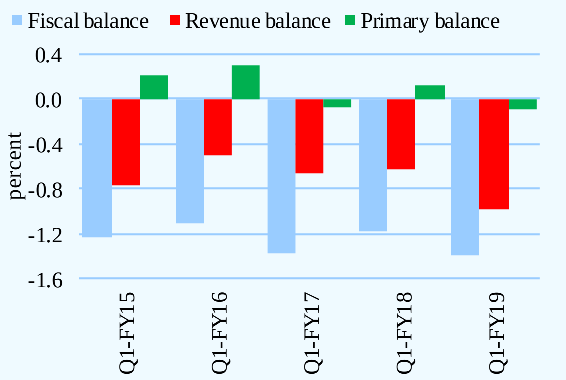
4 Fiscal Policy and Public Debt

4.1 Overview

The fiscal deficit increased to 1.4 percent of GDP in Q1-FY19 as compared to 1.2 percent recorded in the corresponding period of FY18 (**Figure 4.1**). While the overall expenditure growth remained unchanged despite a sizeable cut in development spending, it was the marked slowdown in revenue growth that increased the fiscal gap. In fact, the revenue growth fell short of the rise in current spending as well as non-interest expenditures. This weakened the government's capacity to finance its operational expenses (leading to a higher revenue deficit), and also made it challenging to manage its debt (primary deficit).

Figure 4.1: Fiscal Indicators (percent of GDP)



Data source: Ministry of Finance and SBP calculations

The slowdown in tax revenues can be traced to a number of factors: (i) a sharp reduction in the rate of sales tax applied on major petroleum products in July 2018; (ii) a reduction in corporate and personal income tax rates announced by the government in Q4-FY18; (iii) a sharp fall in PSDP spending, which lowered the withholding tax collection from contracts; and (iv) an overall slowdown in the economy, particularly in the construction-allied industries, which led to lower collections from cement and steel sectors.

On the expenditure front, the major challenge was the steep rise in debt servicing payments, which grew by 13.9 percent during Q1-FY19 compared to 7.5 percent last year. The higher growth can be explained by rising interest rates amid a large (and increasing) volume of public debt, and also by the PKR depreciation, which increased the rupee value of mark-up payments on external debt. Other current expenditures of both the federal (especially defence-related) and the provincial governments also grew sharply.

Thus, facing expenditure rigidities and a slowdown in revenue collection, the government had to cut *discretionary* development expenditures in order to keep the fiscal deficit under check. Still, the overall fiscal deficit increased by Rs 100 billion, or 0.2 percent of GDP, on a YoY basis.

Table 4.1: Summary of Fiscal Operations

billion Rupees

	Actual		Growth (%)	
	Q1-FY18	**Q1-FY19**	**Q1-FY18**	**Q1-FY19**
A. Total revenue	**1,025.1**	**1,102.1**	**18.9**	**7.5**
Tax revenue	911.4	975.2	21.4	7.0
Non-tax revenue	113.7	126.9	1.9	11.6
B. Total expenditure	**1,465.9**	**1,643.8**	**12.8**	**12.1**
Current	1,240.5	1,479.9	15.9	19.3
Interest payments	*445.4*	*507.1*	7.5	13.9
Development	189.9	109.2	-0.6	-42.5
Net lending	0.9	-0.3	-454.4	-127.3
C. Statistical discrepancy	34.6	54.9	-10.3	58.6
Fiscal balance (A-B-C)	**-440.8**	**-541.7**		
Revenue balance*	-215.4	-377.8		
Primary balance**	4.5	-34.6		
Financing	440.9	541.7		
External sources	7.9	210.8		
Domestic sources	432.9	330.9		
Banks	408.0	92.5		
Non-bank	24.5	238.4		
As percent of GDP				
Total revenue	3.0	2.9		
Tax revenue	2.6	2.5		
Non-tax revenue	0.3	0.3		
Total expenditure	4.2	4.3		
Current	3.6	3.9		
Development	0.6	0.3		

*The revenue balance is total revenue less current expenditures. **The primary balance is the fiscal balance excluding interest payments.

