

MONTHLY REPORT ON **FISCAL POSITION**

(July FY2007-08)

ABSTRACT

This report is prepared on the basis of the data generated by the Budgeting Information Systems. Major findings of the report are as follows:

- Up to July FY 08, about 7.4% of the **Budgeted Revenue** has been collected.
- **Revenue Expenditure** incurred over this time is about 4.4 % of the Budget for FY 08.
- **Development Expenditure** during the same period is about 0.1% of the development budget for the FY 08, implying under utilization and/or underreporting.
- **Overall Balance** up to July FY 08, measured from above the line, as % of estimated GDP is about -2.0 %.
- **Financing** (budget deficit as defined from below the line) up to July FY 08 stands at about 2.0 % of the GDP.

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Monthly Report on Fiscal Position¹

July FY 08

a.0 Revenue Expenditure

a.1 Sector-wise Utilization and Growth

Sector-wise information on Revenue Expenditure is presented in Table a.1. Among other things, following major observations transpire from the Table:

- While Revised Budget (RB07) for the FY07 was 4.9% higher than the original budget (B07) and Actual Exp (A07) was 5.8% lower than that of RB07, B08 was 21.5 % higher than A07 and 20.2% higher than B07.
- Nominal Increase of B08 over RB07 was 14.5%, the largest increase was in the General Public Services (44.1%) followed by Social Security and Welfare sector (27.5%).

Table a.1: Revenue Expenditure Pattern by Sector^{2,3}

(in Crore Taka)

Sectors	B07	RB07	A07	Sector's Share of A07 (in %)	RB07 as % B07	A07 as% of RB07	B08	B08 as % of B07	A08 (up to July)	B08 as % of RB07	B08 as % of A07	A08 (up to July) as % B08
GPS	6312.4	4364.1	8892.6	21.1	69.1	203.8	6288.2	99.6	624.3	144.1	70.7	9.9
LGRD	1171.3	1434.0	1062.3	2.5	122.4	74.1	1307.2	111.6	21.2	91.2	123.1	1.6
Defence	4744.5	5281.8	5483.2	13.0	111.3	103.8	5282.9	111.3	148.1	100.0	96.3	2.8
POS	3450.8	4131.2	3922.6	9.3	119.7	95.0	4321.4	125.2	215.9	104.6	110.2	5.0
Edu	7215.1	8020.6	7524.1	17.8	111.2	93.8	8659.1	120.0	483.3	108.0	115.1	5.6
Hlth	2409.2	2682.4	2488.1	5.9	111.3	92.8	2863.2	118.8	137.8	106.7	115.1	4.8
SSW	2335.2	2419.2	1078.0	2.6	103.6	44.6	3085.1	132.1	16.6	127.5	286.2	0.5
Housing	558.5	544.6	527.3	1.3	97.5	96.8	626.4	112.2	16.7	115.0	118.8	2.7
RCRA	461.2	505.4	445.8	1.1	109.6	88.2	555.4	120.4	10.5	109.9	124.6	1.9
FE	25.0	26.7	26.1	0.1	106.7	97.7	28.4	113.6	1.1	106.5	109.0	3.8
Agri	3195.0	3598.2	3491.0	8.3	112.6	97.0	4322.6	135.3	78.7	120.1	123.8	1.8
IES	186.7	202.0	210.7	0.5	108.2	104.3	207.4	111.1	8.8	102.7	98.4	4.2
Trans	2926.4	2373.1	2235.3	5.3	81.1	94.2	2893.5	98.9	99.5	121.9	129.4	3.4
Interest	7636.9	9154.0	4771.9	11.3	119.9	52.1	10784.8	141.2	372.0	117.8	226.0	3.4
Total	42628.4	44737.4	42159.1	100.0	104.9	94.2	51225.5	120.2	2234.6	114.5	121.5	4.4
Increase over FY06 (%)	11.8	18.9	15.4									

a.2 Ministry-wise Utilization Pattern

Ministry-wise revenue expenditure pattern is presented in Table a.2 in the next page. It appears that:

- Actual spending up to July FY 08 was 22.9% higher than the corresponding period of the previous year.
- For the month of July FY 08, actual expenditure was also 22.9 % higher than the corresponding month of FY06.
- Up to July 08 only 4.4 % of the Budget for the FY 08 has been spent.

¹ This report is based on data generated in the CGA System and the analysis is based on gross basis.

² Notes: GPS = General Public Services, LGRD = LGD, RD & Cooperatives, CHTs, POS = Public Order and Safety, Edu = Education and Technology, Hlth = Health, SSW = Social Security and Welfare, RCRA = Recreation, Culture and Religious Affairs, Agri = Agriculture, Fisheries and Livestock, Land, Water Resources and Food, FE = Fuel and Energy, IES = Industries, Jute, Textiles, Commerce, Labor & Overseas, Trans = Transport and Communication.

³ B = Budget, RB = Revised Budget and A = Account/Actual.

Table a.2: Revenue Expenditure: Ministry-wise Expenditure Pattern Up to July FY08

(in Crore Taka)

