CHAPTER 4

FISCAL POLICY AND FISCAL MANAGEMENT

Sound fiscal policy is fundamental to maintain macroeconomic stability and fostering economic growth. The present government has continued its reform programmes to streamline revenue administration and public expenditure management. These reform programmes have direct bearing on the fiscal policy.

Formulation and implementation of sound fiscal policy is one of the most important functions of the government. Fiscal policy is formulated in line with the government's National Strategy for Accelerated Poverty Reduction (NSAPR). Excess expenditure over revenue collection (fiscal deficit) may have adverse impact on the other sectors of the economy. Prudent fiscal management is, therefore, of immense importance in the overall economic management of the government.

Government Receipts

Tax revenue is the main source of the government revenue. Tax revenue accounts for about 80 percent of total government revenue. In FY 1998-99, revenue/GDP ratio was 9.0 percent, which rose to 10.21 percent in FY2001-02. In FY 2006-07 the revenue/GDP rose to 10.58 percent which stands at 11.17 percent in 2007-08. Table 4.1 shows tax and non-tax revenue receipts and tax-GDP ratio during the period from FY1998-99 to FY2007-08.

Table 4.1: Revenue Receipts

(In crore Tk.)

Particulars	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Total Revenue	19767	20074	24342	27893	31120	35400	39200	44868	49472	60539
Tax Revenue	16167	16079	19778	21332	24950	28300	31950	36175	39247	48012
Non-tax Revenue	3600	3995	4564	6561	6170	7100	7250	8693	10225	12527
As percentage of Gross Domestic Product (GDP)										
Total Revenue	9.0	8.47	9.6	10.21	10.35	10.63	10.57	10.79	10.58	11.17
Tax Revenue	7.36	6.78	7.8	7.81	8.30	8.5	8.62	8.70	8.40	8.86
Non-tax Revenue	1.64	1.69	1.8	2.4	2.05	2.13	1.96	2.09	2.19	2.31

Source: National Board of Revenue, Finance Division and BBS. Figures are based on revised budget.

Tax Management

Determination of tax policy of the government and its implementation are reposed on the National Board of Revenue (NBR). During FY 2007-08, various steps were taken to rationalise direct and indirect taxes to achieve accelerated economic growth aimed at reducing poverty, infusing more dynamism in the agriculture sector, expansion of export-oriented industries and exports, development of domestic industries, enhancing industrial productivity and creation of employment opportunities (Box 4.1).

Box 4.1: Measures under Direct and Indirect Tax System for FY 2007-08

Measures under Direct Tax system

- Tax exemption limit has been increased from Tk. 1,50,000/- to Tk. 1,65,000/-.
- A separate exemption limit of Tk. 1,80,000/- has been introduced for female taxpayers, senior citizens of 70 years and above and for retarded taxpayers.
- Tax rates for private limited company has been reduced from 40% to 37.5% for public limited company from 30% to 27.5%. Tax rate for mobile phone operator company and banks, insurance and financial institutions remains unchanged.
- Tax free income limit for persons having no income other than agricultural income has been raised from Tk. 40,000/- to 50,000 in addition to the normal tax free threshold.
- .Provision of minimum tax, irrespective of profit or loss under section 16CC has been deleted.
- Extended the tax exemption period by another three years from 1st July 2008 to 30th June 2011 for income from poultry, fisheries, dairy etc.
- Extended tax holiday facilities in a modified form for a period by another three years from 1st July, 2008 to 30th June 2011. Eligibility for tax holiday facilities expanded to agro-processing industry and industries engaged in the production of jute goods, MS Rod, CI sheet, Underground Rail, Mono rail, Telecom infrastructure except mobile phone.
- Income of manufacturing SME entities having annual turnover not exceeding Tk. 24 lakh has been exempted from income tax.
- Income from export of handicrafts exempted from income tax for the period from 1st July, 2008 to 30th June 2011.
- Income from Information Technology enabled services (ITES) has been exempted from income tax from 1st July, 2008 to 30th June 2011.
- Provision for collection of tax at the rate of Tk. 1,000/- at the time of issuance for trade license has been deleted. Provision for collection of advance tax at the rate of Tk. 500/- at the time of renewal of trade license by City Corporation and Pouroshava has been introduced.
- Tax rebate has been reduced from 15% to 10% on admissible investment allowance and admissible investment limit has been raised from 20% to 25% of income or maximum Tk. 5,00,000/- or actual investment whichever is less.
- The rate of normal depreciation on computer has been increased from 20% to 30%.
- Inter-corporate tax rate i.e. tax rate on dividend received by company has been increased from 15% to 20%.
- Tax rate of deduction at source for non-resident Bangladeshi (not being company) has been set at the rate applicable to resident taxpayers instead of 25%.
- Withdrawal of discretionary power of tax authorities to impose penalty ranging from 0% to 250% of tax for concealment of income under section 128. Penalty has been fixed at 10% for each year of concealment.
- Exemption from deduction of tax from interest on Deposit Pension Scheme (Sec. 53F).
- Tax exemption of dividend of a mutual fund or a unit fund is allowable up to dividend of Tk. 25,000/- and tax will be chargeable on the dividend in excess of Tk. 25,000/- as against provision of no exemption if dividend exceeds Tk. 25,000/-.
- Increase in the exemption limit of monthly rent from Tk. 15,000/- to Tk. 20,000/- in case of deduction at source under section 53A.
- Increase in the exemption limit of conveyance allowance receivable in cash from Tk. 18,000/- to 24,000/-.