Note: The fiscal indicators are based on nominal GDP, calculated using the government's targeted level of GDP growth and inflation for FY19

Data source: Ministry of Finance

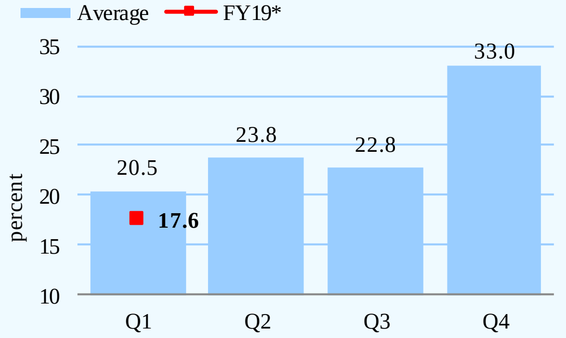
This deficit was financed through increased borrowing from both external and domestic sources (**Table 4.1**). For domestic financing, the government relied primarily on non-bank sources and the SBP, and partially retired its debt to commercial banks. External financing was arranged through bilateral loans, primarily to support the country's balance of payments. Here, it is important to mention that the external debt accumulation in US dollar terms was higher during Q1-FY19 compared to the same period last year, despite revaluation gains of US$ 436 million. These gains represented the impact of the US dollar's appreciation against the Japanese Yen and SDRs.

The overall public debt management remained challenging for the government. First, as the primary balance remained in deficit, the government had to borrow to meet all of its debt obligations. Second, the maturity profile of government domestic debt tilted further towards shorter tenors, as banks were not keen on investing in longer tenor debt instruments in anticipation of an increase in interest rates (**Chapter 3**). This shift in the maturity profile increased the government's exposure to repricing risk.

4.2 Revenue

The pace of revenue collection slowed to 7.5 percent during Q1-FY19 compared to a substantial growth of 18.9 percent observed during Q1-FY18. The slowdown was evident in both federal as well as provincial tax receipts. However, the non-tax revenues increased at a greater pace than last year's, despite a contraction on the provincial front. Importantly, revenue collection growth vis-à-vis the target lagged behind at 17.6 percent during Q1-FY19, compared to the average first quarter performance during the last five years of 20.5 percent (**Figure 4.2**).

Figure 4.2: 5-years Average Share in Revenue Collection



* This represents share in revenue target set in the budget presented in April 2018.
Data source: Ministry of Finance

<u>FBR taxes</u>

The FBR taxes, which contribute around 84.0 percent to the total tax collection, grew by 8.8 percent during Q1-FY19, compared to a 22.0 percent increase witnessed during the same period last year (**Table 4.2**). Both direct and indirect tax collection contributed to this deceleration.

Direct tax collection grew by 5.5 percent during Q1-FY19, compared to the 21.0 percent growth observed during Q1-FY18. The major contributor to this slowdown was the 4.6 percent contraction in withholding tax (WHT) receipts (which have a 72.0 percent share in direct taxes) as opposed to an expansion of 18.0 percent last year.

Table 4.2: FBR Tax Collection in Q1
billion Rupees and percent growth

	Actual		Growth	
	FY18	**FY19**	**FY18**	**FY19**
Direct taxes	282.9	298.5	21.0	5.5
Indirect taxes	482.1	533.8	22.5	10.7
Customs duty	128.9	156.5	27.8	21.5
Sales tax	314.4	335.1	20.2	6.6
Federal excise duty	38.8	42.1	25.0	8.5
Total taxes	765.0	832.3	22.0	8.8
Percent of GDP	2.22	2.16		

Note: The fiscal indicators are based on nominal GDP calculated using government's targeted level of GDP growth and inflation for FY19.
Data source: Federal Board of Revenue

Voluntary payments (VP) also grew by 9.0 percent, but this rate was roughly half of what was observed in the previous year (**Table 4.3**). The Collection on Demand (CoD), a major source of additional resource mobilization, contracted by 0.8 percent compared to an increase of 39.4 percent recorded during Q1-FY18.

Table 4.3: Break-up of Direct Taxes during Q1

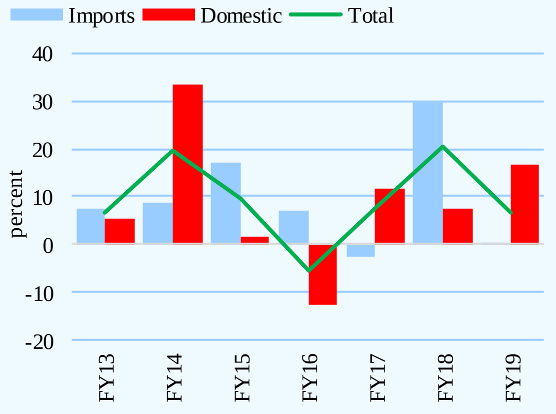
	billion Rupees		Growth (%)	
	FY18	**FY19**	**FY18**	**FY19**
Collection on demand	11.4	11.3	39.4	-0.8
Voluntary payments	66.3	72.3	16.9	9.0
Withholding taxes	224.6	214.2	18.0	-4.6
of which				
Trade	57.3	64.7	14.8	12.9
Contracts	57.0	49.2	25.7	-13.7
Salary	26.7	15.4	28.5	-42.3
Interest & securities	12.1	14.0	12.1	16.0
Cash withdrawal	7.1	8.9	5.6	24.8
Dividends	9.8	8.6	53.9	-12.2
Electric bills	5.9	9.3	9.4	57.1
Telephone	12.1	1.9	-1.0	-84.1
Others	36.5	42.1	11.8	15.2
Gross Income Tax	302.8	324.0	19.8	7.0
Net direct taxes	282.9	298.5	21.0	5.5