	A06	B07	RB07	A07 (July)	A07 (Up to July)	A07	B08	A08 (July)	A08 (up to July)	A08 (up to July) as % B08	A08 as % A07 (July)	A08 as % A07 (up to July)
Sub-total = GPS	4606.3	6312.4	4364.1	493.0	493.0	8892.6	6288.2	624.3	624.3	9.9	126.6	126.6
President	3.7	4.3	4.9	0.8	0.8	4.8	5.2	0.8	0.8	15.2	101.5	101.5
Parliament	41.4	43.2	32.2	2.7	2.7	30.1	20.7	0.9	0.9	4.3	32.5	32.5
PMO	58.9	69.1	78.7	3.2	3.2	74.3	101.9	3.5	3.5	3.4	110.8	110.8
Cabinet Div	20.4	18.0	16.8	1.4	1.4	17.2	16.1	1.2	1.2	7.2	83.4	83.4
Election Com	63.3	141.6	110.1	1.4	1.4	81.4	536.2	2.0	2.0	0.4	140.7	140.7
Estab	363.8	474.8	555.0	21.6	21.6	535.3	612.7	30.5	30.5	5.0	141.6	141.6
PSC	7.3	10.3	8.9	0.4	0.4	8.7	9.8	0.4	0.4	3.8	91.1	91.1
Finance Div	3291.1	4559.9	2508.2	41.3	41.3	2697.2	3923.9	22.5	22.5	0.6	54.5	54.5
IRD	443.5	642.0	680.6	397.5	397.5	5101.1	693.3	536.2	536.2	77.3	134.9	134.9
ERD	18.1	24.4	26.0	1.2	1.2	20.8	26.1	1.9	1.9	7.1	154.3	154.3
Planning Div	66.4	68.8	85.5	4.9	4.9	83.8	86.2	5.0	5.0	5.8	102.4	102.4
IMED	4.6	4.9	4.8	0.2	0.2	4.6	6.9	0.3	0.3	3.8	124.5	124.5
Foreign Aff	224.0	251.0	252.3	16.5	16.5	233.4	249.2	19.2	19.2	7.7	116.9	116.9
Sub-total = LGRD	1112.8	1171.3	1434.0	18.1	18.1	1062.3	1307.2	21.2	21.2	1.6	116.8	116.8
LGD	766.2	859.4	1136.6	13.8	13.8	911.4	991.2	16.7	16.7	1.7	120.9	120.9
RD Div	218.5	183.6	152.4	4.3	4.3	141.7	154.5	4.4	4.4	2.9	103.7	103.7
CHT	128.1	128.4	145.0	0.1	0.1	9.2	161.4	0.1	0.1	0.0	122.4	122.4
Sub-total = Defence	4392.5	4744.5	5281.8	158.9	158.9	5483.2	5282.9	148.1	148.1	2.8	93.2	93.2
Def. Service	4318.7	4658.0	5184.1	153.4	153.4	5362.2	5189.1	142.7	142.7	2.7	93.0	93.0
Def.- Others	73.8	86.5	97.7	5.5	5.5	121.0	93.7	5.4	5.4	5.8	99.3	99.3
Sub-total=POS	2936.0	3450.8	4131.2	165.9	165.9	3922.6	4321.4	215.9	215.9	5.0	130.2	130.2
Law & Parlia.	160.2	190.0	206.4	10.0	10.0	203.2	213.6	12.5	12.5	5.9	125.0	125.0
Supreme Court	23.4	26.0	28.8	1.4	1.4	28.5	27.2	1.6	1.6	5.9	116.6	116.6
Home Aff.	2749.0	3219.8	3887.2	154.3	154.3	3684.3	4065.5	201.3	201.3	5.0	130.5	130.5
aAnti Corruption Com	3.4	15.0	8.9	0.1	0.1	6.7	15.1	0.4	0.4	3.0	313.4	313.4
Sub-total = Edu	6220.3	7215.1	8020.6	439.2	439.2	7524.1	8659.1	483.3	483.3	5.6	110.0	110.0
PME	1978.1	2460.3	3201.7	154.0	154.0	2817.0	3371.1	182.6	182.6	5.4	118.6	118.6
Education	4148.0	4645.8	4706.6	285.1	285.1	4615.3	5172.6	300.6	300.6	5.8	105.4	105.4
Sc. & Tech	94.3	109.0	112.4	0.1	0.1	91.9	115.4	0.1	0.1	0.1	128.1	128.1
Sub-total = Health	1904.2	2409.2	2682.4	96.5	96.5	2488.1	2863.2	137.8	137.8	4.8	142.8	142.8
HFW	1904.2	2409.2	2682.4	96.5	96.5	2488.1	2863.2	137.8	137.8	4.8	142.8	142.8
Sub-total = SSW	1273.2	2335.2	2419.2	9.7	9.7	1078.0	3085.1	16.6	16.6	0.5	171.2	171.2
Social Wel.	533.2	660.9	665.5	5.7	5.7	640.8	748.0	9.9	9.9	1.3	172.3	172.3
Women Aff.	505.0	565.8	583.4	1.2	1.2	214.9	730.6	1.8	1.8	0.2	156.3	156.3
Disaster Man.& Relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Liberation Aff.	78.4	113.3	83.8	0.0	0.0	82.8	105.4	0.0	0.0	0.0	89.1	89.1
Food & Disaster Man	156.5	995.3	1086.6	2.8	2.8	139.4	1501.2	4.9	4.9	0.3	176.5	176.5
Sub-total = HCS	549.5	558.5	544.6	13.9	13.9	527.3	626.4	16.7	16.7	2.7	120.2	120.2
Housing	549.5	558.5	544.6	13.9	13.9	527.3	626.4	16.7	16.7	2.7	120.2	120.2
Sub-total = RCRA	393.9	461.2	505.4	8.5	8.5	445.8	555.4	10.5	10.5	1.9	123.3	123.3
Information	173.6	219.4	235.2	6.0	6.0	205.5	327.7	7.2	7.2	2.2	121.2	121.2
Cultural Aff.	58.3	63.1	68.0	0.7	0.7	60.5	59.2	1.1	1.1	1.9	158.9	158.9
Religious Aff.	46.0	48.7	64.2	0.2	0.2	59.8	54.3	0.1	0.1	0.1	28.1	28.1
Youth	116.1	130.0	138.1	1.6	1.6	120.0	114.1	2.0	2.0	1.8	129.9	129.9
Sub-total = FE	19.5	25.0	26.7	0.8	0.8	26.1	28.4	1.1	1.1	3.8	132.3	132.3
Petroleum	17.6	22.5	23.8	0.7	0.7	23.2	24.5	0.9	0.9	3.7	133.1	133.1
Energy	2.0	2.5	2.9	0.1	0.1	2.9	3.9	0.2	0.2	4.1	128.2	128.2
Sub-total = Agr	2718.8	3195.0	3598.2	64.9	64.9	3491.0	4322.6	78.7	78.7	1.8	121.3	121.3
Agriculture	1762.1	1927.5	2391.6	28.2	28.2	2354.6	3142.9	34.2	34.2	1.1	121.2	121.2
Fisheries	255.6	371.0	336.8	11.0	11.0	294.5	331.1	14.4	14.4	4.3	131.0	131.0
Environment	112.4	128.4	148.3	7.2	7.2	143.7	155.9	8.0	8.0	5.1	111.9	111.9
Land	221.7	258.3	303.0	18.2	18.2	293.9	322.3	21.8	21.8	6.8	119.8	119.8
Water	367.0	509.8	418.5	0.3	0.3	404.4	370.4	0.3	0.3	0.1	95.4	95.4
Sub-total = IES	162.0	186.7	202.0	6.4	6.4	210.7	207.4	8.8	8.8	4.2	138.4	138.4
Indsuties	41.2	47.6	55.5	0.7	0.7	39.9	62.2	0.5	0.5	0.8	80.0	80.0
Jute	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Textiles	37.4	40.1	42.3	1.0	1.0	71.1	39.0	1.5	1.5	3.9	157.0	157.0
Commerce	39.9	45.6	44.9	1.8	1.8	43.7	45.9	2.4	2.4	5.3	134.2	134.2
Labour	15.0	18.8	24.0	1.1	1.1	22.4	23.4	1.3	1.3	5.6	124.6	124.6
Expatriates	28.4	34.7	35.3	1.9	1.9	33.6	36.9	3.0	3.0	8.2	161.0	161.0
Sub-total = TC	2360.1	2926.4	2373.1	97.0	97.0	2235.3	2893.5	99.5	99.5	3.4	102.6	102.6
Roads/ Comm	1629.7	2060.6	1558.7	44.4	44.4	1407.9	2079.1	53.1	53.1	2.6	119.5	119.5
Shipping	61.6	58.9	66.2	0.5	0.5	63.4	53.6	0.6	0.6	1.0	102.6	102.6
Civil Aviation	1.5	3.6	6.3	0.6	0.6	6.3	6.1	0.5	0.5	7.7	77.9	77.9
Post&Tele.	667.3	803.4	741.9	51.4	51.4	757.8	754.6	45.4	45.4	6.0	88.3	88.3
Sub-total = Interest	7894.4	7636.9	9154.0	244.9	244.9	4771.9	10784.8	372.0	372.0	3.4	151.9	151.9
Domestic	6649.1	6297.9	7854.0	188.5	188.5	3525.8	9463.5	316.7	316.7	3.3	168.0	168.0
Foreign	1245.3	1339.0	1300.0	56.4	56.4	1246.2	1321.3	55.3	55.3	4.2	98.0	98.0
Total	36543.5	42628.4	44737.4	1817.6	1817.6	42159.1	51225.5	2234.6	2234.6	4.4	122.9	122.9