Measures under Indirect Tax System

Customs duty

- Four tier duty structures changed to five tier structure. The highest duty rate of 25% remained unchanged and CapitalMachinery and ICT sector's duty has set 3% in fiscal year 2008-2009. Basic raw materials and Intermediate goods duty increase 7% and 12% from 5% and 10% in FY 2008-2009 respectively.
- Five tier Supplementary duty rate of 20%, 60%, 100%, 250% and 350% remain unchanged in FY 2008-2009.
- Specific duty of raw sugar at the rate of Taka 4000.00/MT and finished sugar at the rate of Taka 5000.00/MT has been raised to Taka 5000.00/MT and Taka 7000.00/MT respectively in FY 2008-2009.
- Specific duty of Meltable scrap and MS Billet/ingot has set Taka 1500.00/MT and 2500.00/MT respectively Silver bullion and Gold Bullion has set Taka 6/11.664 gm (1vori) and Taka 150.00/11.664 gm (1vori) respectively.

Value Added Tax (VAT)

- Restriction of the facility to take input tax credit for the service provider on the input VAT procured at tariff value similar to the ban on input tax credit by supplier (manufacturer) on tariff value.
- Inclusion of the provision to allow installment facility for tax evaded amount in addition to the fine penalty.
- In order to facilitate the SME the threshold for annual turnover of VAT has been increased from Tk. 2.0 million to Tk. 2.4 million.

- The use of Electronic Cash Register (ECR) in the medium and large traders and service provider of all the city corporation area and district were made mandatory from the July 01, 2008. But since the use of ECR is a new concept in Bangladesh, in order to give adequate time for the collection/import of necessary device as well as to prepare for necessary infrastructure, the deadline to compulsory use of ECR in the city corporation area has been increased to January 01, 2009 and for the other district on July 01, 2009 instead of July 01, 2008.
- Fixation of time limit to 30 (thirty) days to return the collected sample by the VAT officials to the owner from infinitive time.
- In order to make the examination of VAT return by the VAT officials more trade friendly, the time frame for examination of VAT return has been reduced to 30 (thirty) days from 60 (sixty) days.
- Optimum level of investment under capital machinery (for cottage industry facility) has been readjusted to Tk. 1.5 million from Tk. 0.7 million and simultaneously the threshold for annual turnover for cottage industry facility has been increased from Tk. 2.0 million to Tk. 2.4 million.
- In order to facilitate the export trade of medicine, the value limit of VAT exempted medicine sample has been increased from Tk. 10,000 to Tk. 20,000.
- Re-fixation of the VAT exempted value limit for service on lump sum value in medical center and dental treatment center from Tk. 25 to Tk. 50 for medical service and from Tk. 50 to Tk. 100 for daily accommodation.
- The existing VAT exemption facility on import of "waste paper" the raw material for newspaper manufacturing industry has been increased till June 30, 2009.
- Providing VAT exemption facility for local manufacturing of "di-calcium phosphate" a bi product of Jiletine capsule, since the import of the product is exempted from VAT at the import stage.
- With a view to increasing domestic revenue, VAT network expanded in FY 2007-08 by introducing some new goods and services. These are as follows:
- Drugs for Thalassaemia (Import stage); Bar and Rods (Import stage); Chassis fitted with engine for motor vehicles of Heading 87.02 in CKD Condition (Import stage); Silver bullion (Import stage); Handmade biscuit (Manufacturing stage); Sandals and slippers made up of plastic and rubber [up to Tk. 60(sixty) per piece] (manufacturing stage); Fabrics made up of synthetic fiber and thread in handloom (except power loom) (manufacturing stage); Animal feed premix (trade stage).
- The following services has been included in the list of services for which the VAT collected at source is mandatory:
  Individuals or organizations involved in repairing or servicing of goods against considerations that are subject to VAT, Security Service, Legal Advisor, Engineering firm
- Imposition of Supplementary duty
  Supplementary duty on Satellite channel distributor has been increased from 15% to 25%
  Supplementary duty has been imposed on Diamond (Finished) at the manufacturing stage.
  The price slab and supplementary duty (at one price slab) of cigarette has been increased and the VAT, SD of bidi has been readjusted accordingly to the price change of cigarette.