Data source: Federal Board of Revenue

The drag in the withholding tax collection largely stemmed from the categories pertaining to contracts, salary income, and dividend income and telephone bills. The scaling down of PSDP had a major impact on receipts from contracts, whereas the suspension of tax on mobile phone top-up led to lower collection from telephone bills. The decline in dividend income was partly due to a reduction in the tax rate on dividends issued to unit holders of REITs.[1]

Meanwhile, the growth in indirect taxes decelerated to 10.7 percent during Q1-FY19, almost half of the level achieved during the corresponding period of last year. All the components of indirect taxes (i.e., sales tax, federal excise duty and customs duty) contributed to the deceleration.

Figure 4.3: Trend in Sales Tax Collection during Q1

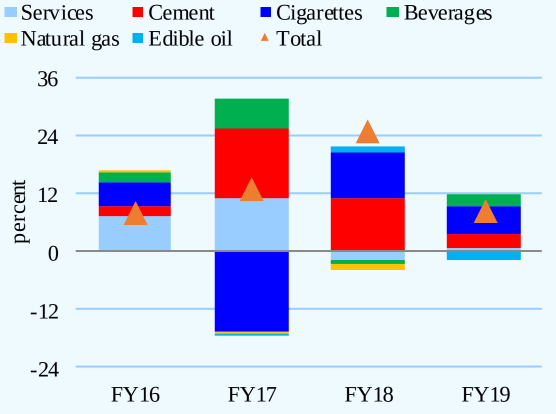


Data source: Federal Board of Revenue

Specifically, the growth in sales tax collection, the largest contributor to tax collection, slowed to 6.6 percent in Q1-FY19 from 20.2 percent witnessed during the same period last year (**Figure 4.3**). The drag mainly resulted from a reduction in the sales tax rate on petroleum products by the government.

The sales tax collection at the domestic stage grew by 16.5 percent during Q1-FY19, led by an uptick in taxes from electric energy and food products (particularly cigarettes). However, some of this increase was offset by a decline in sales tax collection from petroleum products. While an upward revision in the rates led to an 8.5 percent growth (mainly from the cigarette and cement segments) in FED collection (**Figure 4.4**), the customs duty collection also grew by 21.5 percent during Q1-FY19 on the back of an increase

Figure 4.4: Contribution to the Growth of FED during Q1

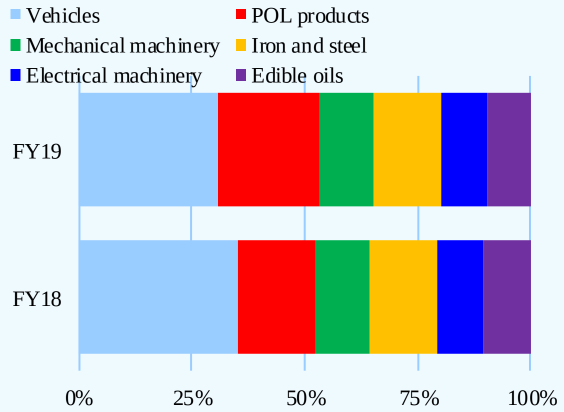


Data source: Federal Board of Revenue

[1] The WHT rate on dividends issued to unit holders of REITs was reduced to 7.5 percent from 12.5 percent in the Finance Act 2018.

in customs/regulatory duty rates on a number of items (**Figure 4.5**).

Figure 4.5: Composition of Custom Duty Collection during Q1



Data source: Federal Board of Revenue

Non-tax revenues

Non-tax revenues grew by 11.6 percent during Q1-FY19 compared to a marginal increase of 1.9 percent recorded in the corresponding period last year. The growth remained broad-based, with positive contributions coming from almost all the major components; though categories benefitting from higher interest rates and commodity prices figured more prominently (**Table 4.4**).