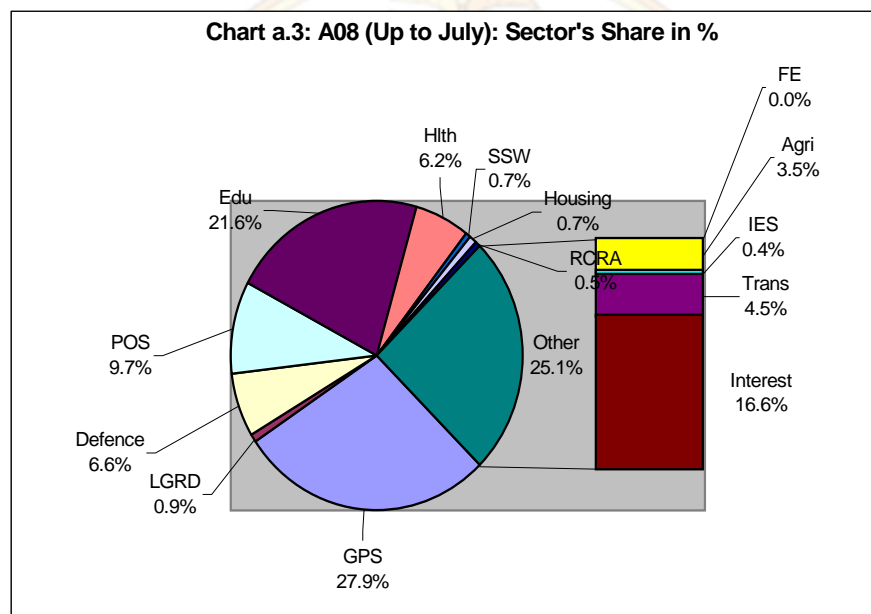
➤ Regarding expenditures up to July FY08, only 7 (seven) ministries/divisions show a utilization of revenue resources more than 7%: IRD (77.3%), President (15.2%), Expatriate (8.2%), Foreign Affairs (7.7%), Civil Aviation (7.7%), Cabinet Division (7.2%), and ERD (7.1%).

a.3 Revenue Expenditure: Broad Sector-wise Allocation

A comparative picture of broad sector-wise allocation of Revenue Expenditure is presented below:⁴

Broad Sectors	Admn	SIS	PIS	Agri	Others	Interest
Sector's Share of A07	43.4	30.1	5.4	8.3	1.6	11.3
Sector's Share of B08	31.0	32.3	5.7	8.4	1.5	21.1
Sector's Share of A08 (Upto July)	44.2	30.2	4.5	3.5	0.9	16.6

A detail of sector-wise share of revenue expenditure based on the Account (up to July) for the FY08 is shown in Chart a.3. Individually the largest share is: General Public Services (27.9%), followed by Education (21.6%), Interest (16.6%), Public Order and Safety (9.7%), Defence (6.6%), Health (6.2%), Transportation (4.5%), and Agriculture (3.5%).



a.4 Utilization up to July FY08

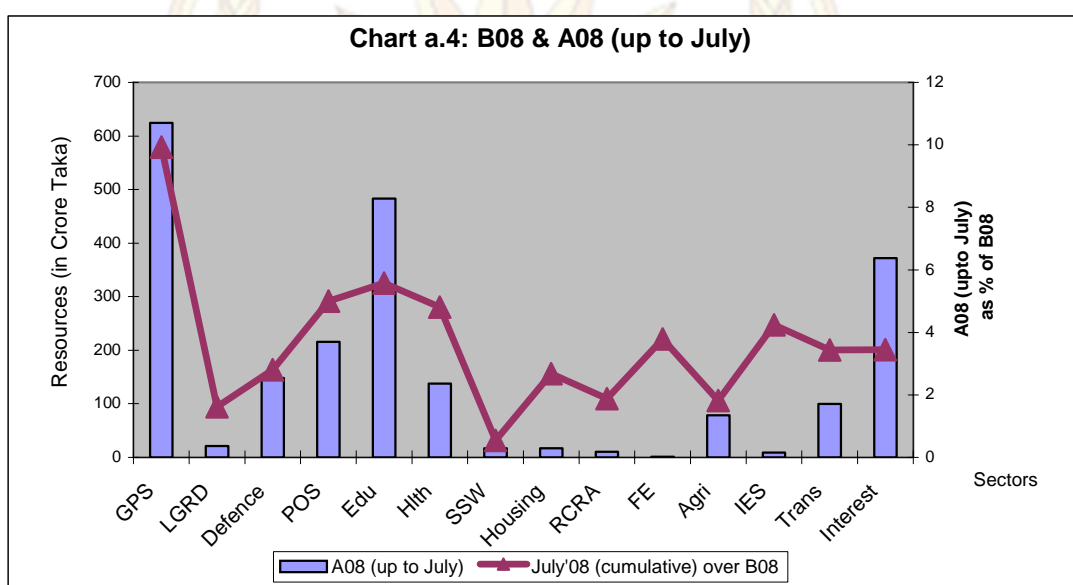
Sector-wise utilization of resources (up to July FY08) is shown in Table a.4 and Chart a.4 (presented in the next page). It appears that only three sectors have a utilization rate more than 5.0%:

- GPS (9.9% of B08 has been spent)
- Education (6.1 %)
- POS (5.0%)

⁴ Admn = General Public Services, Defence, and Public Order and Safety,
 SIS = Social Infrastructure, covers Edu, health, Housing and SSW & LGRD.
 PIS = Physical Infrastructure, covers FE and Trans; and Others include RCRA and IES

Table a.4: Resource Utilization Pattern of July FY 07 and up to July FY 08
(in Crore Taka)

