

Table 1(a). Pakistan: Quantitative Targets, September 2002–June 2003 1/

(Cumulative flows from July 1, 2002, unless otherwise specified)

	Outstanding Stock End-Jun. 2002	Prog. End-Sep. 2002	Adj. Prog. End-Sep. 2002	Act. End-Sep. 2002	Prog. End-Dec. 2002	Adj. Prog. End-Dec. 2002	Act. End-Dec. 2002	Prog. End-Mar. 2003	Prog. End-Jun. 2003
Net foreign assets of the SBP (floor in millions of U.S. dollars)*	2,321.0	320.0	122.7	2,203.0	497.0	253.2	3,629.0	809.0	4,327.0
	(In billions of Pakistani rupees)								
Net domestic assets of the SBP*	445.4	-0.2	4.8	-124.4	8.8	17.1	-152.8	-13.2	-181.2
Overall budget balance (floor)*	...	-56.4	-64.4	-44.4	-98.7	-106.7	-62.3	-142.3	-178.4
Net government bank borrowing*	514.1	-4.4	15.5	-12.7	-15.9	6.7	-34.0	-38.6	-29.2
CBR revenue (floor)*	...	90.0	...	90.4	199.5	...	203.1	309.0	458.9
Net banking sector claims on public sector enterprises*	82.0	7.0	...	-5.5	11.7	...	-7.0	16.3	20.0
Social- and poverty-related spending ("I-PRSP budgetary expenditure") (floor)	...	35.4	...	29.3	70.8	...	66.5	114.3	161.0
WAPDA accrual balance									-20.7
KESC accrual balance									-14.1
	(In millions of U.S. dollars)								
Outstanding stock of short-term external debt owed or guaranteed by the government and the SBP*	209.0	500.0	...	194.3	500.0	...	410.5	500.0	500.0
Contracting or guaranteeing of noncessional medium-term and long-term debt by the government* 2/	...	600.0	...	88.8	600.0	...	148.8	600.0	650.0
Accumulation of external payments arrears (continuous performance criterion during the program period)*	...	0.0	...	0.0	0.0	...	0.0	0.0	0.0
SBP's forex reserves held with foreign branches of domestic banks (outstanding stock)	65.0	100.0	...	51.6	100.0	...	56.3	100.0	100.0
<i>Of which:</i> other than current account*	0.0	0.0	...	0.0	0.0	...	0.0	0.0	0.0
Stock of outstanding foreign currency swap and forward sales between SBP and residents*	280.0	400.0	...	50.0	400.0	...	45.0	400.0	400.0
Memorandum items:									
Net external program financing	...	447.5	...	236.6	597.4	...	342.7	689.1	365.5
<i>Of which:</i> privatization proceeds	...	50.0	...	10.0	100.0	...	184.0	150.0	234.0
External cash budget grants	...	36.4	...	50.0	106.6	...	117.5	193.0	238.5
Daily cash reserve requirements ratio (in percentage points)	4.0	4.0	...	4.0	4.0	...	4.0	4.0	4.0
Special cash reserve requirements ratio on foreign currency deposits (in percentage points)	20.0	20.0	...	15.0	20.0	...	15.0	15.0	15.0
Outstanding KESC borrowing (in billions of rupees) 3/	0.0	...	...	0.0	...	...	4.0	...	0.0

Source: Pakistani authorities.

1/ The relevant variables are defined in the Technical Memoranda of Understanding (TMU) dated June 18, 2002 (and as amended during the third and fourth reviews) and May 29, 2003, and are subject to adjustors specified in the TMU. For variables marked "\*" the end-September 2002, end-December 2002, end-March 2003, and end-June 2003 program flows represent ceilings (or floor, if indicated) that constitute performance criteria. All other targets are indicative.

2/ Excluding PRGF loans.

3/ Bonds issued and loans contracted by KESC in the course of 2002/03.

Table 1(b). Pakistan: Quantitative Targets, September 2003–June 2004 1/

(Cumulative flows from July 1, 2003, unless otherwise specified)

