

EMBASSY OF PAKISTAN
ECONOMIC DIVISION

Share of the Provinces
Fiscal Year 2010-11

July 1, 2010

- ❖ **7th National Finance Commission Award** is effective from this financial year
- ❖ **Share of the provinces** in the Divisible Pool is 56%
- ❖ **Sharing of the Divisible Pool** will be on following basis:
 - Population 82.0 %
 - Poverty and Backwardness 10.3
 - Revenue Collection/Generation 5.0
 - Inverse Population Density 2.7
- ❖ **Share of each province from the Divisible Pool** will be as under:

	<u>New Share</u>	<u>Old Share</u>
○ Baluchistan	9.09 %	7.17 %
○ Khyber Pakhtunkhwa	14.62	14.88
○ Punjab	51.74	53.01
○ Sindh	24.55	24.94
- ❖ **1 percent of the net proceeds** of divisible pool taxes shall be signed to Government of Khyber Pakhtunkhwa Province to meet the expenses on war on terror
- ❖ **Share of the provinces** is 57.7% higher than the last year
- ❖ **Individual share of each province is as follows:**

Rs in Billion

Province	B.E.2009-10	R.E.2009-10	B.E.2010-11
I. Divisible Pool			
Punjab	334.407	331.588	436.840
Sindh	194.049	199.283	207.274
Khyber Pakhtunkhwa	85.359	88.894	138.669
Baluchistan	41.433	35.512	83.000
Total	655.217		865.778
II. Straight Transfers			
Punjab			57.418
Sindh			72.355
Khyber Pakhtunkhwa			21.690
Baluchistan			16.397
	52.900		167.865
III. Project Aid & Japanese Grant			
	27.013		
Gross Transfers	735.130	655.277	1,033.643

Sindh would get Rs 207.274 billion in the federal divisible pool. This would include Rs 84.43 billion as income tax, Rs 633.3 billion capital value tax, Rs 78.676 billion sales tax, Rs 19.71 billion federal excise (net of gas) and Rs 23.818 billion Custom duties. Besides, in straight transfers, Sindh would get Rs 72.355 billion. This would include Rs 7.756 billion share of royalty on crude oil, Rs 20.08 billion royalty on natural gas, Rs 18.35 billion as gas development surcharge, Rs 5.025 billion excise duty on natural gas and Rs 21.145 billion as GST (provincial) share.

The federal budget 2010-11 documents reveal the provinces would be transferred Rs 865.778 billion from the federal divisible pool of taxes. Another amount of Rs 167.865 billion as straight transfers shall also be provided to provinces.

The Punjab would get Rs 436.84 billion share in the divisible pool which would include Rs 177.94 billion as income tax, Rs 1.335 billion capital value tax, Rs 165.814 billion sales tax, Rs 41.548 billion federal excise (net of gas) and Rs 50.199 billion custom duties.

In straight transfers, the Punjab would get 57.418 billion rupees. It include Rs 2.79 billion share of royalty on crude oil, Rs 1.886 billion royalty on natural gas, Rs 1.178 billion as gas development surcharge, Rs 407.78 million excise duty on natural gas and Rs 51.15 billion as the GST (provincial) share.

It was also announced that Khyber Pakhtunkhwa province would be transferred Rs 138.66 billion under the federal divisible pool, including Rs 56.48 billion as income tax, Rs 423.7 million capital value tax, Rs 52.63 billion sales tax, Rs 13.19 billion as federal excise (net of gas) and Rs 15.93 billion Custom duties.

Under the straight transfers to the province, KP would get Rs 21.69 billion that will include Rs 4.48 billion share of royalty on crude oil, Rs 3.3 billion royalty on natural gas, Rs 1.377 billion as the gas development surcharge, Rs 208.6 million excise duty on natural gas and Rs 12.325 billion as the GST (provincial) share.

The Balochistan province shall receive the projected sum of Rs 83 billion from the provincial share in the net proceeds of divisible pool taxes. Out of this amount, it would get Rs 33.81 billion as income tax, Rs 253.59 million Capital Value Tax, Rs 31.505 billion Sales Tax, Rs 7.894 billion as Federal Excise (net of gas) and Rs 9.537 billion Custom duties.

The Balochistan government would also get Rs 16.397 billion under the straight transfers from the federal government. An amount of Rs 7.16 million share of royalty on crude oil, Rs 4.175 billion royalty on natural gas, Rs 6.154 billion as gas development surcharge, Rs 1.503 billion excise duty on natural gas and Rs 4.557 billion as the GST (provincial) share.