000	—
Total (C)		51.290	15.205
Grand Total		2311.354	1353.111

INDUSTRY*Major Physical Targets*

Sl. No.	Items	Unit	Estimated Achievement 1982-83	Physical Targets 1983-84
1.	Sugar	000 Tonnes	1150	1360
2.	Vegetable Ghee	"	580	620
3.	Cotton Yarn	Million K.G.	430	460
4.	Cotton Cloth (Mill Sector)	Million sq.mt	350	380
5.	Polyester	000 Tonnes	20	25
6.	Boards	"	115	121
7.	Soda Ash	"	125	135
8.	Caustic Soda	"	50	60
9.	Fertilizers (Nutrients-NP2Os)	"	932	1008
10.	Cement	"	4160	4600
11.	M.S. Products	"	630	650
12.	Steel & its Products	"	250	700
13.	Electric Fans	(Thousands)	225	235

MINERALS
Financial Allocations

(Million Rs.)

S. No.	Sub-sector	Allocation for 1983-84	Foreign Exchange Component
A. Federal			
1.	Geological Survey of Pakistan	13.016	3.200
2.	Pakistan Mineral Development Corporation	95.720	26.000
3.	Resources Development Corporation	10.320	—
4.	Gemstone Corporation of Pakistan	13.601	2.350
5.	Nuclear Mineral Survey	64.158	28.804
6.	PIDC-Minerals	18.257	7.550
7.	Special Areas Programme	4.499	—
	(i) AKMIDC	0.399	—
	(ii) FATADC	4.100	—
	Total (Federal)	219.571	67.904
B. Provincial			
	(i) Punjab	3.200	—
	(ii) Sind	2.164	—
	(iii) NWFP	22.407	—
	(iv) Baluchistan	7.357	0.850
	Total (Provincial)	35.128	0.850
C. Science and Technology/Research and Development :			
	(a) Federal	15.134	10.532
	(b) Provincial	1.402	—
	Total (C)	16.536	10.532
	Grand Total	271.235	79.286

MINERALS
PRODUCTION TARGETS FOR 1983-84

('000' tons)

Items	1982-83 Estimated Production	1983-84 Targets	Growth as envisa- ged in the Sixth Plan
Coal	1800	245	24.7
Rock Salt	600	665	10.8
Baryte	26	30	14
Silica Sand	120	125	4.5
Gypsum	50	662	31.8
Limestone	3000	3892	29.7
Marble	81	86	6.3
Fuller's Earth	17	19	2.0
Soap stone	20	21	4.6

TRANSPORT AND COMMUNICATIONS

Financial Allocations

(Million Rs.)

S.No.	Sub-sector	Allocation for 1983-84	Foreign Exchange Component
1	2	3	4
A. Federal			
1. Communications :			
	(i) Telegraph and Telephones	1632.774	867.654
	(ii) Special Communication. Organization	23.736	14.530
	(iii) Post Offices	60.200	—
2. Transport :			
	(i) Ports and Shipping	181.702	128.455
	(ii) Roads, Bridges and Highways	639.652	100.000
	(iii) F.W.O.	24.102	—
	(iv) Railways	1442.220	505.635
	(v) Civil Aviation	322.500*	60.102
	(vi) Airport Security Forces	21.500	3.500
	3. National Transport Plan Study	0.430	—
	4. Special Areas	271.701	—
	(a) Azad Kashmir	107.001	—
	(b) Northern Areas	38.700	—
	(c) FATA	126.000	—
	Total (Federal)	4620.515	1679.876
B. Provincial			
	(i) Punjab	270.000	—
	(ii) Sindh	298.083	—
	(iii) NWFP	152.939	—
	(iv) Baluchistan	69.968	—
	Total (Provincial)	790.990	—
C. Science and Technology/Research and Development :			
	(a) Federal	16.790	1.000
	(b) Provincial	2.000	—
	Total (C)	18.790	1.000
	Grand Total	5430.295	1680.876

* Civil Aviation Authority : Govt. equity is Rs. 122.500 million, own resources Rs. 200.00 million and commercial loans Rs. 100.000 million.