	Projected Stock End-Jun. 2003	Prop. prog. End-Sep. 2003	Prop. prog. End-Dec. 2003	Proj. End-Mar. 2004	Proj. End-Jun. 2004
Net foreign assets of the SBP (floor in millions of U.S. dollars)*	8,205.0	495.0	833.0	1,515.0	1,691.0
	(In billions of Pakistani rupees)				
Net domestic assets of the SBP*	203.1	-12.6	13.4	-19.5	-23.6
Overall budget balance (floor)*	...	-77.0	-126.3	-163.7	-179.2
Net government bank borrowing*	485.0	43.5	53.1	40.9	14.2
CBR revenue (floor)*	...	92.2	218.1	347.5	510.0
Net banking sector claims on public sector enterprises*	102.0	1.0	2.7	4.3	6.0
Social- and poverty-related spending ("I-PRSP budgetary expenditure") (floor)	...	40.7	81.4	131.4	185.1
WAPDA accrual balance		5.3	-3.9	-19.6	-19.2
KESC accrual balance		-4.4	-8.2	-12.4	-15.3
	(In millions of U.S. dollars)				
Outstanding stock of short-term external debt owed or guaranteed by the government and the SBP*	...	500.0	500.0	500.0	500.0
Contracting or guaranteeing of noncessional medium-term and long-term debt by the government* 2/	...	600.0	600.0	600.0	600.0
Accumulation of external payments arrears (continuous performance criterion during the program period)*	...	0.0	0.0	0.0	0.0
SBP's forex reserves held with foreign branches of domestic banks (outstanding stock)		70.0	70.0	70.0	70.0
<i>Of which:</i> other than current account*	0.0	0.0	0.0	0.0	0.0
Stock of outstanding foreign currency swap and forward sales between SBP and residents*	...	400.0	400.0	400.0	400.0
Memorandum items:					
Net external program financing	...	105.9	59.3	153.9	267.0
<i>Of which:</i> privatization proceeds	...	25.0	50.0	75.0	100.0
External cash budget grants	...	22.5	55.6	78.1	111.1
Daily cash reserve requirements ratio (in percentage points)	4.0	4.0	4.0	4.0	4.0
Special cash reserve requirements ratio on foreign currency deposits (in percentage points)	15.0	15.0	15.0	15.0	15.0

Source: Pakistani authorities.

1/ The relevant variables are defined in the Technical Memorandum of Understanding (TMU) dated May 29, 2003, and are subject to adjustors specified in the TMU. For variables marked "\*" the end-September 2003 and end-December 2003 program flows represent ceilings (or floor, if indicated) that constitute performance criteria. All other targets are indicative.

2/ Excluding PRGF loans.

Table 2(a). Pakistan: Structural Performance Criteria and Benchmarks Under the PRGF Arrangement as set Under the Fourth Review 1/

Measures	Timing	Status as of April 30, 2003	Related to
<b>I. Structural Performance Criteria</b>			
Publish quarterly progress reports on implementation of financial improvement plan of WAPDA/successors.	November 30, 2002 for the quarter July–September 2002; February 28, 2003 for the quarter October–December 2002, and May 31, 2003 for the quarter January–March 2003.	Observed so far. Second report on WAPDA (and other major public enterprises) published on the Ministry of Finance website in February 2003.	
No new (as per status of March 1, 2003) exemptions or special privileges regarding income tax, custom duties, or GST to be granted, no new regulatory import duties to be imposed (except for anti-dumping measures), and all time bound exemptions and regulatory import duties to lapse without extension, except for existing contracts and exemptions based on international commitment.	Continuous		
Preparation of revised WAPDA FIP for FY 2002/03 and FY 2003/04, aimed at containing WAPDA’s deficit in FY 2002/03 and substantially reduce it in FY 2003/04, as detailed in the February 2003 MEFP, para. 19.	April 15, 2003	Partially observed. Revised FIPs prepared, but contingency measures specified only in May.	6 <sup>th</sup> disbursement
Submit to parliament a fiscal responsibility law, including (a) fiscal rules aimed at reducing consolidated government debt (federal and provincial) to below 60 percent of GDP within 10 years from the date of promulgation; and (b) the transparency and reporting requirements proposed in the draft published in July 2002.	June 1, 2003		7 <sup>th</sup> disbursement
Privatize Habib Bank Limited through effective transfer of majority ownership to private investors.	June 30, 2003	Unlikely to be met as bidding process recently reopened. Modification requested.	8 <sup>th</sup> disbursement
Eliminate all exemptions from withholding tax on interest income, including for NSS instruments.	June 30, 2003		8 <sup>th</sup> disbursement
Establish formulaic link between rates of return on General Provident Fund and PIB yields.	June 30, 2003		8 <sup>th</sup> disbursement

Table 2(a). Pakistan: Structural Performance Criteria and Benchmarks Under the PRGF Arrangement as set Under the Fourth Review 1/ (continued)

