

MONTHLY REPORT ON **FISCAL POSITION**

(January FY2003-04)

ABSTRACT

This report is prepared on the basis of the data generated by the Budgeting Information Systems. Major findings of the report are as follows:

- Up to January FY04, about 49.7% of the **Budgeted Revenue** have been collected.
- **Revenue Expenditure** incurred over this time is about 45.5% of the Budget for FY04.
- **Development Expenditure** during the same period is about 21.8% of the development budget for the FY04, implying under utilization and/or underreporting.
- **Overall Balance** up to January FY04, measured from above the line, as % of estimated GDP is about -1.1%.
- **Financing** up to January FY04 stands at about 1.1% of the GDP.

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Monthly Report on Fiscal Position¹

January FY04

a.0 Revenue Expenditure

a.1 Sector-wise Utilization and Growth

Sector-wise information on Revenue Expenditure is presented in Table a.1. Among other things, following major observations transpire from the Table:

- While Revised Budget (RB03) for the FY03 was 5.6% higher than the original budget (B03) and Actual Exp (A03) was 3.1% lower than that of RB03, B04 was 18.2% higher than A03 but only 20.8% higher than B03.
- Nominal Increase of B04 over RB03 was 14.5%, the largest increase was in the General Public Services (43.4%), followed by LGRD (32.1%).

Table a.1: Revenue Expenditure Pattern by Sector^{2,3}

(in Crore Taka)

Sectors	B03	RB03	A03	Sector's Share of A03 (in %)	RB03 as % B03	A03 as% of RB03	B04	B04 as % of B03	A04 (up to Jan.)	B04 as % of RB03	B04as % of A03	A04 (up to Jan.) as %
GPS	4441.9	4059.0	3734.1	15.2	91.4	92.0	5820.9	131.0	1881.6	143.4	155.9	32.3
LGRD	572.7	632.9	613.4	2.5	110.5	96.9	836.1	146.0	338.3	132.1	136.3	40.5
Defence	3393.6	3405.1	3601.9	14.7	100.3	105.8	3534.3	104.1	1289.0	103.8	98.1	36.5
POS	1800.7	1946.4	1892.1	7.7	108.1	97.2	1933.6	107.4	1155.8	99.3	102.2	59.8
Edu	3876.0	4040.4	3919.3	16.0	104.2	97.0	4187.4	108.0	2769.4	103.6	106.8	66.1
Hlth	1325.4	1333.7	1298.1	5.3	100.6	97.3	1409.8	106.4	747.9	105.7	108.6	53.1
SSW	923.6	941.9	941.7	3.8	102.0	100.0	1207.1	130.7	259.8	128.2	128.2	21.5
Housing	300.0	369.1	347.3	1.4	123.0	94.1	434.3	144.8	195.1	117.7	125.0	44.9
RCRA	239.1	316.3	275.8	1.1	132.3	87.2	312.4	130.6	127.1	98.8	113.2	40.7
FE	7.9	8.8	8.5	0.0	110.9	96.5	8.9	112.7	5.0	101.6	105.3	56.1
Agri	880.4	966.4	936.1	3.8	109.8	96.9	981.5	111.5	597.9	101.6	104.8	60.9
IES	115.4	132.3	123.6	0.5	114.7	93.4	130.7	113.3	64.8	98.8	105.8	49.5
Trans	1481.6	1580.1	1569.6	6.4	106.6	99.3	1734.1	117.0	872.6	109.7	110.5	50.3
Interest	4614.0	5574.4	5252.2	21.4	120.8	94.2	6437.5	139.5	2865.8	115.5	122.6	44.5
Total	23972.3	25306.7	24513.5	100.0	105.6	96.9	28968.6	120.8	13170.0	114.5	118.2	45.5
Increase over FY02	103.7	111.5	107.4									

a.2 Ministry-wise Utilization Pattern

Ministry-wise revenue expenditure pattern is presented in Table a.2 in the next page. It appears that:

- Actual spending up to January, FY04 was 11.1% higher than the corresponding period of the previous year.
- However, only for the month of January, FY04, actual expenditure was 53.2% higher than the corresponding month of FY03.
- Up to January, FY04 only 45.5% of the Budget for the FY04 has been spent.

¹ This report is based on data generated in the CGA System and the analysis is based on gross basis.

² Notes: GPS = General Public Services, LGRD = LGD, RD & Cooperatives, CHTs, POS = Public Order and Safety, Edu = Education and Technology, Hlth = Health, SSW = Social Security and Welfare, RCRA = Recreation, Culture and Religious Affairs, Agri = Agriculture, Fisheries and Livestock, Land, Water Resources and Food, FE = Fuel and Energy, IES = Industries, Jute, Textiles, Commerce, Labor & Overseas, Trans = Transport and Communication.

³ B = Budget, RB = Revised Budget and A = Account/Actual.

Table a.2: Revenue Expenditure: Ministry-wise Expenditure Pattern Up to January FY04

(in Crore Taka)