TRANSPORT AND COMMUNICATIONS
Major Physical Targets

S. No.	Item	Unit	Estimated Achievement 1982-83	Physical Targets 1983-84	
1	2	3	4	5	
T&T					
1.	New Telephone Exchange lines ..	(Nos)	50,000	70,000	
2.	Opening of Public Call Offices ..	(Nos)	—	68	
Railways					
1. Complete track renewal :					
	(i) 100 Lbs ..	(Kms)	153	80	
	(ii) 90 Lbs ..	(Kms)		55	
2.	Rail Renewals ..	(Kms)	40	40	
3. Sleeper Renewals ..					
	(i) Main Line ..	(Kms)	201	28	
	(ii) Branch Line ..	(Kms)		63	
4.	Carriages ..	(Nos)	110	144	
5.	Hopper Truck ..	(Nos)	—	130	
6.	Rehabilitation of Locomotives ..	(Nos)	14	20	
Roads					
<i>Federal</i>					
1.	Azad Kashmir ..	(Kms)	New Construction Metalling Improvement	11 137 90	
2.	Northern Area ..	(Kms)	New construction Metalling Improvement	22.8 (metalled) 1.62 (Truckable) 163.07 (Jeepable)	22 1.62 276
2.	FATA ..	(Kms)	New construction Metalling Improvement	97 (Shingled) 160 (Black top) 59	
<i>Provincial</i>					
1.	Punjab ..	(Kms)	New construction Improvement	86 179	96 320
2.	Sind ..	(Kms)	New construction Improvement	185 331.5	176 229
3.	NWFP ..	(Kms)	New construction Metalling Improvement	65.4 (Shingled) 98.5 (Black top) 105.5	65.4 (Shingled) 98.5 (Black top) 105.5

PHYSICAL PLANNING AND HOUSING

Financial Allocations

(Million Rs.)

S. No.	Sub-sector	Allocation for 1983-84	Foreign Exchange Component
A. Federal			
1.	Capital Development Authority	223.600	5.570
2.	Islamabad Administration	25.316	—
3.	Civil Armed Forces	61.707	—
4.	Government Servants Housing	223.761	—
5.	Government Offices and Buildings.. .. .	70.308	—
6.	Advances to Government Servants for Housing	34.400	—
7.	Tourism	20.352	—
8.	Special grant for Karachi Water Supply Scheme	80.000	—
9.	Kashmir Affairs and Northern Affairs Division	54.207	—
10.	States and Frontier Regions Division	87.478	—
11.	Other Programmes	50.301	—
	Total (Federal) ..	931.542	5.570
B. Provincial			
(i)	Punjab	944.200	45.547
(ii)	Sind	523.437	62.500
(iii)	NWFP	205.877	—
(iv)	Baluchistan	112.147	1.200
	Total (Provincial) ..	1785.661	109.247
C. Science and Technology/Research and Development :			
(a)	Federal	2.314	—
(b)	Provincial	0.663	—
	Total (C) ..	2.977	—
	Grand Total ..	2720.180	114.817

PHYSICAL PLANNING AND HOUSING

Major Physical Targets

S. No.	Sub-sector	Unit	1982-83 Achievement	1983-84 Target
1.	Urban Residential Plot	Nos.	55,000	85,000
2.	Urban Water Supply	Add. pop. to be served (million.)	1.000	1,400
3.	Urban Sewerage/Drainage	Do.	1.200	1.010
4.	Rural Water Supply	Do.	1.300	2.500
5.	Rural Sanitation	Do.	0.300	0.550
6.	Government Servants Housing	No.	2,000	3,500
7.	Govt. Offices and Buildings	Million sft. ..	1.000	1.000
8.	Environmental Improvement	Pop. to be served (Million).	—	0.600

EDUCATION AND MANPOWER

Financial Allocations

(Million Rs.)

S. No.	Sub-sector	Allocation for 1983-84	Foreign Exchange Component
A. Federal			
I. Education :			
1.	Primary Education	29,481	3,200
2.	Secondary Education	32,798	1,000
3.	Teacher Education	3,273	1,612
4.	Technical Education	15,180	4,000
5.	College Education	12,366	—
6.	University and Higher Education	282,541	45,592
7.	Scholarships and Loans	54,219	44,144
8.	Literacy Programme	34,937	—
9.	Production and Supply of Text Books	17,814	10,970
10.	Dev. of Lib. Services and Museums	26,577	—
11.	Miscellaneous Prog. of Edu. Division	8,472	1,550
II. Manpower			
12.	National Vocational Skill Training	195,640	161,910
13.	Social Security Scheme	2,535	2,535
14.	Other Schemes of Manpower	1,616	—
III. Other Divisions			
15.	Cabinet Division	17,200	—
16.	Establishment Division	31,730	—
17.	Planning Division	34,125	14,918
18.	Statistics Division	1,656	1,326
IV. Special Areas			
19.	Azad Kashmir	32,100	—
20.	Northern Areas	21,285	—
21.	FATA	85,900	—
Total (Federal)		941,445	292,757
B. Provincial			
(i)	Punjab	534,300	2,420
(ii)	Sind	171,236	2,750
(iii)	NWFP	250,436	4,000
(iv)	Baluchistan	91,836	2,130
Total (Provincial)		1047,808	11,352
C. Science and Technology/Research and Development :			
(a)	Federal	25,699	4,000
(b)	Provincial	1,900	—
Total (C)		27,599	4,000
Grand Total		2016,852	308,109