Measures	Timing	Status as of April 30, 2003	Related to
<b>II. Structural Benchmarks</b>			
Quarterly published progress reports on implementation of Poverty Reduction Strategy, including "I-PRSP expenditure," as well as on progress in (a) establishing institutional framework for I-PRSP monitoring; (b) preparation of full PRSP; and (c) developing baseline data and monitoring framework for intermediate indicators.	To start end-December 2001 for 2001/02 Q1 data, and continued on the basis of the same quarterly schedule throughout FY 2001/02 and FY 2002/03.	Done so far. Sixth report published in March 2003.	
Make model income tax office for small and medium taxpayers in Lahore fully operational.	October 31, 2002	Done.	
Amend SBP Act to strengthen central bank autonomy, in particular in the area of reserve management, per Safeguard Assessment recommendations.	October 31, 2002	Partially met. Amendments published in Gazette of Pakistan on November 4, 2002 strengthen autonomy but less than recommended.	
Publish first report on intermediate social outcomes as detailed in para. 16 of the MEFP.	March 31, 2003	Done.	
Prepare strategy to reduce scope for abuse of practice of holding ownership under different names ("Benami").	March 31, 2003	Done.	
Prepare specific proposals for further tax policy reforms to be implemented with the 2003/04 budget, including a substantial list of remaining income tax exemptions from the CRITO list to be abolished.	March 31, 2003	Partially met. Proposals communicated to staff orally, but list of exemptions not finalized.	
Make effective power purchase agreements between GENCOs and NTDC, and NTDC and DISCOs, in the context of the unbundling of WAPDA.	April 30, 2003	Delayed to end-2003	
Complete legal transfer of assets and liabilities to the various WAPDA successor companies (GENCOs, NTDC, and DISCOs).	June 30, 2003	Delayed to end-2003.	

1/ Conditionality as of the Executive Board's conclusion of the fourth review under the PRGF arrangement (IMF Country Report No. 03/54).

Table 2(b). Pakistan: Additional Structural Performance Criteria and Benchmarks Under the PRGF Arrangement as Proposed for the Fifth Review

Measures	Timing	Related to
<b>I. Structural Performance Criteria</b>		
KESC or WAPDA downward electricity tariff adjustments determined by NEPRA not to be implemented unless cumulative quarterly deficit targets of KESC, respectively WAPDA, for the preceding quarter were observed.	Continuous from June 30, 2003	
Elimination, with the approval of parliament, of at least 20 income tax exemptions.	July 1, 2003	8 <sup>th</sup> disbursement
Promulgation of federal budget for FY 2003/04 consistent with a consolidated overall budget deficit (excluding grants) not exceeding PRs 179.2 billion.	July 1, 2003	8 <sup>th</sup> disbursement
Preparation of an action plan to establish by end-2003 a transparent regulatory framework for the setting of electricity tariffs, that in particular (a) clarifies the respective roles of the government, NEPRA, and the power companies (including the new distribution companies) in the setting of tariffs, and (b) limits departures in actual tariff adjustments by distributors from NEPRA's determination based on the current procedures to well-specified cases of exceptional temporary spikes in oil prices.	October 31, 2003	9 <sup>th</sup> disbursement
Privatize Habib Bank Limited through effective transfer of majority ownership to private investors.	December 31, 2003	10 <sup>th</sup> disbursement
<b>II. Structural Benchmarks</b>		
Effectiveness of amendments to the tax regulations to enable sales tax auditors to assess for nonfilers tax liabilities on the basis of indirect methods of determination, such as reconstructed income statements and presumptive criteria, and to authorize the CBR to make and order for assessment of tax, penalty, and additional tax on the basis of these criteria.	July 1, 2003	
Issuance of CBR circular to require reporting by financial institutions of all interest income to the tax authority, effective from July 1, 2003.	July 1, 2003	
Publication for the federal government and NWFP of the 2003/04 budget according to the old accounting model and the new accounting model (NAM).	July 1, 2003	
Decision by Cabinet on future of the National Anti-Corruption Strategy (see MEFP, para. 5).	August 1, 2003	
Submission to cabinet by the "Benami" taskforce of a report setting out the results of consultation with stakeholders and provincial governments and proposing specific legislation to limit enforceability of "Benami" transactions and holdings.	October 31, 2003	

Table 1(a). Pakistan: Net External Program Financing FY 2002/03 and FY 2003/04

(In millions of U.S. dollars)

	(Cumulative from July 1, 2002)						(Cumulative from July 1, 2003)			
	Sep. 2002	Sep. 2002	Dec. 2002	Dec. 2002	Mar. 2003	Jun. 2003	Sep. 2003	Dec. 2003	Mar. 2004	Jun. 2004
	Prog.	Act.	Prog.	Act.	Prog.	Prog.	Prog.	Prog.	Prog.	Prog.
Program financing (a+b+c+d+e+f-g-h+i)	447.5	236.6	597.4	342.7	689.1	365.5	105.9	59.3	153.9	267.0
(a) World Bank	185.0	202.0	215.0	202.0	400.0	202.0	125.0	250.0	375.0	500.0
(b) AsDB loans	235.0	128.0	385.0	303.0	455.0	331.0	100.0	200.0	300.0	400.0
(c) Other multilaterals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(d) Bilateral loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(e) Commercial bank borrowing	100.0	35.5	200.0	84.5	300.0	335.5	100.0	200.0	300.0	400.0
<i>Of which:</i> IDB	100.0	35.5	200.0	84.5	300.0	335.5	100.0	200.0	300.0	400.0
(f) Privatization receipts	50.0	10.0	100.0	184.0	150.0	284.0	25.0	50.0	75.0	100.0
(g) Amortization due	393.0	410.1	790.9	981.0	1,346.2	1,710.4	244.1	740.8	996.1	1,233.0
Multilateral creditors	130.7	134.7	270.6	272.0	400.6	531.6	151.1	290.5	453.8	589.9
Bilateral creditors	184.9	196.7	302.0	331.8	467.3	577.4	3.3	15.9	18.3	29.4
<i>Of which:</i> debt cancellation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial creditors	49.5	50.2	169.7	327.4	397.7	499.5	74.0	403.0	477.0	551.0
Other (military)	27.9	28.5	48.6	49.8	80.6	101.9	15.7	31.4	47.0	62.7
(h) Accelerated amortization							0.0	0.0	0.0	0.0
(i) Debt service rescheduled/arrears	270.5	271.2	488.3	550.2	730.3	923.4	0.0	100.0	100.0	100.0
Multilateral creditors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilateral creditors	245.9	246.0	440.3	401.0	656.6	826.3	0.0	0.0	0.0	0.0
Commercial creditors	0.0	0.0	0.0	100.0	0.0	0.0	0.0	100.0	100.0	100.0
Other (military)	24.6	25.2	48.0	49.2	73.7	97.1	0.0	0.0	0.0	0.0