Sectors	A07 (July)	A07 (Up to July)	A08 (July)	A08 (up to July)	July 08 over July '07 (in %)	July 08 over July 07 (cumulative)	July'08 (cumulative) over B08
GPS	493.0	493.0	624.3	624.3	126.6	126.6	9.9
LGRD	18.1	18.1	21.2	21.2	116.8	116.8	1.6
Defence	158.9	158.9	148.1	148.1	93.2	93.2	2.8
POS	165.9	165.9	215.9	215.9	130.2	130.2	5.0
Edu	439.2	439.2	483.3	483.3	110.0	110.0	5.6
Hlth	96.5	96.5	137.8	137.8	142.8	142.8	4.8
SSW	9.7	9.7	16.6	16.6	171.2	171.2	0.5
Housing	13.9	13.9	16.7	16.7	120.2	120.2	2.7
RCRA	8.5	8.5	10.5	10.5	123.3	123.3	1.9
FE	0.8	0.8	1.1	1.1	132.3	132.3	3.8
Agri	64.9	64.9	78.7	78.7	121.3	121.3	1.8
IES	6.4	6.4	8.8	8.8	138.4	138.4	4.2
Trans	97.0	97.0	99.5	99.5	102.6	102.6	3.4
Interest	244.9	244.9	372.0	372.0	151.9	151.9	3.4
Total	1817.6	1817.6	2234.6	2234.6	122.9	122.9	4.4



b.0 Revenue Expenditure: Economic Classification

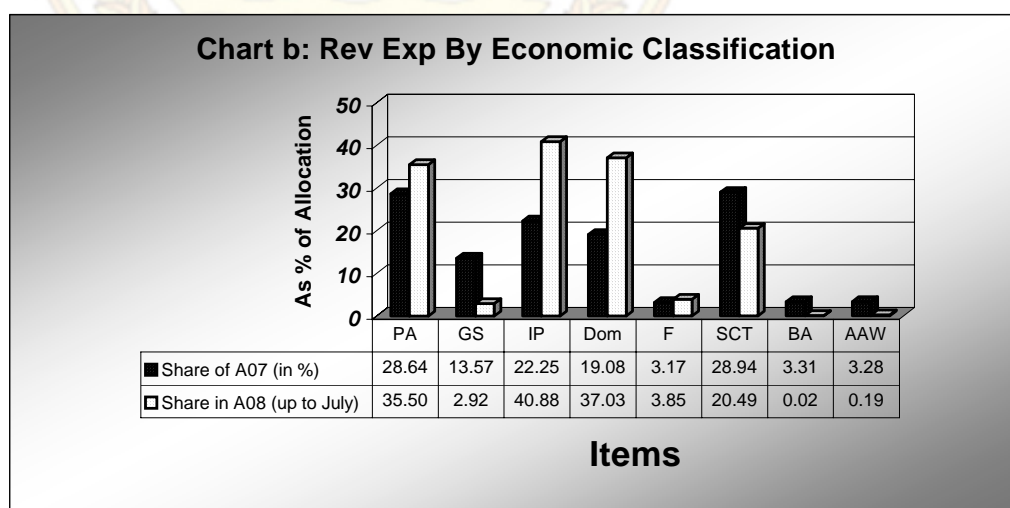
Structure and pattern of Revenue Expenditure according to economic classification are presented in Table b and Chart b (presented in the next page). Following conclusions can be drawn on the basis of them:

- Until July FY 08, maximum utilization of Revenue Expenditure as % of B08, has been carried out under two heads: Interest Payments (8.6%) and Pay and Allowances (6.0%). Subsidies and Current Transfers come thereafter with 3.2%.
- During the last Fiscal Year (A07), Domestic Interest Payments (19.1%) was 5.97 times larger than that of Foreign Interest Payment (3.2%).

- Up to July FY08, the following economic categories show an utilization rate more than 7.0 %: Pay of Officers (7.6%), Pay of Establishment (7.1%), Pension & Gratuities (7.1%), and Domestic Interest Payments (8.9%).

Table b: Revenue Expenditure by Economic Classification

Description	<i>(in Crore Taka)</i>						
	RB06	B07	A06	A08 (up to July)	B08 as % of RB07	Share of A07 (in %)	A08 (up to July) as % B08
Pay and Allowances	12861.9	13483.8	12102.2	804.5	104.8	28.6	6.0
Pay of Officers	1144.9	1185.9	1135.9	89.7	103.6	2.7	7.6
Pay of Establishment	5502.6	5761.5	5284.3	409.6	104.7	12.5	7.1
Allowances	6214.4	6536.4	5682.0	305.3	105.2	13.4	4.7
Goods and Services	6298.3	7461.6	5735.7	66.2	118.5	13.6	0.9
Supplies and Services	4321.8	4882.4	3911.5	57.1	113.0	9.3	1.2
Repairs, Maintenance & Rehabilitation	1976.5	2579.2	1824.2	9.2	130.5	4.3	0.4
Interest Payments	9154.0	10784.8	9403.4	926.5	117.8	22.3	8.6
Domestic	7854.0	9463.5	8063.1	839.3	120.5	19.1	8.9
Foreign	1300.0	1321.3	1340.3	87.2	101.6	3.2	6.6
Subsidies and Current Transfers	13161.1	14348.1	12228.0	464.3	109.0	28.9	3.2
Subsidies	2130.6	1948.8	2895.1	0.0	91.5	6.9	0.0
Grants in Aid	8133.2	9347.9	6386.4	249.9	114.9	15.1	2.7
Contributions to Intl Organisation	34.3	32.4	19.0	0.7	94.4	0.0	2.2
Pensions and Gratuities	2860.5	3016.0	2927.3	213.7	105.4	6.9	7.1
Block Allocation	1345.9	2182.2	1396.5	0.5	162.1	3.3	0.0
Unexpected	139.1	798.0	197.4	0.0	573.7	0.5	0.0
Others	1206.8	13841.7	1199.2	0.5	114.7	2.8	0.0
Acquisition of Assets and Works	1812.7	2027.5	1385.7	4.4	111.8	3.3	0.2
Acquisition of Assets	1379.3	1650.8	1025.9	1.7	119.7	2.4	0.1
Acquisition of Land Assets	52.0	36.7	37.2	2.5	70.5	0.1	6.9
Construction and Works	381.4	340.1	322.6	0.2	89.2	0.8	0.1
Net Total	43576.4	48839.2	42253.6	2266.4	112.1	100.0	4.6



Notes: PA = Pay and Allowances, GS = Goods and Services, IP = Interest Payment, Dom = Domestic IP, F = Foreign IP, SCT = Subsidies and Current Transfers, BA = Block Allocation, AAW = Acquisition of Assets and Works.

c. Development Expenditure

c.1 Ministry-wise Utilization Pattern

Ministry-wise development resource utilization pattern is presented in Table c.1. It appears that:

- Up to July FY 08 only about 0.1% of the Budget for the FY08 has been spent implying under utilization and/or underreporting.

Table c.1: Development Expenditure: Ministry-wise Expenditure Pattern Up to July FY08