Source**:** NBR

Revenue Collection Activities

Analysis of revenue collection activities for FY2007-08 by categories shows that the bulk of revenue collection comes from value added tax (VAT). Income tax occupies the second place in the row. Next positions are held by import duties, supplementary duty, other taxes and excise duty. Overall, the share of VAT in the total revenue collection is gradually increasing. It may be mention that for the first time, income tax occupies second position over import duties.

In FY 2005-06, the total revenue collection under NBR amounted to Tk. 34002.43 crore. The collection was Tk. 4013.77 crore higher than that of the previous fiscal year showing 13.38 percent growth. In FY 2006-07, total revenue collection stood at Tk.37219.32 crore, which was Tk. 3,216.89 crore or 9.46 percent higher than that of the previous year. In FY 2007-08, total revenue collection stood at Tk. 47289.12 crore, which was Tk. 10,069.8 crore or 27.06 percent higher than the collection of the previous year. Item-wise tax collection from FY2005-06 to FY 2007-08 is presented in Table 4.2.

Table 4.2: Item wise Revenue Collection

(In crore Taka)

Items of revenue collection	FY 2005-06	FY 2006-07	FY 2007-08
Import Duty	7825.43	8154.76	9619.19
VAT (at import level)	5885.65	6311.17	8474.66
Supplementary Duty (at import level)	1563.42	1196.63	1752.86
Sub Total	**15274.50**	**15662.56**	**19846.71**
Excise Duty	161.15	183.49	213.69
VAT (Local)	6472.52	7471.13	9181.03
Supplementary Duty (Local)	4665.77	4846.09	6001.07
Turn Over Tax	5.77	6.00	4.68
Sub Total	**11305.21**	**12506.71**	**15400.47**
Total of Indirect Tax	**26579.71**	**28169.27**	**35247.18**
Income Tax	7162.01	8721.24	11595.32
Other taxes and duties	260.71	328.81	446.62
Total of Direct Tax	7422.72	9050.05	12041.94
Grand Total	**34002.43**	**37219.32**	**47289.12**

Source: National Board of Revenue (NBR).

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Public Expenditure

Public expenditure management is an important segment of the fiscal management of the government. One important aspect of public expenditure management is to encourage the outlays on productive sector and restrain over unproductive outlays. The main objectives of public expenditure are to improve the living conditions of the people, develop human resources, and physical infrastructure and reduce poverty. Public expenditure in current prices and expenditure/GDP ratio over the last decade are presented in Table 4.3.

Table 4.3: Public Expenditure

(In crore Tk.)

Particulars	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Public Expenditure (a+b+c)	29779	34464	37399	40757	42075	47184	53903	59031	59811	93608
(a) Non-development expenditure	16562	18195	20536	22700	25307	28390	33324	36618	41201	57425
(b) Development expenditure (ADP)[1]	12325	15221	15901	15050	15271	16817	18771	19473	17206	22500
(c) Other expenditure[2]	892	1048	962	3008	1497	1977	1808	2940	1404	13683
As percentage of Gross Domestic Products (GDP)										
Public Expenditure as percent of GDP (a+b+c)	13.55	14.54	14.75	14.92	14.00	14.17	15.01	14.18	12.79	17.27
(a) Non-development expenditure	7.54	7.67	8.10	8.31	8.42	8.53	8.99	8.80	8.81	10.6
(b) Development expenditure	5.61	6.42	6.27	5.51	5.08	5.05	5.53	4.68	3.68	4.15
(c) Other expenditure	0.41	0.44	0.38	1.10	0.50	0.59	0.49	0.71	0.30	2.52

Source: IMED, M/O Planning and Finance Division, M/O Finance.