Table 2. Pakistan: Social- and Poverty-Related Expenditure (I-PRSP Expenditure), Cumulative, 1997/98–2003/04

	Rev. Act. 1997/98	Rev. Act. 1998/99	Prel. Act. 1999/2000	Prel. Act. 2000/01	Prel. Act. 2001/02	Proj. 2002/03	Proj. 2003/04
Total	100,378	103,890	114,358	122,349	133,582	175,905	185,060
Roads, highways and bridges	5,174	6,043	5,134	8,332	6,339	9,713	...
Current	1,643	1,847	1,880	3,585	3,191	1,443	...
Development	3,531	4,196	3,254	4,747	3,148	8,270	...
Water supply and sanitation	6,100	5,294	5,553	4,497	4,644	3,295	...
Current	1,865	1,909	1,879	2084	1,707	2,551	...
Development	4,235	3,385	3,674	2413	2,937	744	...
Education	49,084	49,406	54,002	56,536	66,290	78,409	...
By economic classification	49,084	49,406	54,002	56,536	66,290	78,409	...
Current	46,100	46,979	51,572	54,574	60,798	69,320	...
Development	2,984	2,427	2,430	1,962	5,492	9,089	...
By functional classification	...	...	...	56,506	66,290	...	...
Primary education	...	...	...	27,018	31,310	...	...
Current	...	...	...	26,374	29,333	...	...
Development	...	...	...	644	1,977	...	...
Secondary education	...	...	...	15,981	16,712	...	...
Current	...	...	...	15,761	16,327	...	...
Development	...	...	...	220	385	...	...
General universities, colleges and institute:	...	...	...	6,391	8,051	...	...
Current	...	...	...	6,036	7,178	...	...
Development	...	...	...	355	873	...	...
Professional and technical universities, colleges and institute:	...	...	...	2,819	3,756	...	...
Current	...	...	...	2,613	3,028	...	...
Development	...	...	...	206	728	...	...
Teacher and vocational training	...	...	...	1,370	3,009	...	...
Current	...	...	...	1,155	1,651	...	...
Development	...	...	...	215	1,358	...	...
Others	...	...	...	2,927	3,452	...	...
Current	...	...	...	2,635	3,281	...	...
Development	...	...	...	292	171	...	...
Health	14,731	15,547	17,342	17,508	19,211	26,677	...
By economic classification	14,731	15,547	17,342	17,508	19,211	26,677	...
Current	11,900	12,388	14,308	14,984	16,717	21,534	...
Development	2,831	3,159	3,034	2,524	2,494	5,143	...
By functional classification	...	...	...	17,508	19,211	...	...
General hospitals and clinics:	...	...	...	13,124	14,088	...	...
Current	...	...	...	12,551	13,630	...	...
Development	...	...	...	573	458	...	...
Mother and child care	...	...	...	59	59	...	...
Current	...	...	...	59	59	...	...
Development	...	...	...	0	0	...	...
Health facilities and preventive measure:	...	...	...	2,578	2,610	...	...
Current	...	...	...	734	841	...	...
Development	...	...	...	1,844	1,769	...	...
Others	...	...	...	1,747	2,454	...	...
Current	...	...	...	1,640	2,187	...	...
Development	...	...	...	107	267	...	...
Population planning	1,974	2,593	3,439	1,588	1,332	3,836	...
Current	34	33	35	42	46	171	...
Development	1,940	2,560	3,404	1,546	1,286	3,665	...
Social security and social welfare	1,947	2,022	2,069	1,576	3,663	3,625	...
Current	1,861	1,874	1,985	1,502	3,557	3,379	...
Development	86	148	84	74	106	246	...
Natural calamities and other disasters:	214	1,074	1,243	912	189	402	...
Current	214	1,074	1,243	912	189	402	...
Development	0	0	0	0	0	0	...
Irrigation	9,722	9,147	8,274	8,154	10,132	20,780	...
Current	5,536	5,220	5,400	5,791	5,830	9,849	...
Development	4,186	3,927	2,874	2,363	4,302	10,931	...
Land reclamation	541	815	939	1,380	1,838	2,365	...
Current	541	815	939	1,380	1,838	2,365	...
Development	0	0	0	0	0	0	...
Rural development	3,552	4,852	6,513	11,415	12,324	12,203	...
Current	718	550	1,260	3,892	4,811	10,095	...
Development	2,834	4,302	5,253	7,523	7,513	2,108	...
Food subsidies	7,339	7,097	9,850	9,390	5,603	11,570	...
Current	7,339	7,097	9,850	9,390	5,603	11,570	...
Development	0	0	0	0	0	0	...
Food support program	...	...	...	1,061	2,017	3,030	...
Current	...	...	...	1,061	2,017	3,030	...
Development	...	...	...	0	0	0	...
Memorandum item:							
Kushal Pakistan program	...	...	3,500	5,030	15,000	9,844	...