EDUCATION AND MANPOWER

(Physical Targets for 1983-84)

Sl. No	Sub-sector	Unit	Estimated Achievement 1982-83	Physical Targets 1983-84
I. Primary Education				
		Number		
1.	Opening of Primary Schools	„	3,076	1,053
2.	Opening of Mosque Schools	„	6,900	3,952
3.	Consolidation and Improvement of Primary Schools	„	11,923	2,294
II. Secondary Education :				
4.	Upgradation of			
	(i) Primary Schools	„	321	430
	(ii) Middle Schools	„	218	282
5.	Consolidation and Improvement of			
	(i) Middle Schools	„	260	345
	(ii) High Schools	„	163	182
7.	Opening of new High Schools	„	—	55
8.	In Service Training of Schools Teachers	„	1200	1,500
III. College Education :				
9.	Opening of Intermediate College	„	5	7
10.	Addition of classes XI and XII in Secondary Schools	„	8	8

CULTURE AND SPORTS

Financial Allocations

(Million Rs.)

S.No.	Sub-sector	Allocation for 1983-84	Foreign Exchange Component
A. Federal :			
1.	Archaeology and Archives	18.600	10.500
2.	Sports	115.279*	0.300
3.	Culture	41.925	—
	Total (Federal)	175.804	10.800
B. Provincial			
	Punjab	4.000	—
	Sind	1.756	—
	NWFP	0.400	—
	Baluchistan	3.183	—
	Total (Provincial)	9.339	—
	Grand Total	185.143	10.800

Note.—An allocation of Rs. 9.339 million has been made for Provincial programmes under Education and Manpower Sector.

* Includes Special Grant of Rs. 20.000 million for construction of sports stadium.

HEALTH AND NUTRITION

Financial Allocations

(Million Rs.)

S.No.	Sub-sector	Provision for 1983-84	Foreign Exchange Component
A. Federal :			
1.	Hospital Beds	344.766	165.350
2.	Health Manpower Development	20.896	2.220
3.	Preventive Programmes	324.152	230.952
4.	Medical Research	7.224	0.086
5.	Rural Health	19.982	15.000
6.	Others	9.177	—
7.	Special Areas	66.379	—
	(i) Azad Kashmir	31.704	—
	(ii) Northern areas	9.675	—
	(iii) FATA	25.000	—
	Total (Federal)	792.576	413.608
B. Provincial :			
	(i) Punjab	488.6	—
	(ii) Sind	124.280	—
	(iii) NWFP	162.069	—
	(iv) Baluchistan	43.258	—
	Total (Provincial)	818.207	—
C. Science and Technology/Research and Development :			
	(a) Federal	7.582	—
	(b) Provincial	0.300	—
	Total (C)	7.882	—
	Grand Total	1618.665	413.608

HEALTH AND NUTRITION*Physical Targets for 1983-84*

S. No.	Item	Target 1983-84
A. Preventive Programmes :		
1.	Poly-immunization of children under 5 years against tuberculosis, measles, poliomyelitis, whooping cough, diphtheria and tetanus	8.646 million Children.
2.	Training of Birth Attendants	13,763
3.	Oral rehydration of diarrhoea (packets)	10.2 million.
B. Health Manpower Development :		
4.	Doctors	3,560
5.	Nurses.. .. .	1,000
6.	Paramedics	5,000
7.	Birth Attendants	13,763
C. Development of Health Infrastructure :		
8.	Hospital beds	1,986
9.	Rural Health Centres	34
10.	Basic Health Units/Dispensaries/MCH Centres	407
D. Employment of Health Manpower :		
11.	Nurses.. .. .	1,000
12.	Paramedics in General Health Services	1,200
13.	Doctors in Pubic Sector	2,000