Table 4.4: Non-tax Revenues in Q1
billion Rupees

	Actual	
	FY18	**FY19**
Mark-up (PSEs and others)	0.6	1.2
Dividends	0.4	4.5
SBP profits	45.0	50.7
Defence (including CSF)	2.7	2.4
Profits PTA/post office	5.4	6.1
Royalties on gas and oil	13.0	23.6
Discount retained on crude oil	2.1	3.1
Windfall levy against crude oil	0.4	2.1
Others	40.0	29.9
Total non-tax revenue	113.7	126.9

Data source: Ministry of Finance

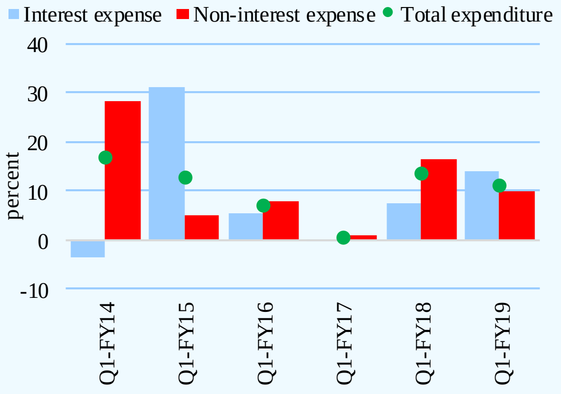
4.3 Expenditure

Consolidated fiscal expenditures rose by 11.0 percent during Q1-FY19, against the 13.5 percent growth recorded during the same period last year. Despite a sharp growth in current spending, a significant cut in development expenditures led to the overall deceleration (**Figure 4.6** and **Table 4.5**).

Federal current spending grew by 18.1 percent during Q1-FY19, compared to the 11.7 percent increase witnessed during Q1-FY18. This was mainly led by growing non-discretionary interest payments. The higher growth in interest payments was due to: (i) an increase in the volume of public debt; (ii) higher markup rates (both in the domestic market and in LIBOR terms); and (iii) an increase in interest payments of external debt in rupee terms due to the PKR depreciation. Provincial current spending, on the other hand, grew by 22.0 percent as compared to the 25.9 percent in the same period last year.

By contrast, the development expenditures declined sharply by 42.5 percent during the quarter compared to a decline of 0.6 percent witnessed in the last corresponding period. The contraction was broad-based, as PSDP spending at both the federal and the provincial fronts declined (**Figure 4.7** and **Figure 4.8**).

Figure 4.6: The Trends in Expenditure Growth



Data source: Ministry of Finance

Table 4.5: Fiscal Spending
billion Rupees

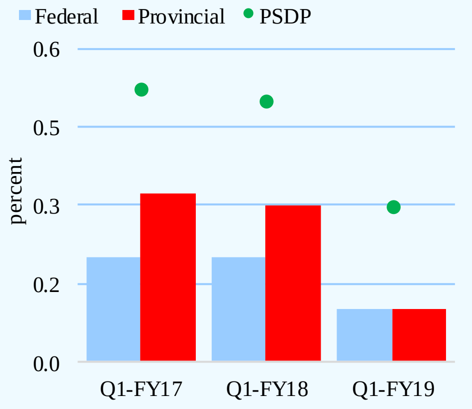
	Q1			Growth (%)	
	FY18	**FY19**	**Abs. change**	**FY18**	**FY19**
Current expenditures	**1,240.5**	**1,479.9**	**239.4**	**15.9**	**19.3**
Federal	846.4	999.3	152.8	11.7	18.1
of which					
Interest payment	445.4	507.1	61.7	7.5	13.9
Defense	181.9	219.4	37.5	20.1	20.6
Public order and safety	27.9	32.7	4.8	16.2	17.1
Others	191.2	240.1	48.9	13.8	25.5
Provincial	394.1	480.7	86.6	25.9	22.0
Development expenditures	**189.9**	**109.2**	**-80.7**	**-0.6**	**-42.5**
PSDP	165.0	106.6	-58.4	-1.3	-35.4
Federal	69.5	50.9	-18.6	8.4	-26.8
Provincial	95.4	55.7	-39.7	-7.4	-41.6
Others (including BISP)	24.9	2.6	-22.3	3.9	-89.5
Net lending	0.9	-0.3	-1.2	-454.4	-127.3
Total Expenditure*	**1,431.3**	**1,588.9**	**157.6**	**13.5**	**11.0**

* Excluding statistical discrepancy
Data source: Ministry of Finance

4.4 Provincial Fiscal Operations

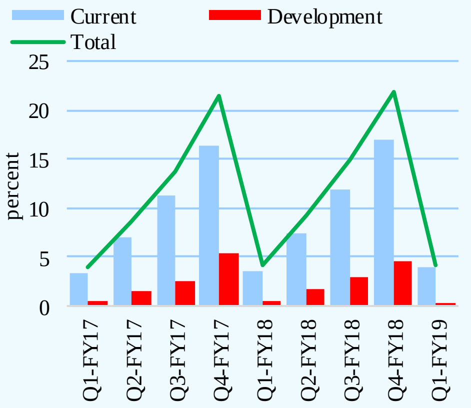
The consolidated provincial surplus reached Rs 196.7 billion during Q1- FY19, about 68 percent of the target; Punjab and Sindh were the biggest contributors (**Figure 4.9**). The higher surplus was on the back of a surge in revenue collection (largely stemming from the constitutional share of provinces) and a deceleration in expenditure growth (**Table 4.6**).