Source: Pakistani authorities.



Table 3. Pakistan: Financial and Operational Targets for KESC, 2001/02–2003/04

(In millions of Pakistani rupees, unless otherwise indicated)

	Prel. Est.		Rev. FIP						
	Q1	Q2	Q1	Q2	Q3	Q4	2003/04		
	2001/02	2002/03	2002/03	2003/04	2003/04	2003/04	2003/04	2003/04	
<b>Main assumptions</b>									
Furnace oil price (PRs per metric ton)									
Average exchange rate (Pakistani rupees per U.S. dollar)									
Average tariff (PRs per kWh)									
Units generated (in GWh)			11,980	3,240	2,906	2,605	3,468	12,219	
<i>Of which:</i> purchased units (in GWh)			3,919	836	799	563	1,063	3,262	
<b>Main operational and financial targets</b>									
Technical and nontechnical losses 1/		40.5	37.8	40.0	39.9	36.7	38.4	37.0	38.0
Total receivables	21,130	21,519	20,933	20,334	20,334	20,334	20,334	20,334	20,334
<i>Of which:</i> public sector receivables	2,347.0	2,635	2,138	2,316	2,316	2,316	2,316	2,316	2,316
Stock of payables to fuel suppliers and IPPs 2/	16,949	9,656	10,177	6,674	6,674	6,674	6,674	6,674	6,674
<b>Summary cash flow statement</b>									
Receipts	34,649	9,103	10,047	38,429	10,505	9,918	8,654	11,770	40,846
Collection of dues	32,452	8,695	9,335	35,736	9,889	9,330	8,127	11,094	38,439
GST	1,436	187	500	1,689	496	468	407	556	1,927
Other receipts	761	221	212	1,004	120	120	120	120	480
Payments	49,807	17,308	15,412	59,915	13,602	12,348	11,155	13,199	50,304
Purchase of power	14,147	10,587	5,804	24,561	3,761	3,618	2,746	4,738	14,864
Cost of fuel	21,721	4,284	6,984	24,050	6,378	5,315	4,998	6,409	23,100
Debt service (interest and amortization)	9,587	1,536	1,630	6,771	2,226	2,072	2,066	645	7,008
Taxes	837	162	242	1,096	356	425	391	415	1,587
Operations and maintenance	3,515	739	752	3,436	880	917	955	992	3,744
Net cash available before investment program	-15,158	-8,205	-5,365	-21,486	-3,097	-2,430	-2,502	-1,429	-9,458
Investment program	1,560	317	322	2,937	1,293	1,407	1,621	1,563	5,884
Regular component	1,560	317	322	1,859	514	550	566	582	2,212
Additional component	0	0	0	1,078	779	857	1,055	981	3,672
Cash surplus (+)/deficit(-)	-16,718	-8,522	-5,687	-24,423	-4,390	-3,837	-4,123	-2,992	-15,342
Financing		8,522	5,687	24,423	4,390	3,837	4,123	2,992	15,342
Banking financing		522	3,687	0	0	0	0	0	0
TFCs		0	0	0	0	0	0	0	0
Other		522	3,687	0	0	0	0	0	0
Nonbanking financing		0	0	0	0	0	0	0	0
Budget financing		8,000	2,000	24,423	4,390	3,837	4,123	2,992	15,342
<b>Memorandum items:</b>									
Net change in payment arrears 3/		-7,293	521	-10,275	0	0	0	0	0
Accrual balance 4/		-1,229	-6,208	-14,148	-4,390	-3,837	-4,123	-2,992	-15,342
Operating expenditures									
Fixed charges and taxes									

Source: Pakistani authorities (KESC), see [www.finance.gov.pk/other/financial.pdf](http://www.finance.gov.pk/other/financial.pdf).