Composition of Non-development Expenditure

Analysis of total non-development expenditure shows that in FY 2003-04, expenditure on pay and allowances was 27.4 percent of total non-development expenditure (Appendix Table 20). In FY 2004-05 and FY 2005-06 these ratios went down to 25.3 and 27.6 respectively, but increased to 28.5 percent in FY 2006-07 and again went down to 23.6 percent in FY 2007-08. In FY 2003-04, the expenditure on subsidy and current transfer accounted for 28.4 percent of total non-development expenditure. In FY 2004-05, FY 2005-06, FY 2006-07 and FY 2007-08 the expenditure on subsidy and current transfer accounted for 30.1, 29.1, 31.4 and 33.7 percent of total non-development expenditure respectively. In FY 2004-05, FY 2005-06, FY 2006-07 and FY 2007-08 the shares of interest payments on foreign and domestic loans in total non-development outlay were 18.8, 19.8, 20.2 and 20.7 percent respectively.

Composition of Annual Development Programme (ADP) Expenditure

Actual expenditure against the revised allocation of ADP was around 90 percent during the period from 1998-99 to 2007-08 (Table 4.4). In FY2006-07 and FY 2007-08, the utilization of ADP is about 83 and 82 percent respectively.

Table 4.4: Implementation of Annual Development Programme (ADP)

[1] 'Actual expenditure' of Annual Development Programme (ADP) except financing from 'own source'.
[2] Capital expenditure, food expenditure, net lending and other development expenditures are included in 'other expenditure'.

(In crore Taka)

Year	Original Allocation	Revised Allocation	Actual Expenditure	Expenditure as % of Revised Allocation
1998-99	13600	14000	12509	89.4
1999-00	15500	16500	15471	93.8
2000-01	17500	18200	16240	89.2
2001-02	19000	16000	14090	88.1
2002-03	19200	17100	15434	90.0
2003-04	20300	19000	16817	89.0
2004-05	22000	20500	18771	91.6
2005-06	24500	21500	19472	91.0
2006-07	26000	21600	17917	83.0
2007-08	26500	22500	18419	82.0

Source: IMED, Ministry of Planning. Data are based on revised ADP.

Composition of Annual Development Programme (ADP) Expenditure by Major Sectors

The increasing trend of allocation and expenditure in socio-economic and physical infrastructure sectors through ADP is consistent with the fiscal policy of the government. ADP expenditure and its composition by major sectors are presented in Table 4.5.

Table 4.5: ADP Expenditure and its Composition by Major Sectors (%)

Sector	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Agriculture	4.5	4.9	4.7	4.5	4.4	3.74	4.04	3.62	5.20	5.86	7.00
Rural Development	8.2	10.1	12.2	12.2	11.1	10.09	13.83	14.27	15.83	17.14	15.00
Water Resources	8.1	7.0	6.9	6.1	5.4	4.29	4.04	2.44	3.22	2.29	4.00
Industries	0.8	0.8	1.7	3.3	1.9	1.14	2.74	2.42	1.64	1.24	1.00
Power	10.9	12.0	12.9	12.2	12.1	13.70	17.26	20.74	16.22	13.87	13.00
Gas, Oil & Natural Resources	4.9	4.7	4.3	2.5	3.1	4.00	5.19	6.04	1.62	0.74	1.00
Transport	19.7	17.9	17.4	20.4	19.9	16.15	18.04	12.27	14.30	14.40	11.00
Communication	1.6	2.8	3.1	2.8	6.1	3.63	2.23	2.93	2.82	2.72	2.00
Physical Planning & Housing	5.1	5.4	7.0	7.5	6.6	5.61	5.91	6.03	7.56	6.86	7.00
Education & Religion	12.9	13.5	12.8	13.3	14.2	13.88	12.28	13.70	13.83	15.48	16.00
Health & Population	9.1	8.2	8.1	7.3	7.9	6.72	8.27	8.17	9.59	9.97	11.00
Others	14.1	12.8	9.1	7.8	7.4	17.00	6.24	7.38	8.19	9.43	12.00
Total ADP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.00

Source: IMED, Ministry of Planning.