SOCIAL WELFARE*Financial Allocations*

(Million Rupees)

S. No.	Sub-sector	Allocation for 1983-84	Foreign Exchange Component
A. Federal			
1.	Special Education and Social Welfare Division	41,909	—
2.	National Council of Social Welfare	5,490	—
3.	Staff Welfare Organization	5,724	—
	Total (Federal)	53,123	—
B. Provincial			
(i)	Punjab	22,500	—
(ii)	Sind	3,900	—
(iii)	N.W.F.P.	7,700	—
(iv)	Baluchistan	3,000	—
	(Total (Provincial))	37,100	—
C. Science and Technology/Research and Development :			
	Federal	0,602	—
	Grand Total	90,825	—

SOCIAL WELFARE

Physical Targets for 1983-84

Items	Unit	Estimated Achievements 1982-83	Physical Targets 1983-84
	Number of Projects/Services		
Welfare and Rehabilitation Centres for the Handicapped	"	31	34
Child Welfare Services/Centres	"	29	35
Woman Welfare Service Centres	"	1,084	1,105
Promotion of NGOs	"	1,550	1,850
Multi-purpose Community Centres	"	198	220
Medical Social Service Units	"	53	70
School Social Service Units	"	17	25
Supportive Infrastructural Programmes	"	19	22
Staff Welfare Centres	"	43	47

RURAL DEVELOPMENT*Financial Allocations*

(Million Rupees)

Executing Agencies	Allocation for 1983-84	Foreign Exchange Component
A. Federal Agencies		
1. Ministry of Local Govt. and Rural Development.	4.615	0.800
2. Interior Division (Islamabad Administration)	9.205	—
3. Kashmir Affairs and Northern Areas Division		
(i) Azad Jammu and Kashmir	27.741	—
(ii) Northern Areas.	13.932	—
4. States and Frontier Regions Division		
(i) FATA	16.000	—
Total (Federal) ..	71.493	0.800
B. Provincial Agencies		
1. Punjab Government	845.000	0.800
2. Sind Government	47.000	—
3. NWFP Government	86.211	—
4. Baluchistan Government	42.200	—
Total (Provincial) ...	1020.411	0.800
C. Science and Technology Research and Development		
Federal	1.093	—
Grand Total :	1092.997	1.600

SCIENCE AND TECHNOLOGY/RESEARCH AND DEVELOPMENT
Financial Allocations

(Million Rupees)

S. No	Sector	Federal	Provincial	Total
1.	Agriculture	233.658	87.210	320.868
2.	Industry	50.290	1.000	51.290
3.	Minerals	15.134	1.402	16.536
4.	Water	54.262	6.270	60.532
5.	Power	50.260	—	50.260
6.	Fuels	4.414	1.000	5.414
7.	Transport and Communications	16.790	2.000	18.790
8.	Physical Planning and Housing	2.314	0.663	2.977
9.	Rural Development	1.093	—	1.093
10.	Education and Manpower	52.699	1.900	27.599
11.	Health & Nutrition	7.582	0.300	7.882
12.	Social Welfare	0.602	—	0.602
13.	Population Welfare.. .. .	10.440	—	10.440
Total (Gross)		472.538	101.745	574.283

SPECIAL AREAS PROGRAMME

Financial Allocations

(Million Rupees)

S. No.	Sector	FATA	FATA-DC*	Azad Kashmir	Northern Areas*	Total
1	2	3	4	5	6	7
1.	Agriculture	33.100	0.100	51.360	15.162	99.722
2.	Water	—	85.958	9.670	5.000	100.628
3.	Power	57.000	—	78.467	32.000	167.467
4.	Industry	—	7.860	19.813	1.000	28.673
5.	Minerals	—	7.700	0.399	—	8.099
6.	T & C,	126.000	—	107.001	40.000	273.001
7.	PP&H	47.000	8.382	38.045	12.838	106.265
8.	Education	85.900	—	32.100	26.400	144.400
9.	Health	25.000	—	31.704	11.400	68.104
10.	Rural Development	16.000	—	27.741	11.000	54.741
Total :		390.000	110.000	396.300	154.800	1051.100

* Sectoral break-up is based on the information provided by the Sponsoring Agencies and as such they do not tally with the figures given in the Federal ADP 1983-84, as these figures were not available at the time of printing of ADP.