Figure 4.7: PSDP Trends during Q1 (% of GDP)



Data source: Ministry of Finance and SBP calculation

Figure 4.8: Trends in Spending (% of GDP)

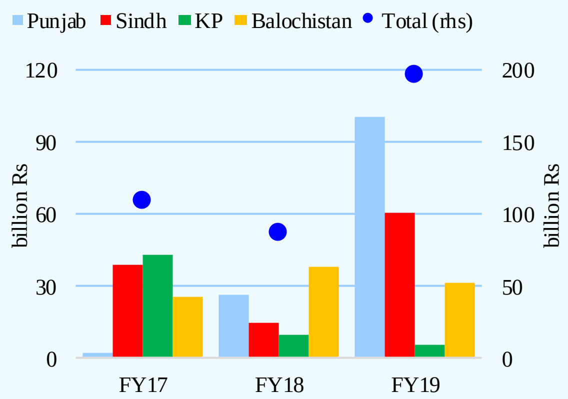


Data source: Ministry of Finance and SBP calculation

Provincial revenue

The consolidated provincial revenues grew sharply by 36.9 percent during Q1-FY19 against the 15.1 percent increase recorded during the same period last year. The relatively higher growth this year was mainly supported by a rise under the provinces' share in federal transfers; the provinces' own revenue collection, on the other hand, declined by 9.6 percent on YoY basis.[2]

Figure 4.9: Provincial Surplus during Q1



Data source: Ministry of Finance

The decline in the provinces' own revenue is attributed to a stagnation in the General Sales Tax on Services (GSTS), a decline in property taxes, and a deceleration in almost all the main tax revenue spinners **(Figure 4.10)**. Already having a negligible share in the total provincial revenue collection, the slower growth in almost all the revenue spinners necessitates the provincial performance in revenue mobilization.

[2] The federal transfers may vary across quarters with no discernable pattern. The increase recorded in Q1-FY19 might be for supporting the ongoing projects in the provinces.

Table 4.6: Provincial Fiscal Operations during Q1

billion Rupees and percent growth

	Punjab	Sindh	KP	Balochistan	Total	Growth
FY19						
A. Total revenue	390.6	209.4	116.0	71.2	787.2	36.9
Provincial share in federal revenue	325.8	163.4	107.7	65.9	662.9	54.6
Provincial own revenue (I+II)	51.0	43.0	5.9	3.2	103.2	-9.6
I. Taxes	42.6	39.9	4.1	2.0	88.6	2.0
II. Non-tax revenue	8.5	3.1	1.8	1.3	14.6	-46.6
Fed loans and transfers	13.7	3.0	2.3	2.1	21.1	-34.6
B. Total expenditure	264.1	145.3	86.6	44.6	540.6	9.6
Current**	233.8	132.2	75.8	43.1	484.9	21.9
Development	30.3	13.1	10.8	1.5	55.7	-41.6
Gap (A-B)	126.5	64.1	29.4	26.7	246.6	200.5
Financing* (overall balance)	-100.0	-60.5	-4.9	-31.4	-196.7	128.3
FY18						
A. Total revenue	280.1	153.7	76.2	65.2	575.2	15.1
Provincial share in federal revenue	200.7	106.2	66.3	55.5	428.7	2.9
Provincial own revenue (I+II)	58.0	41.8	6.5	7.9	114.2	43.6
I. Taxes	45.0	36.0	4.0	1.8	86.9	34.7
II. Non-tax revenue	13.0	5.8	2.5	6.1	27.4	81.8
Fed loans and transfers	21.4	5.6	3.4	1.8	32.3	783.0
B. Total expenditure	248.6	139.2	66.6	38.7	493.0	17.6
Current**	182.9	119.9	56.8	38.0	397.6	25.8
Development	65.7	19.3	9.8	0.7	95.4	-7.4
Gap (A-B)	31.5	14.5	9.6	26.5	82.1	2.0
Financing* (overall balance)	-25.7	-14.1	-9.1	-37.4	-86.2	-20.6

*Negative sign in financing means surplus. ** Current expenditure data may not match with those given in Table 4.5 as numbers reported here also includes the markup payments to federal government.
Data source: Ministry of Finance and SBP calculations

The provincial non-tax revenue declined to Rs 14.6 billion during Q1-FY19, about half the amount recorded in the last corresponding period. The contribution from major revenue sources, such as profits from hydroelectricity and irrigation, remained negligible.