Budget Balance and Financing

In view of resource constraints, there exists a gap between the government revenue and expenditure. Table 4.6 below shows data on budget deficit and mode of its financing during the period from FY1998-99 to FY2007-08.

Table 4.6: Overall Budget Balance

(As percent of GDP)

Budget Deficit/ financing	1998-99	1999- 00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Overall budget deficit (excluding foreign grants)	-3.4	- 4.6	-6.1	-5.1	-4.4*	-4.2*	-4.2*	-3.9*	-3.7*	-6.1*
Overall budget deficit (including foreign grants)[3]	-2.1	-3.2	-4.5	-4.1	-3.7	-3.4	-3.4	-3.3	-3.3	-5.3*
Net foreign financing[4]	2.3	2.5	2.5	2.0	1.7	2.3	2.4	1.7	1.8	2.4
Net domestic financing[5]	1.6	1.9	2.8	2.7	1.3	2.2	1.8	2.2	1.9	3.7

*According to actual outturn, the overall budget deficit in FY 2002-03, FY 2003-04, FY 2004-05, FY 2005-06 and FY 2007-08 stood at 3.5, 3.4, 3.5 and 3.7 percent and 4.9 percent of GDP respectively.
Source: Finance Division, M/O Finance, BBS and Bangladesh Bank.

Domestic Resources for ADP

The contribution of domestic resources towards financing of ADP shows an upward trend. Table 4.7 below shows the financing of ADP during the period from FY1998-99 to FY2007-08.

Table 4.7: Quantum of Domestic Resources (according to revised budgets) in Financing ADP

(In crore Tk.)

	1998-99	1999- 00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Total Financing	14000	16500	18200	16000	17100	19000	20500	21500	21600	22500
Foreign Financing	8188	8274	8670	8215	8241	9410	10430	10700	10194	14430
Domestic Financing	5812	8226	9530	7785	8859	9590	10070	10800	11406	8424
Domestic financing as % of Total ADP allocation	41.51	49.85	52.36	48.66	51.81	50.47	49.12	50.23	52.18	37.44

Source: Finance Division, Ministry of Finance and Planning Commission.

Public Debt Management

The government resorts to borrowing for a variety of reasons. Included among them are:

- To meet unexpected expenditure in emergencies
- To increase production of goods and services
- To defray expenditure for social safety net programmes
- To increase investment in the productive sectors of the economy
- To maintain macroeconomic stability

Sources of Public Debt

Domestic Sources

The government borrows both from domestic and external sources. Table 4.8 shows year-wise

[3] According to IMF, foreign grants are net receipts to Government, because it does not carry any liabilities to the government.
[4] Net foreign financing = (foreign borrowing + grants) - principal payment of foreign borrowing.
[5] Net domestic financing = Net borrowing from public + borrowing from banking system. {Net borrowing from public = Total sale of saving certificates - principal payments for saving certificates}. There exists difference between budget deficit and financing for check float and other errors & omission.

government borrowing (net) from domestic sources covering the period from FY 1998-99 through FY 2007-08. Source-wise government borrowing from domestic sources over the last 17 years has been presented in Graph 4.2.

Table 4.8: Net Government Borrowing from Domestic Sources

(Taka In crore)

Fiscal Year	Net Government borrowing from the banking system			Government borrowing from non-bank sources	Total government borrowing	Percentage of GDP
	Borrowing from Bangladesh Bank	Borrowing from scheduled banks	Total borrowing			
1	**2**	**3**	**4=2+3**	**5**	**6=4+5**	**7**
1998-99	1064.40	912.20	1976.60	2772.44	4749.04	1.9
1999-00	1738.10	1786.20	3524.30	3229.68	6753.98	2.8
2000-01	2009.30	895.10	2904.30	4208.42	7112.82	2.8
2001-02	2727.00	-158.60	2568.40	4711.47	7279.87	2.7
2002-03	-2589.70	1607.20	-982.50	4795.22	3812.72	1.3
2003-04	1653.00	1016.10	2669.10	4658.90	7328.00	2.2
2004-05	3826.70	-142.80	3683.90	2972.57	6656.47	1.8
2005-06	9351.80	-3310.40	6041.40	3103.23	9144.63	2.2
2006-07	905.00	3510.90	4415.90	4682.30	9098.20	1.9
2007-08[R]	66.20	10893.40	10959.60	3144.05	14103.65	2.6

Sources: National Savings Directorate (NSD) and Bangladesh Bank (BB).
R= Revised

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Government Borrowing from Foreign Sources

Table 4.9 shows the government borrowing from foreign sources during FY 1998-99 to FY2007-08. The situation on foreign aid flow is shown in Graph 4.3.