(in crore Taka)														
	A06	B07	RB07	A07 (July)	A07 (Up to July)	B08	RB08	A08 (July)	A07	A08 (up to July)	A07 (upto July) as % of B07	A08 (up to July) as % B08	A08 as % A07 (July)	A08 as % A07 (up to July)
Sub-total = GPS	492.1	1090.2	1054.9	0.0	0.0	1269.7	0.0	1.4	404.8	1.4	0.0	0.1	0.0	4689.3
Parliament	12.9	11.1	11.1	0.0	0.0	8.9	0.0	0.0	8.4	0.0	0.0	0.0	0.0	0.0
PMO	185.9	339.5	274.5	0.0	0.0	249.9	0.0	0.0	206.9	0.0	0.0	0.0	0.0	0.0
Cabinet	0.1	0.0	6.5	0.0	0.0	11.8	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Election Com.	0.6	3.0	10.4	0.0	0.0	0.0	0.0	0.0	6.5	0.0	0.0	0.0	0.0	0.0
Establishment	81.0	113.6	95.8	0.0	0.0	107.9	0.0	0.0	36.9	0.0	0.0	0.0	0.0	0.0
	3.7	4.0	9.3	0.0		2.0		0.0	9.2	0.0	0.0	0.0	0.0	0.0
Finance Div	154.1	234.3	239.8	0.0	0.0	254.0	0.0	1.4	95.4	1.4	0.0	0.5	0.0	4664.4
IRD	0.0	25.7	12.1	0.0	0.0	52.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ERD	0.9	23.6	95.0	0.0	0.0	32.5	0.0	0.0	2.7	0.0	0.0	0.0	0.0	0.0
Planning Div	46.0	327.0	292.2	0.0	0.0	511.1	0.0	0.0	31.7	0.0	0.0	0.0	0.0	0.0
IMED	6.7	8.5	8.3	0.0	0.0	39.6	0.0	0.0	6.9	0.0	0.0	0.0	0.0	0.0
Foreign Aff.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total = LGRD	4154.8	5624.0	5908.1	9.8	9.8	6153.2	0.0	4.7	4980.0	4.7	0.2	0.1	0.0	47.6
LGD	3803.3	5262.9	5465.0	0.0	1.6	5708.7	0.0	3.4	4668.3	3.4	0.0	0.1	0.0	211.6
RD	144.2	121.4	171.7	8.2	0.0	186.3	0.0	0.0	138.8	0.0	0.0	0.0	0.0	0.0
CHT	207.3	239.8	271.4	0.0	8.2	258.2	0.0	1.3	173.0	1.3	3.4	0.5	0.0	15.9
Sub-total = Defence	31.5	157.6	115.9	0.0	0.0	187.1	0.0	0.0	28.8	0.0	0.0	0.0	0.0	0.0
Defence Service	23.2	66.6	45.8	0.0	0.0	60.6	0.0	0.0	8.8	0.0	0.0	0.0	0.0	0.0
Def.-Others	8.3	91.0	70.1	0.0	0.0	126.5	0.0	0.0	20.1	0.0	0.0	0.0	0.0	0.0
Sub-total=POS	176.4	225.8	262.5	4.1	4.1	461.2	0.0	0.0	203.0	0.0	1.8	0.0	0.0	0.5
Law & Parlia. Aff.	42.8	68.1	49.4	3.3	3.3	76.6	0.0	0.0	24.9	0.0	4.9	0.0	0.0	0.2
Ministry of Home Aff.	133.5	157.8	213.1	0.8	0.8	384.6	0.0	0.0	178.2	0.0	0.5	0.0	0.0	1.5
Sub-total = Edu	2584.0	3878.3	2874.9	20.1	20.1	3710.2	0.0	0.9	2512.6	0.9	0.5	0.0	201.0	4.4
PMED	1604.4	2260.7	1796.6	20.1	20.1	2279.9	0.0	0.7	1519.1	0.7	0.9	0.0	20.1	3.5
Education	933.6	1524.6	1002.7	0.0	0.0	1315.9	0.0	0.2	927.3	0.2	0.0	0.0	0.0	0.0
Sc. & Tech.	46.0	93.0	75.6	0.0	0.0	114.4	0.0	0.0	66.2	0.0	0.0	0.0	0.0	0.0
Sub-total = Health	885.9	2375.3	2275.2	0.0	0.0	2606.3	0.0	0.2	1502.6	0.2	0.0	0.0	9811.8	9811.8
HFV	885.9	2375.3	2275.2	0.0	0.0	2606.3	0.0	0.2	1502.6	0.2	0.0	0.0	9811.8	9811.8
Sub-total = SSW	614.5	913.9	498.1	0.6	0.6	818.6	0.0	0.6	241.2	0.6	0.1	0.1	600.0	101.8
SW	50.6	105.7	40.0	0.0	0.0	61.8	0.0	0.0	29.5	0.0	0.0	0.0	0.0	0.0
Women's Aff.	75.5	183.1	82.9	0.6	0.6	94.3	0.0	0.6	67.3	0.6	0.3	0.6	0.0	101.8
Disaster Manag.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lib. Affairs	60.5	22.2	12.2	0.0	0.0	9.7	0.0	0.0	6.4	0.0	0.0	0.0	0.0	0.0
Food & Disaster	428.0	602.9	363.0	0.0	0.0	652.8	0.0	0.0	138.0	0.0	0.0	0.0	0.0	0.0
SAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total = HCS	69.9	46.3	35.7	0.0	0.0	104.7	0.0	0.0	34.8	0.0	0.0	0.0	0.0	0.0
Housing	69.9	46.3	35.7	0.0	0.0	104.7	0.0	0.0	34.8	0.0	0.0	0.0	0.0	0.0
Sub-total = RCRA	293.6	412.3	252.4	11.2	11.2	380.3	0.0	1.2	237.3	1.2	2.7	0.3	0.0	11.0
Information	14.1	86.2	29.5	0.0	0.0	124.3	0.0	0.0	20.1	0.0	0.0	0.0	0.0	0.0
Cultural Aff.	36.5	68.0	48.8	0.0	0.0	80.3	0.0	0.0	39.6	0.0	0.0	0.0	0.0	0.0
Religious Aff.	53.8	73.7	93.9	0.0	0.0	120.5	0.0	1.2	94.8	1.2	0.0	1.0	0.0	0.0
Youth	189.1	184.4	80.1	11.2	11.2	55.2	0.0	0.0	82.9	0.0	6.1	0.0	0.0	0.0
Sub-total = FE	3791.0	4260.1	3007.7	0.0	0.0	4557.8	0.0	0.0	2689.8	0.0	0.0	0.0	0.0	0.0
Petroleum	327.3	674.5	144.3	0.0	0.0	729.5	0.0	0.0	153.4	0.0	0.0	0.0	0.0	0.0
Energy	3463.6	3585.7	2863.4	0.0	0.0	3828.3	0.0	0.0	2536.4	0.0	0.0	0.0	0.0	0.0
Sub-total = Agr	1636.5	2611.2	1717.0	127.7	127.7	2221.9	0.0	9.2	1423.2	9.2	4.9	0.4	31925.0	7.2
Agriculture	614.3	1221.1	768.9	124.1	124.1	838.1	0.0	0.0	617.0	0.0	10.2	0.0	62050.0	0.0
Fisheries	139.8	207.2	125.6	2.1	2.1	218.5	0.0	8.1	104.2	8.1	1.0	3.7	0.0	387.2
Environment	140.8	113.8	85.6	1.0	1.0	95.7	0.0	0.8	86.3	0.8	0.9	0.8	0.0	75.1
Land	10.8	113.1	25.7	0.4	0.4	28.8	0.0	0.2	18.2	0.2	0.4	0.8	0.0	52.5
Water	730.7	956.0	711.1	0.0	0.0	1040.9	0.0	0.0	597.5	0.0	0.0	0.0	0.0	0.0
Sub-total = IES	362.5	443.1	301.1	0.1	0.1	386.9	0.0	0.3	216.6	0.3	0.0	0.1	0.0	255.4
Industries	203.3	204.3	81.5	0.0	0.0	169.8	0.0	0.2	52.4	0.2	0.0	0.1	0.0	0.0
Textiles	23.1	20.3	29.6	0.0	0.0	42.1	0.0	0.0	11.3	0.0	0.0	0.0	0.0	0.0
Commerce	50.0	133.1	117.7	0.0	0.1	80.8	0.0	0.0	94.4	0.0	0.1	0.0	0.0	0.0
Labour	86.2	85.5	72.3	0.1	0.1	94.1	0.0	0.1	58.4	0.1	0.1	0.1	0.0	73.1
Sub-total = TC	2812.9	4442.4	3580.0	37.5	37.5	4106.0	0.0	0.8	2591.3	0.8	0.8	0.0	2.2	2.2
Communication	2326.3	3296.3	2950.1	37.5	37.5	3421.8	0.0	0.8	2082.8	0.8	1.1	0.0	2.2	2.2
Shipping	100.5	326.6	97.9	0.0	0.0	205.3	0.0	0.0	80.2	0.0	0.0	0.0	0.0	0.0
Civil Aviation	85.1	49.9	32.3	0.0	0.0	17.7	0.0	0.0	28.1	0.0	0.0	0.0	0.0	0.0
Post and Tele.	301.1	769.6	499.6	0.0	0.0	461.2	0.0	0.0	400.3	0.0	0.0	0.0	0.0	0.0
a. Total	17905.4	26480.5	21883.3	211.1	211.1	26963.8	0.0	19.2	17066.0	19.2	0.8	0.1	9.1	9.1