The growth in provincial spending slowed down to 9.6 percent as compared to a 17.6 percent growth recorded in the corresponding period of last year. This is mainly attributed to a sharp decline in development spending, along with a slight deceleration in current expenditures. The current provincial spending grew by 21.9 percent, after rising 25.7 percent in the same period last year. However, the provincial development spending declined by 41.6 percent during Q1-FY19, steeper than the 7.4 percent decline recorded last year (**Figure 4.11**).

Figure 4.10a: State of Provincial Own Revenue during Q1

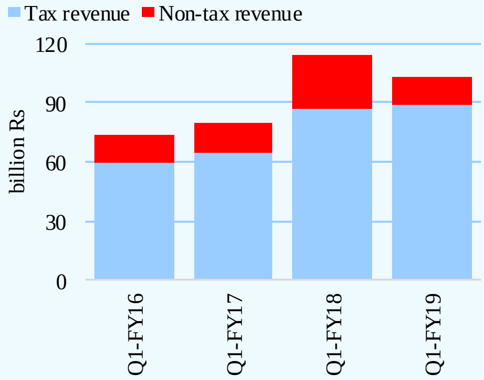
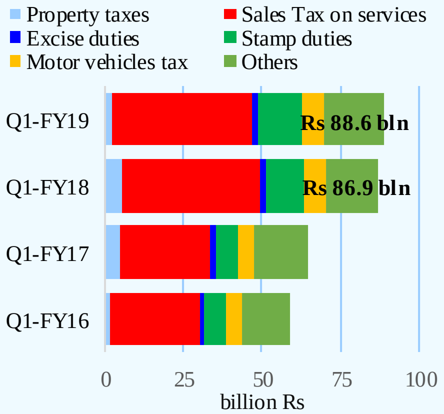


Figure 4.10b: State of Provincial Tax Revenue during Q1

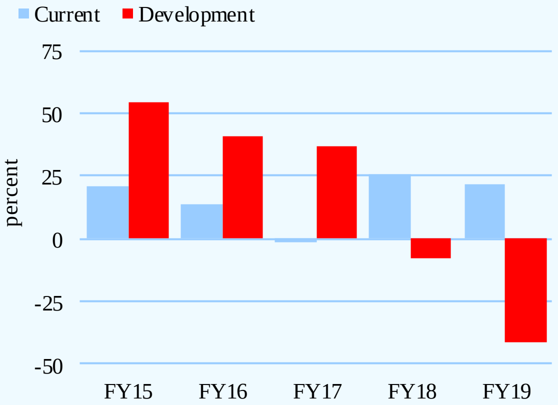


Data source: Ministry of Finance

Provincial spending

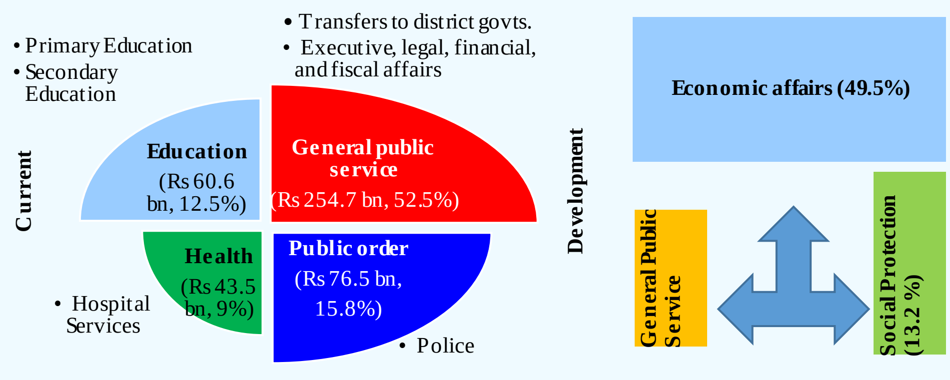
The disaggregated data shows that the provincial current expenditures were mainly directed towards general public services, followed by public order, safety and educational affairs. Along with the usual allocations to general services (including transfers, financial, legal, and fiscal affairs), about 78 percent of the expenditures were assigned to *public order*, with the Police department receiving the major share. Meanwhile, the expenditures incurred on economic affairs were mainly focused on agriculture, construction and transport segments **(Figure 4.12)**.