	A02	B03	RB03	A03 (Jan)	A03 (Up to Jan)	A03	B04	A04 (Jan.)	A04 (up to Jan.)	A04 (up to Jan.) as % B04	A04 as % A03 (Jan.)	A04 as % A03 (up to Jan.)
Sub-total = GPS	3303.4	4441.9	4059.0	264.4	1986.0	3734.1	5820.9	422.0	1881.6	32.3	159.6	94.7
President	2.9	3.4	3.6	0.3	1.8	3.2	3.2	0.4	2.1	64.3	136.4	113.1
Parliament	27.4	35.9	32.4	1.9	12.6	28.6	42.1	4.3	18.9	44.9	226.1	149.9
PMO	53.8	53.5	57.3	4.8	25.9	52.1	60.8	7.3	36.6	60.1	152.0	141.2
Cabinet Div	9.3	10.9	15.1	1.0	5.2	13.7	10.0	0.8	5.0	50.2	81.9	96.0
Election Com	92.0	137.8	77.6	33.1	39.3	75.3	88.0	2.0	8.1	9.2	6.1	20.5
Estab	250.9	263.9	309.5	23.8	154.0	316.7	278.2	38.6	184.0	66.1	162.2	119.4
PSC	4.2	4.6	5.5	0.4	2.8	5.3	5.0	0.6	3.3	66.8	143.4	118.1
Finance Div	1710.9	3124.0	2730.7	161.1	1497.6	2650.0	4526.2	332.5	1384.5	30.6	206.5	92.4
IRD	904.5	557.8	567.1	19.8	118.6	333.6	558.9	27.5	113.4	20.3	138.9	95.6
ERD	20.1	21.4	22.3	1.4	11.6	18.5	19.7	0.6	7.4	37.4	44.0	63.6
Planning Div	46.6	49.0	50.8	4.1	18.9	46.7	50.0	7.0	29.2	58.4	171.4	154.6
IMED	2.7	2.8	2.9	0.3	1.4	2.8	2.9	0.4	1.9	65.3	133.4	136.7
Statistics Div	0.0	0.0	0.0	0.3	5.4	0.0	0.0	0.0	0.0		0.0	0.4
Foreign Aff	178.0	176.7	184.2	12.1	90.7	187.5	176.0	0.0	87.3	49.6	0.0	96.2
Sub-total = LGRD	551.1	572.7	632.9	23.2	207.2	613.4	836.1	48.7	338.3	40.5	210.1	163.3
LGD	374.8	387.9	448.7	19.5	164.8	435.9	472.5	42.1	189.5	40.1	215.9	115.0
RD Div	77.9	83.9	86.4	3.5	41.5	79.9	287.1	6.0	146.9	51.1	170.7	354.2
CHT	98.5	100.9	97.8	0.1	0.9	97.6	76.4	0.5	1.9	2.5	426.2	218.8
Sub-total = Defence	3633.9	3393.6	3405.1	216.6	1267.4	3601.9	3534.3	257.5	1289.0	36.5	118.9	101.7
Def. Service	3561.5	3336.4	3324.5	209.7	1237.0	3541.9	3474.0	251.5	1255.4	36.1	119.9	101.5
Def. - Others	72.4	57.2	80.5	6.9	30.3	60.0	60.3	6.0	33.5	55.6	86.8	110.5
Sub-total = POS	1712.4	1800.7	1946.4	163.3	949.1	1892.1	1933.6	284.8	1155.8	59.8	174.5	121.8
Law & Parlia.	114.2	117.6	126.7	10.1	64.9	117.2	127.9	19.2	80.0	62.6	189.5	123.3
Supreme Court	14.0	13.6	16.6	1.5	8.8	16.4	14.5	2.5	9.8	67.7	163.7	112.4
Home Aff.	1584.2	1669.5	1803.1	151.6	875.4	1758.4	1791.1	263.1	1066.0	59.5	173.6	121.8
Sub-total = Edu	3744.3	3876.0	4040.4	497.7	2346.0	3919.3	4187.4	769.9	2769.4	66.1	154.7	118.0
PMED	1368.8	1476.7	1468.6	113.8	765.7	1358.1	1500.8	271.3	991.3	66.1	238.3	129.5
Education	2303.4	2325.4	2494.1	377.0	1550.1	2484.2	2606.8	492.5	1748.7	67.1	130.6	112.8
Sc. & Tech	72.1	73.9	77.7	6.9	30.2	77.0	79.8	6.2	29.4	36.8	89.1	97.3
Sub-total = Health	1205.5	1325.4	1333.7	110.6	620.9	1298.1	1409.8	220.6	747.9	53.1	199.4	120.4
HFW	1205.5	1325.4	1333.7	110.6	620.9	1298.1	1409.8	220.6	747.9	53.1	199.4	120.4
Sub-total = SSW	664.2	923.6	941.9	12.8	131.8	941.7	1207.1	154.7	259.8	21.5	1206.8	197.1
Social Wel.	194.1	253.2	255.4	6.8	98.2	261.0	318.8	102.7	157.2	49.3	1510.3	160.1
Women Aff.	24.5	27.2	28.2	3.0	10.2	26.3	132.2	47.3	55.7	42.2	1564.1	544.7
Disaster Man.	444.9	595.6	611.0	2.9	14.8	607.1	683.3	4.5	18.8	2.7	156.4	126.5
Liberation Aff.	0.7	47.6	47.3	0.1	8.6	47.2	72.9	0.2	28.2	38.7	195.6	328.8
Sub-total = HCS	295.8	300.0	369.1	28.3	159.6	347.3	434.3	50.4	195.1	44.9	178.4	122.2
Housing	295.8	300.0	369.1	28.3	159.6	347.3	434.3	50.4	195.1	44.9	178.4	122.2
Sub-total = RCRA	228.6	239.1	316.3	21.1	112.6	275.8	312.4	36.3	127.1	40.7	172.0	112.9
Information	130.0	139.9	186.5	14.8	0.8	150.5	172.5	22.8	73.0	42.3	154.5	9701.7
Cultural Aff.	31.5	32.5	35.2	1.4	0.2	34.0	33.9	2.1	16.7	49.2	147.5	9741.9
Religious Aff.	28.2	24.1	45.4	0.3	74.7	43.1	27.9	3.1	9.2	33.1	927.6	12.4
Youth	38.9	42.5	49.1	4.6	23.1	48.2	78.0	8.3	28.2	36.2	180.1	122.2
Sub-total = FE	7.8	7.9	8.8	0.9	4.4	8.5	8.9	1.1	5.0	56.1	122.4	113.4
Petroleum	5.9	6.3	6.8	0.8	3.5	6.5	7.3	0.9	3.8	52.1	119.5	108.9
Energy	1.9	1.6	2.0	0.2	0.9	1.9	1.7	0.2	1.2	74.0	135.2	129.8
Sub-total = Agr	857.8	880.4	966.4	74.7	474.9	936.1	981.5	152.3	597.9	60.9	203.9	125.9
Agriculture	313.9	326.7	330.9	23.1	182.3	329.8	351.7	52.0	220.5	62.7	225.1	121.0
Fisheries	161.8	160.1	184.1	13.6	88.7	172.0	199.5	21.4	107.5	53.9	157.4	121.1
Environment	59.2	62.0	72.1	4.3	33.8	67.0	70.4	5.9	46.6	66.2	136.9	137.7
Land	154.8	170.5	173.0	14.2	89.8	162.5	167.5	28.8	108.7	64.9	203.6	121.0
Water	165.8	158.8	201.7	19.0	78.6	201.6	189.9	43.9	113.3	59.6	230.4	144.1
Food (Excl Food A/C	2.3	2.4	4.5	0.5	1.7	3.3	2.5	0.3	1.4	56.3	66.1	85.2
Sub-total = IES	112.1	115.4	132.3	14.7	60.7	123.6	130.7	11.7	64.8	49.5	79.2	106.6
Industries	29.8	30.0	36.3	5.8	15.1	36.0	36.1	1.8	14.8	41.0	30.6	98.3
Jute	6.1	8.0	8.3	0.7	4.3	7.0	7.6	1.1	4.6	61.4	153.3	108.1
Textiles	15.9	15.3	18.5	3.5	8.9	18.1	16.1	1.1	7.4	45.9	32.4	83.2
Commerce	24.0	24.7	27.4	1.4	13.0	24.9	32.0	3.7	16.7	52.2	269.6	128.9
Labour	33.2	11.9	13.3	1.7	12.3	19.6	12.0	1.6	7.1	59.2	89.2	57.8
Expatriates	3.0	25.5	28.5	1.5	7.2	18.0	26.9	2.4	14.1	52.2	157.9	195.4
Sub-total = TC	1547.4	1481.6	1580.1	178.3	862.2	1569.6	1734.1	202.0	872.6	50.3	113.3	101.2
Roads/ Comm	946.4	936.8	1026.1	91.1	503.2	1038.8	1178.3	141.2	535.7	45.5	154.9	106.5
Shipping	28.6	28.8	30.8	0.6	14.8	30.4	31.5	0.9	15.7	49.9	150.8	106.4
Civil Aviation	1.4	1.4	1.9	0.1	1.0	1.8	1.5	0.2	1.0	68.6	102.4	99.2
Post&Tele.	570.9	514.6	521.3	86.5	343.2	498.5	522.9	59.8	320.2	61.2	69.2	93.3
Sub-total = Interest	4951.9	4614.0	5574.4	405.7	2672.9	5252.2	6437.5	471.7	2865.8	44.5	116.3	107.2
Domestic	4167.2	3588.5	4617.2	314.9	2129.6	4333.3	5461.1	338.1	2173.4	39.8	107.4	102.1
Foreign	784.8	1025.5	957.2	90.9	543.3	918.9	976.4	133.6	692.4	70.9	147.0	127.5
Total	22816.2	23972.3	25306.7	2012.3	11855.7	24513.5	28968.6	3083.7	13170.0	45.5	153.2	111.1