1/ Defined as units generated minus units sold, as a percentage of units generated.

2/ Ceiling under FIP.

3/ Change in the stock of arrears vis-à-vis IPPs, WAPDA, fuel suppliers and the government (including debt service).

4/ For monitoring purposes, defined as the cash balance minus any net change in the stock of arrears to suppliers and to the government plus foreign-financed investment.

Table 4. Pakistan: Financial Accounts of Pakistan International Airlines, 2002–03

(In millions of Pakistani rupees)

	H1 2002	Q1 Proj. 2002/03	Q1 Act. 2002/03	Q2 Proj. 2002/03	Q2 Act. 2002/03	Q3 Proj. 2002/03	Q4 Proj. 2002/03	Proj. 1/ 2002/03
<b>Operating revenue and expenditure</b>								
Operating revenue	22,690	12,129	11,054	11,926	12,253	15,104	13,354	52,513
Passengers	19,315	10,236	9,561	9,854	9,683	12,960	10,870	43,920
Cargo	1,842	1,243	1,020	1,157	1,246	1,386	1,455	5,241
Others	1,533	650	473	915	1,324	758	1,029	3,352
Operating expenditure	21,021	9,963	9,267	10,017	12,786	12,974	12,137	45,091
Operating costs								
<i>Of which:</i> salaries and pensions	3,878	2,054	1,936	2,066	1,601	2,176	2,191	8,487
<i>Of which:</i> fuel	4,391	2,340	2,370	2,296	2,468	2,672	2,367	9,675
Interest charges								
Net operating balance incl. interest charges	1,669	2,166	1,787	1,909	-533	2,130	1,217	7,422
Capital expenditure	-209	0	16	6,718	7,490	0	24,798	31,516
Overall balance (cash basis)	1,878	2,166	1,771	-4,809	-8,023	2,130	-23,581	-24,094
<b>Financing</b>								
Financing from federal government (net)								
Amortization								
Gross lending								
<i>Of which:</i> onlent foreign loans								
Net bank financing								
Repayments								
New loans								
<i>Of which:</i> guaranteed by the government								
TFCs detained by the banks								
Other								
<i>Of which:</i> TFCs detained by nonbanking institutions								
<b>Memorandum items:</b>								
Net change in the stock of payables			297		-3122			
Accrual balance 2/			1,474		-4,901			
Depreciation		685		707		696	696	2,784

Source: Pakistani authorities.

1/ The projection for 2002/03 is the sum of the four quarterly projections.

2/ Total cash receipts minus accrual expenditures (including debt amortization).

Table 5. Pakistan: Financial Accounts of Pakistan Steel Mills, 2000/01–2003/0.

(In millions of Pakistani rupees)

	2000/01	2001/02	Q1 Proj. 2002/03	Q1 Act. 2002/03	Q2 Proj. 2002/03	Q2 Act. 2002/03	Q3 Proj. 2002/03	Q4 Proj. 2002/03	Proj. 1/ 2002/03	Proj. 2003/04
<b>Operating revenue and expenditure</b>										
Operating revenue	17,199	14,934	5,470	4,903	4,957	5,908	4,837	4,836	20,100	18,793
Net sales	16,075	14,423	5,000	4,590	4,757	5,009	4,707	4,736	19,200	18,393
Other receipts	1,124	511	470	313	200	899	130	100	900	400
Operating expenditure	15,061	13,633	3,738	3,762	4,040	3,250	4,220	4,218	16,216	16,969
Raw material costs	7,067	7,009	1,750	1,940	1,950	1,309	2,150	2,127	7,977	8,484
Salaries and pensions	4,174	2,901	1,038	937	1,040	1,022	970	939	3,987	4,048
Other operating expenses	3,820	3,723	950	885	1,050	919	1,100	1,152	4,252	4,437
Interest charges	1,342	1,369	25	2	26	24	30	973	1,054	954
Net operating balance including interest charge	796	-68	1,707	1,139	891	2,634	587	-355	2,830	870
Capital expenditure	23	200	150	48	170	31	220	340	880	600
Overall balance (cash basis)	773	-268	1,557	1,091	721	2,603	367	-695	1,950	270
<b>Financing</b>										
Net budgetary financing	-773	268	-1,557	-1,091	-721	-2,603	-367	695	-1,950	-270
Amortization (due basis)										
New loans										
Net bank financing	-773	268	-1,557	-1,091	-721	-2,603	-367	695	-1,950	-270
Amortization (due basis)	-1,172	-1,172	-56	-38	-56	-432	-56	-1,004	-1,172	-1,172
New loans	0	0	0	0	0	0	0	0	0	0
<i>Of which: guaranteed by the government</i>	0	0	0	0	0	0	0	0	0	0
Change in cash balance:	399	1,440	-1,501	-1,053	-665	-2,171	-311	1,699	-778	902
<b>Memorandum items</b>										
Net change in the stock of payables				-176		274				
Accrual balance 2/				1,267		2,329				
Depreciation	736	696	120	164	186	165	188	206	700	680
Tons of steel produced (in thousands)	945	882	228	225	223	223	268	271	990	1,045
Tons of steel sold (in thousands)	898	796	290	296	270	268	268	268	1,096	965
Number of employees	14,407	13,625								