Figure 4.11: Growth in Provincial Expenditure during Q1



Data source: Ministry of Finance

Figure 4.12: Provincial Spending Preferences during Q1-FY19 (billion rupees and percent shares)



Data source: Ministry of Finance

4.5 Public debt

The country's public debt grew by 3.3 percent during Q1-FY19, slightly higher than the 3.0 percent growth observed during the same period last year. In absolute terms, the public debt stock reached Rs 25.8 trillion by end-September 2018, from Rs 25.0 trillion at end-June 2018 (**Table 4.7**). Unlike last year, when around 80.0 percent of the increase came from domestic sources, only 60.6 percent of the YoY uptick in public debt was contributed by domestic debt in Q1-FY19. The contribution of external debt increased primarily as the exchange rate depreciation increased its rupee value.

Table 4.7: Pakistan's Public Debt Profile

billion Rupees

	Stock				Flow (Q1)	
	Jun-17	**Sep-17**	**Jun-18**	**Sep-18**	**FY18**	**FY19**
Public debt	21,408.7	22,056.0	24,952.9	25,783.4	647.4	830.6
Domestic debt	14,849.2	15,371.7	16,416.3	16,919.8	522.5	503.6
Government external debt	5,918.7	6,029.8	7,795.8	8122.9	111.1	327.1
Debt from the IMF	640.8	654.5	740.8	740.7	13.8	-0.1

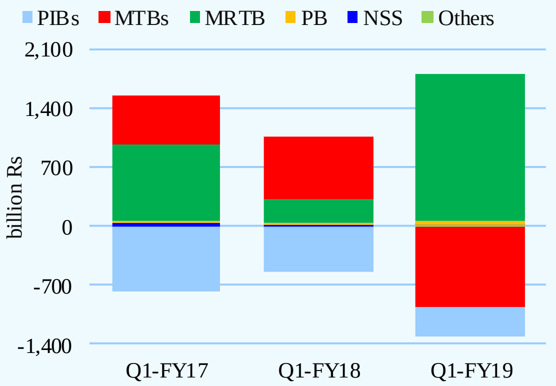
Data source: State Bank of Pakistan and Economic Affairs Division

Domestic debt

The government's domestic debt grew by 3.1 percent in Q1-FY19 as compared to a rise of 3.5 percent recorded during Q1-FY18. Even though the growth was lower this year, the composition of the domestic debt shifted towards non-bank sources and borrowings from the central bank (**Figure 4.13**).

The government's reliance on non-bank sources remained higher than last year (**Table 4.8**). In case of tradable securities, the holding of T-bills by corporates recorded a significant increase during the period. From NSS, the government was able to raise only Rs 10.5 billion during Q1-FY19, while inflows from prize bonds increased significantly to Rs 42.1 billion, from Rs 26.6 billion in Q1-FY18.

Figure 4.13: Composition of Domestic Debt during Q1 (flows)



Data source: State Bank of Pakistan

The government mainly borrowed from the SBP to retire its debt held by the commercial banks. During Q1-FY19, the government borrowed Rs1,749.5 billion from the SBP and retired Rs 1,488.0 billion to the commercial banks.

Despite higher returns on government securities in Q1-FY19, the bidding pattern of commercial banks was largely driven by the tightening of the monetary policy stance. During Q1-FY19, the commercial banks remained mainly interested in the 3-month T-bills, as the 12-month T-bills failed to attract even a single bid (**Table 4.9**).

Table 4.8: Change in Non-bank Holding of Domestic Debt

billion Rupees

	FY18	Q1-FY18	Q1-FY19
T-bills	175.6	111.1	146.3
Other securities	-73.3	-143.0	38.7
NSS (including prize bonds)	206.7	45.7	57.0
of which			
DSC	10.7	0.9	-0.1
SSC	-51.2	-11.7	3.5
BSC	45.4	12.8	20.6
SSA	59.9	18.5	-34.9
Prize bond	103.9	26.6	42.1
Total	309.0	13.7	242.0

Data source: State Bank of Pakistan

In case of fixed rate PIBs, the overall bids remained miniscule relative to T-bills, and the offered amount was only 14.1 percent of the maturities during the quarter. In contrast, banks' participation in the auctions of 10-year floating rate PIBs (launched by the government in May 2018) was relatively better. Against the target of Rs 150.0 billion in Q1-FY19, banks offered Rs 151.5 billion; this was more than five times the maturity of 10-year fixed rate PIBs.