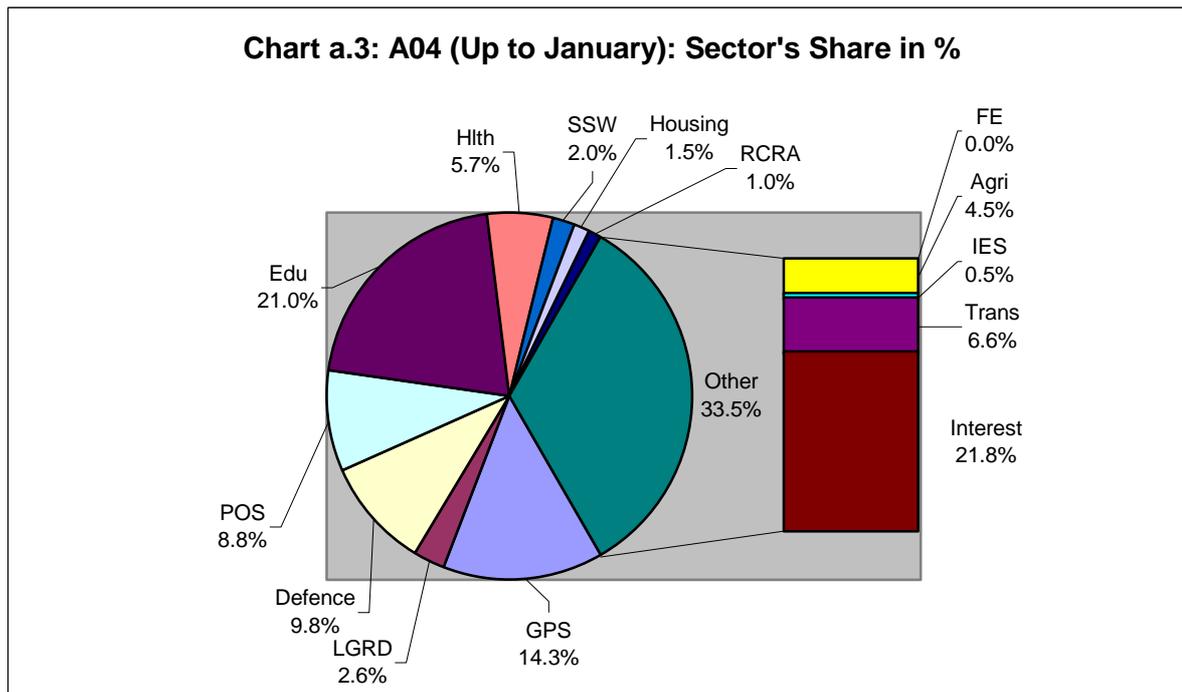
- Regarding expenditures up to January, FY04, about 9 (Nine) ministries/divisions show an utilization of revenue resources higher than 65%: Establishment (66.1%), Public Service Commission (66.8%), IMED (65.3%), Supreme Court (67.7%), PME (66.1%), Education (67.1%), Energy (74.0%), Environment (66.2%) and Civil Aviation (68.6%). In some cases, there are some programmed expenditure which has not yet been carried out (e.g. CHT) and in others, there may be underreporting or lag in reporting of expenditure again with regard to programmed expenditure involving food within other ministries/divisions.

