

EMBASSY OF PAKISTAN
ECONOMIC DIVISION

Subsidies
FISCAL YEAR 2010-11
JULY 1, 2010

- **Subsidies increased** from **0.9% of GDP** in budget estimates FY2010 to **1.5% of GDP** in revised estimates FY2010 and have been reduced to **0.8% of GDP** in the budget estimates FY2011
- **Subsidy expenditure** will decline from Rs 229 billion in FY2010 to Rs 126.6 billion in FY2011, a **reduction of 45%**
- **Subsidy on** Atta, Ghee, Pulses, Rice & Tea at Utility Stores has been withdrawn
- **Subsidy** agriculture & Baluchistan tube wells has been withdrawn
- **Subsidy to** Spinning Sector and Motor Cycles has been withdrawn
- **Subsidy details** are as follow:

Rs in billion

	<u>B.E.2009-10</u>	<u>R.E.2009-10</u>	<u>B.E.2010-11</u>
Power Sector	66.703	179.526	87.317
WAPDA	62.903	147.005	84.000
GST	6.000	5.527	4.000
Tubewells (Balochistan)	4.746	5.318	-
GOP share (12.5%) for			
Agri. Tubewells	2.157	2.460	-
Inter-Disco Tariff differential	10.000	77.000	30.000
FATA	10.000	16.700	10.000
Interest on TFCs	30.000	40.000	40.000
KESC	3.800	32.521	3.317
GST	1.285	0.306	1.000
Tubewells (Balochistan)	0.198	0.198	-
Tariff Differential	2.000	31.700	2.000
Payable to PSO & PKGCL	0.317	0.317	0.317

<u>TCP</u>	<u>30.000</u>	<u>30.000</u>	<u>17.130</u>
Wheat Import	25.500	25.500	12.000
Sugar Import	4.000	4.000	4,000
Cotton Operation	0.500	0.500	1.130
<u>USC</u>	<u>4.200</u>	<u>4.200</u>	<u>4.200</u>
Sale of Flour	1.200	1.200	
Ramazan Package	1.500	1.500	0.700
Ghee Package	1.000	1.000	
Sale of Pulses	0.500	0.500	
Sale of Sugar			3.500
<u>Others</u>	<u>19.012</u>	<u>15.266</u>	<u>18.036</u>
PASSCO/Wheat Export	0.320	0.599	0.600
PASSCO for Paddy Operation	2.000	1.721	2.000
PASSCO for Mung Operation	0.001	0.001	0.300
FFC Bin Qasim	0.210	0.439	0.185
Oil Refineries	15.000	11.224	10.807
Sale of Wheat in FATA	0.216	0.216	0.233
Sale of Wheat/Sugar in GB	0.664	0.664	0.711
Servicing of liabilities GI	0.076	0.115	0.200
3% Mark Up to Spinning Sector	0.500	0.266	-
Wheat Reserved Stock	-	-	3.000
R & D Motor Cycle	0.025	0.021	-
Total	119.915	<u>228.992</u>	<u>126.683</u>