Table 4.9: Auction Profile of Government Securities (Face Value)
billion Rupees

	Q1-FY18				Q1-FY19			
	Offer (competitive)	Maturity	Accepted	Accepted net of maturity	Offer (competitive)	Maturity	Accepted	Accepted net of maturity
MTBs								
3-M	3,501.6	1,800.4	3,463.1	1,662.7	5,093.0	5,612.9	4,685.9	(927.0)
6-M	942.8	1,391.0	895.5	(495.5)	26.0	0.0	1.1	1.1
12-M	66.8	490.1	47.7	(442.4)	0.0	47.7	0.0	(47.7)
Total	4,511.2	3,681.5	4,406.3	724.8	5,119.0	5,660.6	4,687.0	(973.6)
PIBs								
3-Y	60.4	376.3	23.4	(353.0)	22.9		0.0	
5-Y	18.4	196.4	10.2	(186.2)	23.7	426.1	20.6	(405.5)
10-Y (fixed)	28.5	23.9	22.1	(1.8)	18.7	35.0	0	-35.0
10-Y (floating)					151.5	0	101.5	101.5
Total	107.3	596.6	55.7	(540.9)	216.7	461.1	122.1	(339.0)

Data source: State Bank of Pakistan

Public external debt

The stock of public external debt rose by US$ 1.1 billion during Q1-FY19 and reached US$ 71.3 billion by end-September 2018 (**Table 4.10**). Despite higher debt servicing, the increase in public external debt was higher during Q1-FY19 as compared to Q1-FY18. This increase largely stemmed from the government's borrowing from bilateral sources.

Table 4.10: Public External Debt
billion US dollars

	Stock				Flow	
	Jun-17	**Sep-17**	**Jun-18**	**Sep-18**	**Q1-FY8**	**Q1-FY19**
A. Government debt	56.4	57.2	64.1	65.4	0.8	1.2
Of which						
Paris club	12.0	12.1	11.6	11.5	0.1	-0.1
Multilateral	27.6	27.9	28.1	27.6	0.3	-0.5
Other bilateral	6.3	6.8	8.7	10.8	0.4	2.2
Bonds	4.8	4.9	7.3	7.3	0.0	0.0
Commercial loans	4.8	4.9	7.5	7.2	0.1	-0.2
Multilateral (ST)	0.8	0.7	1.0	0.9	-0.1	-0.1
B. Debt from IMF	6.1	6.2	6.1	6.0	0.1	-0.1
Total (A+B)	62.5	63.4	70.2	71.3	0.9	1.1

Data source: State Bank of Pakistan and Economic Affairs Division

Moreover, revaluation gains due to the depreciation of major currencies against the US dollar reduced the dollar value of country's external debt by US$ 436.7 million during Q1-FY19. Nearly 77 percent of these gains were due to the US dollar's appreciation against the Japanese Yen and the Special Drawing Rights (SDR) during the period.[3]

External debt servicing increased

Pakistan's external debt servicing went up by US$ 214.1 million during Q1-FY19 over Q1-FY18. In fact, principal and interest payments observed almost a similar increase during the quarter (**Table 4.11**). The increase in principal payments was due to higher amortization of multilateral, bilateral and short-term debt. The higher interest expense, on the other hand, was mainly driven by a rise in the benchmark rate (i.e. LIBOR).

Table 4.11: Public External Debt Servicing during Q1
million US dollars

	FY18	FY19	Change
Principal			
I. Public debt (a+b)	1,349.1	1,458.4	109.3
a. Government debt	1,349.2	1,374.5	25.4
Paris club	25.2	25.1	-0.1
Multilateral	392.8	412.2	19.4
Other bilateral	78.1	139.8	61.8
Commercial loans/credits (LT)	408.0	200.0	-208.0
Short term	445.1	597.5	152.4
b. IMF	0.0	83.9	83.9
Interest			0.0
II. Public debt (a+b)	291.1	395.9	104.8
a. Government debt	260.2	360.2	100.0
Paris club	8.0	6.3	-1.6
Multilateral	89.7	113.9	24.1
Other bilateral	79.4	98.9	19.5
Euro/Sukuk bonds	0.1	32.7	32.6
Commercial loans /credits(LT)	55.7	90.2	34.5
Multilateral (ST)	27.3	13.6	-13.8
b. IMF	30.9	35.7	4.8
Total (I+II)	1,640.2	1,854.3	214.1

Data source: State Bank of Pakistan

[3] External debt denominated in Japanese Yen and SDR constituted around 38 percent of external debt stock and these currencies depreciated by 2.8 and 0.8 percent against US$ respectively, resulting decline in the dollar value of external debt as on end September 2018.