- The scale of underreporting has gone down as far as annual data is concerned. However, it warrants the need of some sorts of integration of Budgeting Information System with the monitoring system of IMED and ERD.

c.2 Development Expenditure: Growth and Allocation Pattern

Table c.2 presents sector-wise growth and allocation pattern of Development Expenditure. It shows:

- ❖ While Revised Budget (RB07) for the FY07 was 17.4% less than the original budget (B07) and A07 was 22% less than RB07, B08 was 58% higher than A07 but only 1.8% higher than B07.

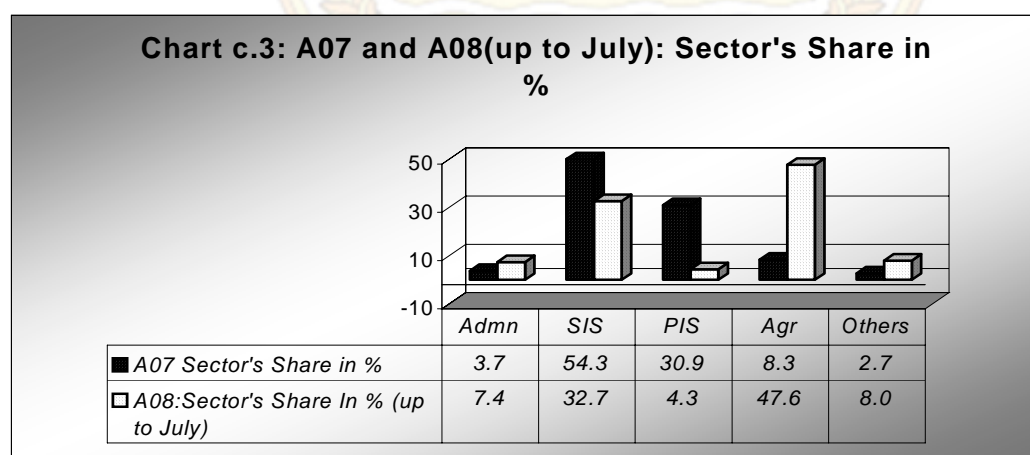
Table c.2: Development Expenditure Pattern by Sector⁵

Sectors	(in Crore Taka)											
	A06	B07	RB07	A07	B08	A08 (up to July)	A07 Sector's Share in %	A07 as % of RB07	B08 as % of RB07	RB07 as % of B07	B08 as % of A07	A08 (up to July) as % of A07
GPS	492.1	1090.2	1054.9	404.8	1269.7	1.4	2.4	38.4	120.4	96.8	313.6	4689.3
LGRD	4154.8	5624.0	5908.1	4980.0	6153.2	4.7	29.2	84.3	104.1	105.1	123.6	47.6
Defence	31.5	157.6	115.9	28.8	187.1	0.0	0.2	24.9	161.4	73.6	648.7	0.0
POS	176.4	225.8	262.5	203.0	461.2	0.0	1.2	77.3	175.7	116.2	227.2	0.5
Edu	2584.0	3878.3	2874.9	2512.6	3710.2	0.9	14.7	87.4	129.1	74.1	147.7	4.4
Health	885.9	2375.3	2275.2	1502.6	2606.3	0.2	8.8	66.0	114.6	95.8	173.5	9811.8
SSW	614.5	913.9	498.1	241.2	818.6	0.6	1.4	48.4	164.4	54.5	339.4	101.8
HCS	69.9	46.3	35.7	34.8	104.7	0.0	0.2	97.4	293.3	77.2	301.2	0.0
RCRA	293.6	412.3	252.4	237.3	380.3	1.2	1.4	94.0	150.7	61.2	160.3	11.0
FE	3791.0	4260.1	3007.7	2689.8	4557.8	0.0	15.8	89.4	151.5	70.6	169.4	0.0
AFL	1636.5	2611.2	1717.0	1423.2	2221.9	9.2	8.3	82.9	129.4	65.8	156.1	7.2
IES	362.5	443.1	301.1	216.6	386.9	0.3	1.3	71.9	128.5	67.9	178.6	255.4
TC	2812.9	4442.4	3580.0	2591.3	4106.0	0.8	15.2	72.4	114.7	80.6	158.5	2.2
Total	17905.4	26480.5	21883.3	17066.0	26963.8	19.2	100.0	78.0	123.2	82.6	158.0	9.1

- While Budget for the FY 08 shows 23.2% increase over RB07, up to July, FY 08 actual expenditure registers only 9.1% of the last year's actual expenditure.

c.3 Development Expenditure: Sectoral Priority

Broad sector-wise utilization of development resources is presented in Chart c.3.



- Growth and Poverty Reducing biases are evident.

⁵ Notes: GPS = General Public Services, LGRD = LGD, RD & Cooperatives, CHTs, POS = Public Order and Safety, Edu = Education and Technology, Health = Health, SSW = Social Security and Welfare, RCRA = Recreation, Culture and Religious Affairs, AFL = Agriculture, Fisheries and Livestock, Land, Water Resources and Food, FE = Fuel and Energy, IES = Industries, Jute, Textiles, Commerce, Labor & Overseas, TC = Transport and Communication.

d.0. Revenue Collection Position

d.1 Growth and Relative Collection Position

Table d.1 portrays revenue collection and Table d.2 (presented in the next page) shows revenue structure and growth scenario for the FY07 and FY08 (up to July)⁶.