a.3 Revenue Expenditure: Broad Sector-wise Allocation

A comparative picture of broad sector-wise allocation of Revenue Expenditure is presented below:⁴

Broad Sectors	Admn	SIS	PIS	Agri	Others	Interest
Sector's Share of A03	37.6	29.0	6.4	3.8	1.6	21.4
Sector's Share of B04	39.0	27.9	6.0	3.4	1.5	22.2
Sector's Share of A04 (Upto Jan)	32.9	32.7	6.7	4.5	1.5	21.8

It appears that share of Interest Payments is still higher.



A detail of sector-wise share of revenue expenditure based on the Account (up to January) for the FY04 is shown in Chart a.3. Individually interest payments (21.8%) has the largest share followed by Education (21.0%), General Public Services (14.3%), Defence (9.8%), Public Order and Safety (8.8%) and Transportation (6.6%).

a.4 Utilization up to January, FY04

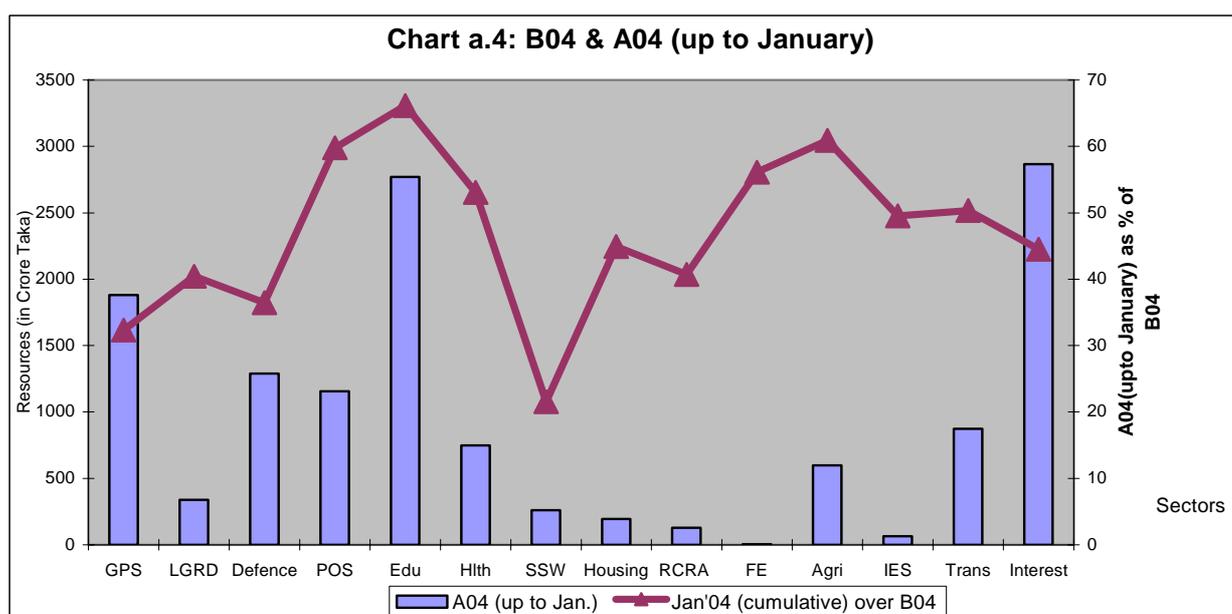
Sector-wise utilization of resources (up to January, FY04) is shown in Table a.4 and Chart a.4 (presented in the next page). It appears that the following sectors have a utilization rate less than 40%:

- Social Security and Welfare (SSW) (21.5% of B04 has been spent)
- GPS (32.3%)
- Defence (36.5%)

⁴ Admn = General Public Services, Defence, and Public Order and Safety,
 SIS = Social Infrastructure, covers Edu, health, Housing and SSW & LGRD.
 PIS = Physical Infrastructure, covers FE and Trans; and Others include RCRA and IES

Table a.4: Resource Utilization Pattern of January, FY04 and up to January, FY04
(in Crore Taka)

Sectors	A03 (Jan)	A03 (Up to Jan)	A04 (Jan.)	A04 (up to Jan.)	Jan'04 over Jan'03 (in %)	Jan.04 over Jan03 (cumulative)	Jan'04 (cumulative) over B04
GPS	264.4	1986.0	422.0	1881.6	159.6	94.7	32.3
LGRD	23.2	207.2	48.7	338.3	210.1	163.3	40.5
Defence	216.6	1267.4	257.5	1289.0	118.9	101.7	36.5
POS	163.3	949.1	284.8	1155.8	174.5	121.8	59.8
Edu	497.7	2346.0	769.9	2769.4	154.7	118.0	66.1
Hlth	110.6	620.9	220.6	747.9	199.4	120.4	53.1
SSW	12.8	131.8	154.7	259.8	1206.8	197.1	21.5
Housing	28.3	159.6	50.4	195.1	178.4	122.2	44.9
RCRA	21.1	112.6	36.3	127.1	172.0	112.9	40.7
FE	0.9	4.4	1.1	5.0	122.4	113.4	56.1
Agri	74.7	474.9	152.3	597.9	203.9	125.9	60.9
IES	14.7	60.7	11.7	64.8	79.2	106.6	49.5
Trans	178.3	862.2	202.0	872.6	113.3	101.2	50.3
Interest	405.7	2672.9	471.7	2865.8	116.3	107.2	44.5
Total	2012.3	11855.7	3083.7	13170.0	153.2	111.1	45.5



b.0 Revenue Expenditure: Economic Classification

Structure and pattern of Revenue Expenditure according to economic classification are presented in Table b and Chart b (presented in the next page). Following conclusions can be drawn on the basis of them:

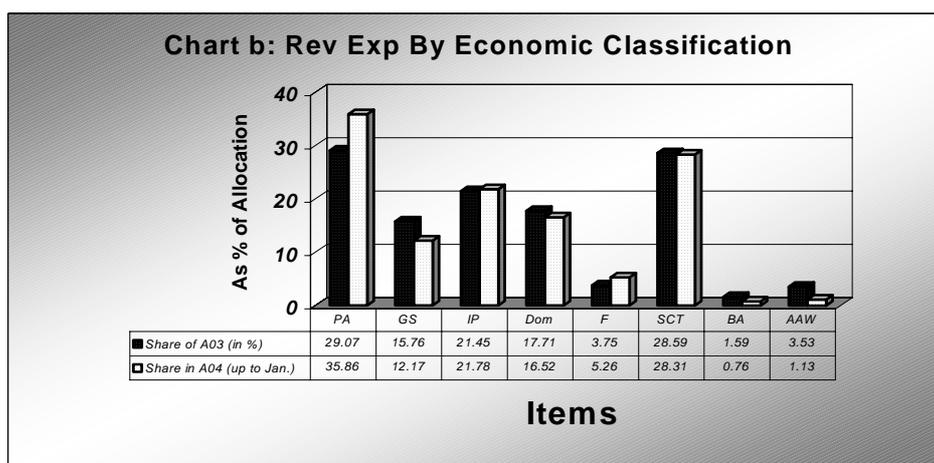
- Until January, FY04, maximum utilization of Revenue Expenditure as % of B04, has been carried out under two heads: Pay and Allowances (63.0%) and Subsidies and Current Transfers (47.8%). Interest Payments come there after with 44.6%.
- During the last Fiscal Year (A03), Domestic Interest Payments (17.7%) was more than 4 (four) times larger than that of Foreign Interest Payment (3.7%).

- Up to January, FY04, the following economic categories show an utilization rate less than 35%: Repairs, Maintenance and Rehabilitation (30.1%), Subsidies (31.4%), Unexpected Expenditure (1.5%), Others Expenditure (28.0%), Acquisition of Asset (8.3%), Acquisition of Land Assets (9.9%) and Construction and Works (25%)

Table b: Revenue Expenditure by Economic Classification

(in Crore Taka)

Description	RB03	B04	A03	A04 (up to Jan.)	B04 as % of RB03	Share of A03 (in %)	A04 (up to Jan.) as % B04
Pay and Allowances	7283.3	7502.3	7124.8	4723.2	103.0	29.1	63.0
Pay of Officers	702.4	771.5	695.8	415.1	109.8	2.8	53.8
Pay of Establishment	3122.3	3196.4	3081.0	1966.7	102.4	12.6	61.5
Allowances	3458.5	3534.4	3348.0	2341.4	102.2	13.7	66.2
Goods and Services	4264.2	4468.1	3863.3	1602.4	104.8	15.8	35.9
Supplies and Services	3051.3	2911.1	2671.4	1134.1	95.4	10.9	39.0
Repairs, Maintainance & Rehabilitation	1212.9	1556.9	1192.0	468.3	128.4	4.9	30.1
Interest Payments	5574.4	6437.5	5259.0	2868.0	115.5	21.5	44.6
Domestic	4617.2	5461.1	4340.1	2175.6	118.3	17.7	39.8
Foreign	957.2	976.4	918.9	692.4	102.0	3.7	70.9
Subsidies and Current Transfers	7083.4	7806.5	7008.1	3727.9	110.2	28.6	47.8
Subsidies	1463.0	1399.6	1350.3	439.3	95.7	5.5	31.4
Grants in Aid	3930.8	4611.3	3916.7	2313.1	117.3	16.0	50.2
Contributions to Intl Organisation	22.6	22.8	15.2	8.0	101.1	0.1	35.0
Pensions and Gratuties	1666.5	1772.2	1725.8	967.5	106.3	7.0	54.6
Block Allocation	565.9	1966.9	390.8	99.5	347.6	1.6	5.1
Unexpected	100.0	1700.0	29.0	24.7	1700.0	0.1	1.5
Others	465.9	2669.2	361.8	74.8	57.3	1.5	28.0
Acquisition of Assets and Works	1051.7	1243.3	866.3	148.7	118.2	3.5	12.0
Acquisition of Assets	800.6	960.2	613.5	79.9	119.9	2.5	8.3
Acquisition of Land Assets	14.6	12.6	11.9	1.2	86.1	0.0	9.9
Construction and Works	236.5	270.5	240.9	67.6	114.4	1.0	25.0
Net Total	25306.7	28968.6	24513.2	13170.0	114.5	100.0	45.5



Notes: PA = Pay and Allowances, GS = Goods and Services, IP = Interest Payment, Dom = Domestic IP, F = Foreign IP, SCT = Subsidies and Current Transfers, BA = Block Allocation, AAW = Acquisition of Assets and Works.

c. Development Expenditure

c.1 Ministry-wise Utilization Pattern

Ministry-wise development resource utilization pattern is presented in Table c.1. It appears that:

- Up to January, FY04 only about 21.8% of the Budget for the FY04 has been spent implying under utilization and/or underreporting.