Source: Pakistani authorities

1/ The projection for 2002/03 is the sum of the four quarterly projections

2/ Total cash receipts minus accrual expenditures (including debt amortization)

Table 6. Pakistan: Financial Accounts of Pakistan Railways, 2000/01–2002/03

(In millions of Pakistani rupees)

	2000/01	2001/02	Q1 Rev. FIP 2002/03	Q1 Act. 2002/03	Q2 Rev. FIP 2002/03	Q2 Act. 2002/03	Q3 Rev. FIP 2002/03	Q4 Rev. FIP 2002/03	FIP Proj. 2002/03
Operating revenue	12,188	13,573	3,491	3,374	3,491	3,851	3,565	3,703	14,000
Passengers	5,602	6,390	1,766	1,769	1,766	1,819	1,760	1,808	7,064
Goods	4,648	4,846	1,250	1,217	1,250	1,285	1,160	1,190	5,000
Others 1/	1,938	2,337	475	388	475	747	645	704	1,937
Expenditure	16,707	16,370	4,705	4,163	4,705	4,306	5,178	6,191	18,818
Operating expenditure	14,194	13,924	4,086	3,832	4,086	3,969	4,372	4,610	16,345
<i>Of which:</i> salaries and pensions	7,206	7,490	2,153	2,017	2,153	1,924	1,820	1,931	8,613
Interest charges	2,513	2,447	618	331	618	337	806	1,581	2,473
Net operating balance including interest charges	-4,519	-2,797	-1,213	-789	-1,213	-455	-1,613	-2,489	-4,818
Capital expenditure	2,700	6,436	1,731	1,463	1,731	762	1,480	1,586	6,923
Foreign-financed component	1,184	2,959	973	671	973	203	750	801	3,891
Locally-financed component	1,517	3,477	758	792	758	559	730	786	3,032
Overall balance (cash basis)	-7,219	-9,234	-2,944	-2,252	-2,944	-1,217	-3,093	-4,075	-11,741
Financing	7,219	9,234	2,944	2,252	2,944	1,217	3,093	4,075	11,741
External financing net	494	1,626	677	435	677	-37	450	120	2,709
Amortization	690	1,334	295	236	295	240	300	681	1,182
Drawings	1,184	2,959	973	671	973	203	750	801	3,891
<i>Of which:</i> guaranteed by the government	1,184	2,959	973	671	973	203	750	801	3,891
Budgetary financing	6,167	9,969	2,258	1,810	2,258	1,955	2,258	4,358	9,032
Budget transfer to cover operational shortfall	4,400	6,000	1,500	1,203	1,500	1,197	1,500	3,600	6,000
Budget investment transfer	1,767	3,969	758	606	758	758	758	758	3,032
Other (including SBP overdraft)	558	-2,361	9	7	9	-701	385	-403	0
Memorandum items:									
Net change in the stock of payables									
Accrual balance 2/									
Passenger traffic									
Number of passengers (in million)	68.8	63.3	16.3	14.3	16.3	17.3	16.3	16.3	65.2
Number of kilometers travelled (in million)	19,590	19,660	5,062	4,500	5,062	5,092	5,062	5,062	20,250
Average kilometer per passenger	285	311	311	314	311	295	311	311	311
Average rate per passenger kilometer (in rupees)	0.29	0.33	0.35	0.39	0.35	0.36	0.35	0.36	0.35
Freight traffic									
Number of tons (in thousands)	5,890	5,720	1,500	1,330	1,500	1,610	1,500	1,500	6,000
Number of kilometers travelled (in million)	4,520	4,465	1,175	1,044	1,175	1,181	1,167	1,183	4,700
Average kilometers per ton	767	781	783	785	783	733	778	789	783
Average rate per ton per kilometer (in rupees)	1.03	1.09	1.06	1.17	1.06	1.09	0.99	1.01	1.06
Number of employees	92,500	90,500	94,000	94,000	94,000	94,000	94,000	94,000	94,000

Source: Pakistani authorities.

1/ Includes public service obligation, which are transfers from the budget to cover the cost of public services provided by Railways.

2/ Total cash receipts minus accrual expenditures (including debt amortization).