Table 4.9: Government Borrowing from Foreign Sources, 1998-99 to 2007-08

(In million US$)

Financial year	**Disbursement of Loans and Grants**			**Principal and Interest Payment**			**Net Foreign Aid Flow**	
	Grant	**Loans**	**Sub-Total**	**Interest**	**Principal**	**Sub-Total**	**After Principal Payment**	**After Principal & Interest Payment**
1	2	3	4=2+3	5	6	7=5+6	8=4-6	9=4-7
1998-99	669	867	1536	166	373	539	1163	997
1999-00	726	862	1588	172	447	619	1141	969
2000-01	504	865	1369	159	438	597	931	772
2001-02	479	963	1442	151	435	586	1007	856
2002-03	510	1075	1585	156	452	608	1133	977
2003-04	338	695	1033	165	423	588	610	445
2004-05	234	1257	1491	185	434	619	1057	872
2005-06	501	1067	1568	176	502	678	1066	890

2006-07	590	1040	1630	182	540	722	1090	908
2007-08[R]	702	1337	2039	184	582	766	1457	1273

Source: Economic Relations Division (ERD). R= Revised

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Currently the debt obligation of the government is not is at a tolerable level. For financing budget deficit, the government has preferred concessional foreign borrowing to domestic borrowing because of the lower cost of foreign borrowing.

Table 4.10: Budget at a Glance

(Tk in crore)

Description	Budget 2008-09	Revised 2007-08	Budget 2007-08
Revenue and Foreign Grants			
Revenues	**69382**	**60539**	**57301**
Tax Revenue	56789	48012	45838
NBR-Tax Revenue	54500	45970	43850
Non-NBR Tax Revenue	2289	2042	1988
Non-Tax Revenue	12593	12527	11463
Foreign Grants	6346	4388	4255
Total:	**75728**	**64927**	**61556**
Expenditure			
Non-Development Expenditure	**66753**	**57245**	**52928**
Non-Development Revenue Expenditure	60758	52252	48429
of which			
Domestic Interest	11274	10621	9464
Foreign Interest	1291	1346	1321
Non-Development Capital Expenditure	5994	5173	4511
Net Outlay for Food Account Operation	689	809	300
Loans & Advances (Net)	1972	9324	5115
of which			
Liabilities of Government (from BPC)	0	7523	7523

Structural Adjustment Expenditure	1000	1700	300
Development Expenditure	**29549**	**24350**	**28522**
Employment Generation and Development Programmes financed from Non-Development Budget	2171	1046	1558
Annual Development Programme	25600	22500	26500
Non-ADP FFW and Transfer	1778	804	464
Total Expenditure including BPC's Liability :	**99962**	**93608**	**87137**
Total Expenditure (excluding BPC) :	**99962**	**86085**	**79614**
Overall Deficit (including Grants & BPC) :	-24234	-28679	-25581
(In Percent of GDP) :	-3.95	-5.36	-4.8
Overall Deficit (Excluding Grants and Including BPC) :	-30580	-33069	-29836
(In Percent of GDP) :	-4.99	-6.18	-5.6
Overall Deficit (Excluding Grants and BPC) :	-30580	-25546	-22313
(In Percent of GDP) :	**-4.99**	**-4.77**	**-4.2**
Financing			
Foreign Borrowing-Net	**7236**	**8756**	**6305**
Foreign Borrowing	11457	13024	10403
Amortization	-4221	-4268	-4098
Domestic Borrowing	**16998**	**19923**	**19276**
Borrowing from Banking System (Net)	**13498**	**10398**	**7253**
Long-Term Debt (Net)	-1800	-725	-744
Short-Term Debt (Net)	15298	11123	7997
Non-Bank Borrowing (Net)	**3500**	**2002**	**4500**
National Saving Schemes (Net)	2786	1283	3778
Others	714	719	722
Non-Cash Bond (Liabilities of BPC)	0	7523	7523
Total - Financing Including BPC's Liability	**24234**	**28679**	**25581**
Memorandum Item GDP	**613111**	**535415**	**530300**

Source: Finance Division.