Table c.1: Development Expenditure: Ministry-wise Expenditure Pattern Up to January, FY04

(in Crore Taka)

	A02	B03	RB03	A03 (Jan)	A03 (Up to Jan)	B04	A04 (Jan.)	A03	A04 (up to Jan.)	A04 (up to Jan.) as % B04	A04 as % A03 (Jan.)	A04 as % A03 (up to Jan.)
Sub-total = GPS	186.0	703.8	375.0	5.7	59.0	944.5	4.4	202.5	60.6	6.4	76.8	102.7
Parliament	2.9	1.3	1.2	0.0	0.0	0.4	0.0	0.0	0.0	0.0		
PMO	72.7	141.3	122.2	0.0	34.8	184.5	0.3	98.2	39.3	21.3	636.1	113.0
Cabinet	1.1	4.1	6.7	0.1	1.6	0.0	0.0	5.0	0.0		0.0	0.0
Election Com.	0.2	18.6	5.1	0.0	0.0	22.0	0.0	0.0	0.0	0.1	107.3	241.9
Establishment	54.5	86.2	65.7	3.7	16.2	57.1	2.7	59.0	16.8	29.4	73.7	103.9
Finance Div	14.3	48.6	41.5	0.0	0.1	109.2	0.1	2.3	0.3	0.3		258.9
IRD	13.9	29.2	32.3	0.0	1.0	21.4	0.0	1.0	0.2	1.1		22.3
ERD	1.2	13.5	9.0	0.0	0.3	10.7	0.1	0.6	0.3	2.8	643.4	108.1
Planning Div	8.8	346.1	75.1	1.8	4.9	521.1	1.0	28.1	3.4	0.6	55.7	68.6
IMED	0.3	11.0	13.7	0.0	0.1	15.0	0.1	8.3	0.2	1.5	208.1	175.3
Statistics Div	16.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Foreign Aff.	0.0	4.0	2.6	0.0	0.0	3.0	0.0	0.0	0.0	0.0		
Sub-total = LGRD	2880.2	3400.1	3182.2	126.8	651.9	3730.6	296.3	2782.9	1004.9	26.9	233.7	154.1
LGD	2639.0	3122.9	2983.6	113.1	594.0	3466.5	276.5	2653.6	933.3	26.9	244.6	157.1
RD	144.2	138.3	114.0	2.9	28.5	127.5	0.6	61.3	23.5	18.4	19.4	82.6
CHI	97.1	138.9	84.7	10.8	29.5	136.6	19.2	68.0	48.1	35.2	178.5	163.0
Sub-total = Defence	5.9	15.9	13.5	0.1	0.4	31.6	0.5	7.3	3.1	9.7	357.1	760.2
Defence Service	4.4	9.2	8.2	0.0	0.0	7.9	0.3	5.4	2.5	31.4		
Def.-Others	1.5	6.7	5.3	0.1	0.4	23.7	0.2	1.9	0.6	2.5	171.6	144.7
Sub-total=POS	78.0	156.3	160.3	4.8	21.4	184.7	27.1	123.3	71.2	38.5	567.3	332.0
Law & Parlia. Aff.	12.5	50.0	35.2	0.0	0.9	81.8	5.1	28.8	15.3	18.7	11194.5	1762.4
Ministry of Home Aff.	65.5	106.3	125.1	4.7	20.6	102.9	22.0	94.4	55.9	54.3	465.7	271.7
Sub-total = Edu	2114.1	2995.2	2618.9	136.2	903.1	2708.7	208.7	2542.4	694.3	25.6	153.2	76.9
PMED	1148.0	1778.7	1485.9	19.8	535.5	1299.8	140.9	1441.3	349.0	26.9	711.7	65.2
Education	910.9	1129.3	1055.1	113.3	343.8	1332.5	65.5	1035.4	326.7	24.5	57.9	95.0
Sc. & Tech.	55.2	87.3	77.8	3.2	23.8	76.4	2.2	65.7	18.6	24.4	70.5	78.4
Sub-total = Health	1192.2	1702.3	1463.1	31.7	168.2	1512.3	41.5	1046.5	191.7	12.7	131.1	114.0
HFV	1192.2	1702.3	1463.1	31.7	168.2	1512.3	41.5	1046.5	191.7	12.7	131.1	114.0
Sub-total = SSW	693.5	879.0	911.9	6.0	154.0	894.1	40.6	545.8	59.8	6.7	677.4	38.8
SW	61.8	99.6	84.7	2.7	13.4	88.5	5.2	62.5	11.5	13.0	191.2	86.0
Women's Aff.	25.9	96.1	62.0	2.2	7.9	104.9	1.8	21.4	11.4	10.9	80.2	145.2
Disaster Manag.	600.8	667.4	758.3	0.0	129.9	668.1	33.4	455.3	34.0	5.1	171958.8	26.2
Lib. Affairs	0.1	11.0	6.9	1.0	2.9	25.6	0.0	6.5	0.2	0.7		6.3
SAD	4.9	5.0	0.0	0.0	0.0	7.0	0.2	0.0	2.6	37.8		
Sub-total = HCS	78.8	94.4	77.1	5.1	37.0	84.1	2.8	75.9	30.5	36.3	54.3	82.4
Housing	78.8	94.4	77.1	5.1	37.0	84.1	2.8	75.9	30.5	36.3	54.3	82.4
Sub-total = RCRA	179.4	312.2	228.5	12.9	58.3	325.1	21.8	212.7	81.7	25.1	169.3	140.2
Information	18.4	85.4	28.6	1.9	4.1	82.4	2.6	21.0	4.6	5.6	132.2	112.9
Cultural Aff.	34.4	48.3	39.5	0.9	6.3	67.1	2.7	37.2	16.4	24.5	311.4	261.0
Religious Aff.	23.5	35.5	30.6	4.7	6.4	50.9	9.0	30.2	19.9	39.2	310.9	
Youth	103.0	143.1	129.8	5.4	41.5	124.8	7.6	124.2	40.7	32.6	140.3	98.2
Sub-total = FE	1924.1	2849.6	2973.6	180.0	819.8	4067.2	123.6	2745.6	842.9	20.7	68.7	102.8
Petroleum	381.9	574.2	634.2	27.0	88.5	846.3	60.3	610.8	248.7	29.4	223.0	281.0
Energy	1542.3	2275.4	2339.4	152.9	731.3	3220.9	63.3	2134.8	594.2	18.4	41.4	81.2
Sub-total = Agr	1700.5	1930.8	1629.1	58.8	592.0	1855.2	85.2	1484.9	457.0	24.6	144.8	77.2
Agriculture	416.4	474.3	425.9	19.2	157.6	582.7	43.4	383.4	182.4	31.3	226.2	115.7
Fisheries	194.1	264.3	211.0	11.5	60.6	287.2	10.8	214.8	44.3	15.4	93.5	73.2
Environment	180.2	175.7	155.8	7.9	71.4	187.0	8.0	119.1	32.3	17.3	101.3	45.2
Land	24.5	93.1	81.0	1.7	35.0	103.5	0.5	64.1	2.1	2.0	28.3	5.9
Water	861.5	895.1	730.0	16.8	259.6	671.1	22.6	680.4	187.8	28.0	134.6	72.3
Ministry of Food	23.8	28.4	25.5	1.8	7.8	23.7	0.0	23.1	8.1	34.4	2.4	104.2
Sub-total = IES	121.7	278.9	201.5	5.2	34.4	296.2	48.8	119.1	104.1	35.1	947.3	302.6
Industries	78.8	121.3	56.8	1.3	20.5	146.9	45.0	54.9	67.9	46.2	3380.1	330.7
Jute	3.9	5.7	4.9	0.0	0.1	5.1	0.2	1.5	0.2	4.2	1305.3	327.6
Textiles	15.2	68.0	42.8	2.3	8.6	41.5	1.8	31.4	8.2	19.8	78.1	95.9
Commerce	7.5	57.5	68.6	1.0	1.9	44.8	0.0	4.6	19.9	44.4		1043.5
Labour	16.2	26.5	28.3	0.6	3.4	57.9	1.8	26.8	7.9	13.7	328.4	237.1
Sub-total = TC	3950.0	4344.4	3818.3	295.1	1394.2	4187.8	231.7	4378.7	933.0	22.3	78.5	66.9
Communication	2767.0	3420.7	3110.4	268.8	1096.3	3465.3	211.2	3585.6	850.5	24.5	78.6	77.6
Jumuna Bridge	82.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Shipping	79.2	31.5	28.1	0.9	16.1	29.6	4.0	25.2	7.4	24.9		45.8
Civil Aviation	162.7	26.5	29.2	3.7	6.0	20.9	5.7	19.8	7.7	36.9	155.5	128.4
Post and Tele.	858.6	865.7	650.6	21.7	275.8	672.0	10.8	748.1	67.5	10.0	49.6	24.5
a. Total	15104.5	19663.0	17653.0	868.3	4893.8	20822.0	1133.0	16267.4	4534.8	21.8	130.5	92.7
b. Total: Source IMED	14090.0								15407.7			
c. a as % of b	107.2							105.6				