Table 7. Pakistan: Financial and Operational Targets for WAPDA and Successor Companies, 2001/02–2003/04

(In millions of Pakistani rupees, unless otherwise indicated)

	2001/02	Q1 Prel. Est. 2002/03	Q2 Prel. Est. 2002/03	Rev. FIP 2002/03	Q1 Rev. FIP 2003/04	Q2 Rev. FIP 2003/04	Q3 Rev. FIP 2003/04	Q4 Rev. FIP 2003/04	Rev. FIP 2003/04
<b>Main assumptions</b>									
Furnace oil prices (PRs per metric ton)	11,440	13,221	13,159	13,688	13,806	13,806	13,806	13,806	13,806
Average exchange rate (Pakistani rupees per U.S. dollar)	61.0	59.4	58.8						
Average revenue (PRs/kWh) 2/	3.9	4.7	4.4	4.423	4.172	4.200	4.369	4.557	4.313
Units generated (in GWh)	60,849	18,204	14,343	63,318	18,455	15,198	14,079	17,842	65,574
Of which: thermal units (in percent of units generated)	68.7	49.9	67.2	68.0	51.1	72.5	82.4	68.2	67.3
purchased units (in GWh)	23,242	4,750	5,124	24,378	5,177	5,839	6,624	7,045	24,685
<b>Main operational and financial targets</b>									
Technical and nontechnical losses 3/ 4	25.8	25.6	22.5	25.0	23.4	22.7	25.0	25.8	24.0
Total receivables	46,909			49,600					59,644
Of which: public sector and FATA receivables				30,903					40,947
Stock of payables to fuel suppliers and IPPs 3/	25,565	16,967	14,077	6,406	5,959	5,512	5,065	4,618	4,618
<b>Summary cash flow statement</b>									
Total cash receipts (excluding GST, ED, & W/Tax)	177,409	56,616	48,905	202,943	56,506	46,866	43,648	57,864	204,884
Total cash outflows	178,649	52,812	44,677	210,099	48,612	53,537	56,792	54,976	213,918
Purchase of power from IPPs	109,101	28,535	25,131	114,907	23,587	25,286	28,437	28,739	106,049
Cost of fuel	37,365	12,325	10,074	39,707	8,765	11,778	11,454	8,695	40,692
Debt service to GOP (interest and amortization)	3,423	3	0	0	5,726	5,726	5,725	5,725	22,902
Debt service other than to GOP (interest and amortization)	11,684	6,064	3,313	16,017	3,067	3,067	3,067	3,068	12,269
Hydel profit payment	6,000	0	1,000	6,000	1,500	1,500	1,500	1,500	6,000
Operations and maintenance	17,261	4,150	4,607	19,309	4,807	5,021	5,449	6,089	21,366
Other cash outflows 5/	-6,185	1,735	552	14,159	1,160	1,160	1,160	1,160	4,640
Net cash available before investment program	-1,240	3,804	4,228	-7,156	7,894	-6,672	-13,144	2,888	-9,034
Investment expenditure	20,618	2,651	1,980	23,511	7,732	7,732	7,732	7,732	30,928
Foreign-financed component	13,034	0	0	11,511	4,732	4,732	4,732	4,732	18,928
Locally-financed component	7,584	2,651	1,980	12,000	3,000	3,000	3,000	3,000	12,000
Cash surplus (+)/deficit(-)	-21,858	1,153	2,248	-30,667	162	-14,404	-20,876	-4,844	-39,962
Financing	21,858	-1,153	-2,248	30,667	-162	14,404	20,876	4,844	39,962
Banking financing		-1,153	-648	0	0	0	0	0	0
Nonbanking financing		0	0	7,000	0	0	0	0	0
Budgetary support (subsidies and grants)		0	-1,600	12,156	-4,894	9,672	16,144	112	21,034
External financing		0	0	11,511	4,732	4,732	4,732	4,732	18,928
<b>Memorandum items:</b>									
Net change in payment arrears 6/		-1,584	3,127	1,569	-447	-447	-447	-447	-1,788
Of which: arrears to the government		7,014	6,017	20,728	0	0	0	0	0
Of which: arrears to IPPs and suppliers		-8,598	-2,890	-19,159	-447	-447	-447	-447	-1,788
Accrual balance 7/		2,737	-879	-20,725	5,341	-9,225	-15,697	335	-19,246
Total budgetary support (including debt arrears)		7,014	4,417	32,884	-4,894	9,672	16,144	112	21,034
Operating expenditures									
Fixed charges and taxes									

Source: Pakistani authorities (WAPDA), see [www.finance.gov.pk/other/financial.pdf](http://www.finance.gov.pk/other/financial.pdf)

1/ Actuals for 2001/02.

2/ Defined as the billing (equal to total cash receipts plus increase in receivables) divided by the number of units sold

3/ Ceiling under FIP.

4/ Defined as units generated minus units sold, as a percentage of units generated

5/ Negative "other cash outflows" in 2001/02 appears to reflect bond financing and government support, including through debt-equity swap in the past, and is not strictly comparable with the 2002/03 presentation

6/ Change in the stock of arrears vis-à-vis IPPs, fuel suppliers and the government (including debt service)

7/ For monitoring purposes, defined as the cash balance minus any net change in the stock of arrears to suppliers and to the government plus foreign-financed investment