Table d.1: Revenue Receipts: Reporting Scenario

	(in Crore Taka)								
	A06	B07	RB07	A07 (July)	A07 (Up to July)	A07	B08	A08 (July)	A08 (up to July)
Tax Rev(a+b)	33964	42915	39247	2758	2758	38027	45838	3483	3483
a. NBR	32438	41055	37479	2611	2611	36172	43850	3284	3284
a.1 Income	6399	8500	8924	465	465	8622	10838	807	807
a.2 VAT	11899	14729	13683	1012	1012	13351	15890	1186	1186
a.2i Import	6239	7223	6360	533	533	6824	7174	563	563
a.2ii Domestic	5660	7506	7323	479	479	6527	8716	623	623
a.3 Import	7516	9485	8279	616	616	7581	9354	631	631
a.4 Sup	6049	7701	6095	488	488	5971	7168	587	587
a.4i Import	1523	2010	1241	93	93	1366	1402	118	118
a.4ii Domestic	4526	5691	4854	395	395	4605	5766	469	469
a.5 EO	576	640	498	30	30	647	600	73	73
b. Non-NBR	1526	1860	1768	147	147	1855	1988	199	199
b.1 NL	38	50	50	4	4	44	50	5	5
b.2 Vehicles	346	382	367	26	26	418	441	41	41
b.3 Land	259	415	402	30	30	296	464	34	34
b.4 Stamp	883	1014	949	88	88	1098	1034	120	120
c. Non-tax Rev	8553	9563	10167	628	628	8780	11407	737	737
c.1 DP	1083	1499	1995	31	31	1703	2475	17	17
c.2 PO&R	419	700	704	14	14	399	762	18	18
c.3 T&T	1580	1903	1822	180	180	1779	1927	130	130
c.4 IFT	5471	5461	5647	403	403	4899	6244	571	571
Total Rev (a+b+c)	42517	52479	49414	3386	3386	46807	57246	4220	4220
d. GDP _{new}	416155.0	465300.0	465300.0	35020.9	35020.9	465300.0	528116.0	39211.2	39211.2
e. Tax-GDP Ratio	8.2	9.2	8.4	7.9	7.9	8.2	8.7	8.9	8.9
f. NBR (Source: NBR)	29905.12			2450.93	2450.9	33986.8		2783.7	2783.7
g. a as % of f	108.5			106.5	106.5	106.4		118.0	118.0

Table d.1 indicates that:

- In FY 08, tax revenue collection is 8.9% of the estimated GDP.
- On annual and monthly basis, the discrepancy between NBR and CGA system has almost reduced.

Table d.2 (presented in the next page) indicates that:

- While tax revenue collection estimates for the FY08 is 16.8% higher than RB07 of the FY07, it is 20.5% higher than the actual collection (A07).
- Up to July FY08, tax revenue collection for the FY08 registers 26.3 % increase over the corresponding period of the previous FY07. Whereas, Non-NBR tax collection Increased by 35.7 % but Non-tax revenue collection decreased by 17.2%.
- Up to July FY08 only 7.4% of the budgeted revenue has been collected.

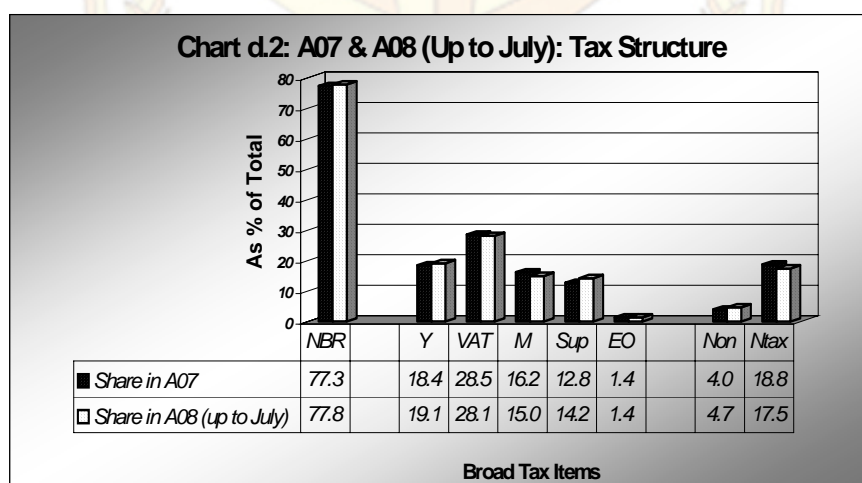
⁶ Notes: Income = Income/Profit/Property/Wealth, Sup=Supplementary+Excise, EO = Electricity+Others
 NL = Narcotics & Liquor, DP = Dividend & Profit, PO&R = Post Office+Railway
 IFT = Interest/Fees/Tolls & Other receipts

Table d.2: Revenue Receipts⁷: Growth and Structure

	(RB07/B07)*100	(B08/A07)*100	(B08/RB07)*100	Share in A07	(July08/July07)*100	(A08/A07)*100 (up to July)	(A08 up to July/B08)*100
Tax Rev(a+b)	91.5	120.5	116.8	81.2	126.3	126.3	7.6
a. NBR	91.3	121.2	117.0	77.3	125.8	125.8	7.5
a.1 Income	105.0	125.7	121.4	18.4	173.7	173.7	7.4
a.2 VAT	92.9	119.0	116.1	28.5	117.1	117.1	7.5
a.2i Import	88.1	105.1	112.8	14.6	105.7	105.7	7.9
a.2ii Domestic	97.6	133.5	119.0	13.9	129.9	129.9	7.1
a.3 Import	87.3	123.4	113.0	16.2	102.5	102.5	6.8
a.4 Sup	79.1	120.1	117.6	12.8	120.3	120.3	8.2
a.4i Import	61.7	102.6	113.0	2.9	126.1	126.1	8.4
a.4ii Domestic	85.3	125.2	118.8	9.8	118.9	118.9	8.1
a.5 EO	77.8	92.7	120.5	1.4	242.3	242.3	12.1
b. Non-NBR	95.0	107.2	112.5	4.0	135.7	135.7	10.0
b.1 NL	100.0	114.1	100.0	0.1	123.6	123.6	9.0
b.2 Vehicles	96.1	105.6	120.1	0.9	157.1	157.1	9.3
b.3 Land	96.9	156.8	115.3	0.6	114.9	114.9	7.3
b.4 Stamp	93.6	94.2	109.0	2.3	136.8	136.8	11.6
c. Non-tax Rev	106.3	129.9	112.2	18.8	117.2	117.2	6.5
c.1 DP	133.1	145.3	124.1	3.6	54.1	54.1	0.7
c.2 PO&R	100.6	190.8	108.2	0.9	131.6	131.6	2.4
c.3 T&T	95.7	108.3	105.8	3.8	72.2	72.2	6.8
c.4 IFT	103.4	127.5	110.6	10.5	141.8	141.8	9.2
Total Rev (a+b+c)	94.2	122.3	115.8	100.0	124.6	124.6	7.4

d.2 Revenue Structure

Chart d.2 presents tax structure for FY07 and FY 08 (up to July). Basic characteristics of the



Notes: Y = All sorts of Income Tax, M = Import Duty, Sup = Supplementary Duty & Excise Duty, EO=Electricity and Other Taxes, Non-NBR=Non-NBR Taxes, and Ntax Rev=Non-tax Revenue.

tax structure of Bangladesh can easily be seen from it. These are:

- Too much dependence on indirect taxes (only 19.1% from income tax, about 20.5% from all direct taxes including income tax)
- Biased towards external sector (about 40%) and susceptible to external shocks.