- The scale of underreporting has gone down as far as annual data is concerned. However, it warrants the need of some sorts of integration of Budgeting Information System with the monitoring system of IMED and ERD. In FY02/03, CGA development expenditure is higher than IMED ADP expenditures as Development Expenditure is greater than the ADP by the amount of Non-ADP FFW + Non-ADP Projects- Self-financing.

c.2 Development Expenditure: Growth and Allocation Pattern

Table c.2 presents sector-wise growth and allocation pattern of Development Expenditure. It shows:

- ❖ While Revised Budget (RB03) for the FY03 was 10.2% less than the original budget (B03) and A03 was 7.8% less than RB03, B04 was 18.0% higher than RB03.

Table c.2: Development Expenditure Pattern by Sector⁵T

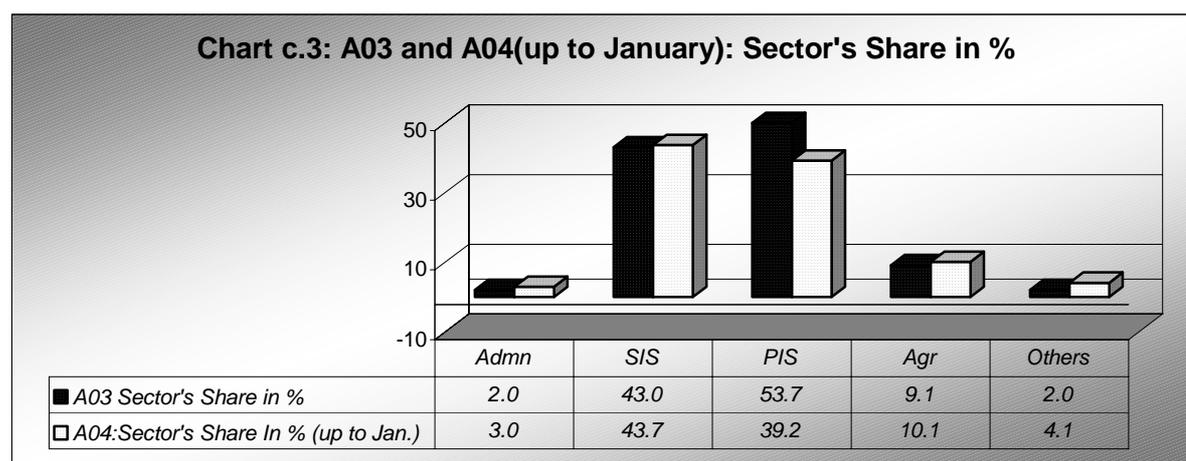
(in Crore Taka)