⁷ Notes: Income = Income/Profit/Property/Wealth, Sup=Supplementary+Excise, EO = Electricity+Others
 NL = Narcotics & Liquor, DP = Dividend & Profit, PO&R = Post Office+Railway
 IFT = Interest/Fees/Tolls & Other receipts

e. Budget Deficit

Following table e.1 shows budget deficit position over different time-spans. Budget deficit is calculated using guidelines of the IMF.

Table e.1: Budget Deficit over Time

(in crore Taka)

Items	Account 2005-06	2006-07					2007-08		
		Budget	Revised	Actual July	Accounts 2006-07 Up to July	Account 2007	Budget	Actual July	Accounts 2007-08 up to July
1.0 Total Rev	42516.6	52478.9	49414.1	3386.3	3386.3	46806.6	57245.6	4219.9	4219.9
2.0 Total Pub Exp	55175.4	69740.1	66834.9	5087.9	5087.9	59932.0	79614.6	4999.3	4999.3
2.1 Current Exp	35122.0	40151.1	41763.7	1816.0	1816.0	40867.9	46811.8	2262.1	2262.1
2.2 Net Outlay on Food A/C	488.0	202.0	388.0	40.0	40.0	388.0	300.0	31.7	31.7
2.3 ADP Exp	17313.4	26049.5	21650.3	164.2	164.2	16833.0	26559.8	-1.4	-1.4
2.4 Non-ADP Cap & net lending	2089.8	2651.2	1835.6	-2.5	-2.5	207.2	10318.3	4.1	4.1
2.4.1 Non ADP Capital Expenditure	2364.7	2784.2	2624.7	79.2	79.2	816.4	3019.5	73.3	73.3
2.4.2 Net Lending	-274.9	-132.9	-789.1	-81.7	-81.7	-609.1	7298.8	-69.1	-69.1
2.5 Extraordinary Exp	79.3	0.0	28.5	0.0	0.0	32.2	300.0	213.2	213.2
2.6 Check Float & discrepancy	82.9	686.3	1168.8	3070.2	3070.2	1603.6	-4675.2	2489.6	2489.6
3.0 Overall Balance (2.0 - 1.0)	-12658.8	-17261.2	-17420.8	-1701.6	-1701.6	-13125.4	-22369.0	-779.4	-779.4
4.0 GDP _{new}	416155.0	465300.0	465300.0	35020.9	35020.9	465300.0	528116.0	39211.2	39211.2
5.0 Total Net Rev As % of GDP	10.2	11.3	10.6	9.7	9.7	10.1	10.8	10.8	10.8
6.0 Total Pub Exp As % of GDP	13.3	15.0	14.4	14.5	14.5	12.9	15.1	12.7	12.7
7.0 Overall Balance as % Of GDP	-3.0	-3.7	-3.7	-4.9	-4.9	-2.8	-4.2	-2.0	-2.0

Data generated under the Budgeting Information System still underreports development expenditure and it seems there is some time lag between actual expenditure and inputting the same in the System. This seems to be true both for Revenue expenditure and Development expenditure.

The major problematic areas are:

- Regarding expenditures up to July FY08, only 7 (seven) ministries/divisions show a utilization of revenue resources more than 7%: IRD (77.3%), President (15.2%), Expatriate (8.2%), Foreign Affairs (7.7%), Civil Aviation (7.7%), Cabinet Division (7.2%), and ERD (7.1%).
- Overall development expenditure remains unreported. There is also a probability that development expenditure remains under-utilized up to the first half of the year resulting misutilization towards the end of the FY. This needs to be addressed.

f. Budget Financing

Table e.1 in the previous page presents the budget deficit position. The table presented below indicates sources of financing the deficit and their shares. Following Values of major policy variables emerge from the above-mentioned two tables:

Table f.1: Financing of Budget Deficit

(Taka in crore)

Items	Account 2005-06	2006-07				2007-08			
		Budget	Revised	Actual July	Accounts 2006-07 Up to July	Account 2007	Budget	Actual July	Accounts 2007-08 up to July
1.0 Net Foreign financing (1.1-1.2)	3530.6	8364.4	7332.5	-47.4	-47.4	2790.0	10560.2	-56.3	-56.3
1.1 Grant	1061.5	2508.0	2150.0	13.1	13.1	1037.4	4255.0	23.7	23.7
1.2 Loan	6052.1	9618.0	9047.5	102.5	102.5	5743.7	10403.0	123.4	123.4
1.3 Amortisation	3583.1	3761.6	3865.0	163.0	163.0	3991.1	4097.8	203.4	203.4
2.0 Domestic Financing (2.1+2.2)	9128.2	8896.8	10088.3	1749.1	1749.1	10335.4	11808.8	835.7	835.7
2.1 Non-Bank Borrowing	2646.7	3400.0	3500.0	473.9	473.9	4282.6	4500.0	262.7	262.7
2.2 Bank Borrowing	6431.4	5434.0	6531.0	1272.5	1272.5	5982.3	7253.0	572.5	572.5
2.3 Sale of Assets	50.1	62.8	57.3	2.7	2.7	70.6	55.8	0.5	0.5
3.0 Total Financing (1+2)	12658.8	17261.2	17420.8	1701.6	1701.6	13125.4	22369.0	779.4	779.4
4.0 Total Financing as % GDP	3.0	3.7	3.7	4.9	4.9	2.8	4.2	2.0	2.0
4.1 Net Foreign financing (As % of GDP)	0.8	1.8	1.6	-0.1	-0.1	0.6	2.0	-0.1	-0.1
4.2 Net Domestic Financing (As % of GDP)	2.2	1.9	2.2	5.0	5.0	2.2	2.2	2.1	2.1
4.2.1 Non-Bank Borrowing	0.6	0.7	0.8	1.4	1.4	0.9	0.9	0.7	0.7
4.2.2 Bank Borrowing	1.5	1.2	1.4	3.6	3.6	1.3	1.4	1.5	1.5
4.2.3 Sale of Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5.0 Overall Balance as % of GDP	-3.0	-3.7	-3.7	-4.9	-4.9	-2.8	-4.2	-2.0	-2.0
6.1 Non-Bank Borrowing (Source: NSD)								252.1	252.1
6.2 Bank Borrowing (Source: BB)								590.8	590.8
7.1 (2.1) as % of (6.1)								104.2	104.2
7.2 (2.2) as % of (6.2)								96.9	96.9

- On annual and monthly basis, the discrepancy between NSD source and CGA source for Non-Bank borrowing data and BB source and CGA source for Bank Borrowing data has almost reduced.
- In FY08, Revenue collection of the government remains in the neighbourhood of 10.8% of GDP.
- Public expenditure hovers around 12.7% of GDP.
- Budget deficit in FY07, measured from above the line, as % of GDP is about 2.0%.
- Net foreign financing of budget deficit is around -0.1% of GDP.
- Domestic borrowing stands at 2.1% of GDP, of which, bank borrowing has a larger share and it is 1.5%.