Sectors	A02	B03	RB03	A03	B04	A04 (up to Jan.)	A03 Sector's Share in %	A03 as% of RB03	B04 as % of RB03	RB03 as % of B03	B04 as % of A03	A04(up to Jan.) as % of A03
GPS	186.0	703.8	375.0	202.5	944.5	60.6	1.2	54.0	251.9	53.3	466.5	29.9
LGRD	2880.2	3400.1	3182.2	2782.9	3730.6	1004.9	17.1	87.5	117.2	93.6	134.1	36.1
Defence	5.9	15.9	13.5	7.3	31.6	3.1	0.0	54.1	234.9	84.7	434.4	42.0
POS	78.0	156.3	160.3	123.3	184.7	71.2	0.8	76.9	115.2	102.5	149.8	57.8
Edu	2114.1	2995.2	2618.9	2542.4	2708.7	694.3	15.6	97.1	103.4	87.4	106.5	27.3
Health	1192.2	1702.3	1463.1	1046.5	1512.3	191.7	6.4	71.5	103.4	85.9	144.5	18.3
SSW	693.5	879.0	911.9	545.8	894.1	59.8	3.4	59.8	98.0	103.7	163.8	11.0
HCS	78.8	94.4	77.1	75.9	84.1	30.5	0.5	98.5	109.1	81.7	110.8	40.2
RCRA	179.4	312.2	228.5	212.7	325.1	81.7	1.3	93.1	142.3	73.2	152.8	38.4
FE	1924.1	2849.6	2973.6	2745.6	4067.2	842.9	16.9	92.3	136.8	104.4	148.1	30.7
AFL	1700.5	1930.8	1629.1	1484.9	1855.2	457.0	9.1	91.1	113.9	84.4	124.9	30.8
IES	121.7	278.9	201.5	119.1	296.2	104.1	0.7	59.1	147.0	72.2	248.7	87.4
TC	3950.0	4344.4	3818.3	4378.7	4187.8	933.0	26.9	114.7	109.7	87.9	95.6	21.3
Total	15104.5	19663.0	17653.0	16267.4	20822.0	4534.8	100.0	92.2	118.0	89.8	128.0	27.9

- While Budget for the FY04 shows 18.0% increase over RB03, up to January, FY04 actual expenditure registers 27.9% of the last year's actual expenditure.

c.3 Development Expenditure: Sectoral Priority

Broad sector-wise utilization of development resources is presented in Chart c.3.



- Growth and Poverty Reducing biases are evident.

⁵ Notes: GPS = General Public Services, POS = Public Order and Safety, Edu = Education, SSW = Social Security and Welfare, HCS = Housing and Community Services, RCRA = Recreation, Culture and Religious Affairs, AFL = Agriculture, Fisheries and Livestock, FE = Fuel and Energy, MMC = Mining, Manufacturing and Construction, TC = Transport and Communication, CLE = Commerce, and Labor and employment

d.0. Revenue Collection Position

d.1 Growth and Relative Collection Position

Table d.1 portrays revenue collection and Table d.2 (presented in the next page) shows revenue structure and growth scenario for the FY03 and FY04 (up to January)⁶.

Table d.1: Revenue Receipts: Reporting Scenario

	A02	B03	RB03	A03 (Jan)	A03 (Up to Jan)	A03	B04	A04 (Jan.)	A04 (up to Jan.)
Tax Rev(a+b)	21030	25500	24950	2027	12913	24261	29071	2506	14664
a. NBR	19922	23750	23750	1929	12364	23195	27750	2391	13995
a.1 Income	3516	4789	4789	308	1889	3864	5366	392	2158
a.2 VAT	7042	8071	8071	851	5296	10355	8944	901	5060
a.2i Import	38464	4465	4465	310	2476	4325	4767	435	2572
a.2ii Domestic	3195	3606	3606	541	2821	6030	4177	466	2488
a.3 Import	5169	5890	5875	564	3601	6532	7628	594	3918
a.4 Sup	3771	4375	4390	149	1325	1929	5272	404	2532
a.4i Import	1368	1565	1565	120	717	1193	1498	154	990
a.4ii Domestic	2403	2810	2825	29	608	736	3774	250	1542
a.5 EO	424	625	625	58	252	515	540	100	326
b. Non-NBR	1108	1750	1200	98	549	1066	1321	115	669
b.1 NL	27	40	35	2	16	30	50	4	18
b.2 Vehicles	179	270	225	22	130	228	240	22	155
b.3 Land	200	326	206	11	79	202	213	16	94
b.4 Stamp	702	1114	734	62	325	606	818	74	403
c. Non-tax Rev	6651	7067	6100	386	2719	6063	7000	472	3275
c.1 DP	1147	1230	832	38	556	677	924	0	763
c.2 PO&R	518	538	547	32	194	537	594	32	173
c.3 T&T	1586	1602	1600	84	573	1545	1700	116	635
c.4 IFT	3401	3697	3120	232	1395	3304	3782	324	1704
Total Rev (a+b+c)	27681	32567	31050	2413	15632	30324	36071	2979	17939
d. NBR (Source: NBR)	18774.8			1968.01	12554.2	23770.42		2282.5	13972.0
e. a as % of d	106.1			98.0	98.5	97.6		104.8	100.2

Table d.1 indicates that:

- On annual basis, the discrepancy between NBR and CGA system has reduced to a great extent.
- On monthly basis as well as on cumulative basis, the gaps still exist and indicate the need for quick reporting and accumulation of data in CGA system with increased coordination with NBR.

Table d.2 (presented in the next page) indicates that:

- While tax revenue collection estimates for the FY04, is 16.5% higher than RB03 of the FY03, it is 19.8% higher than the actual collection (A03).
- Up to January, FY04, tax revenue collection for the FY04 registers 13.6% increase over the corresponding period of the previous FY03. Whereas, Non-NBR tax collection increased by 21.9% and Non-tax revenue collection by 20.4%.
- Up to January, FY04 only 49.7% of the Budgeted Revenue have been collected.

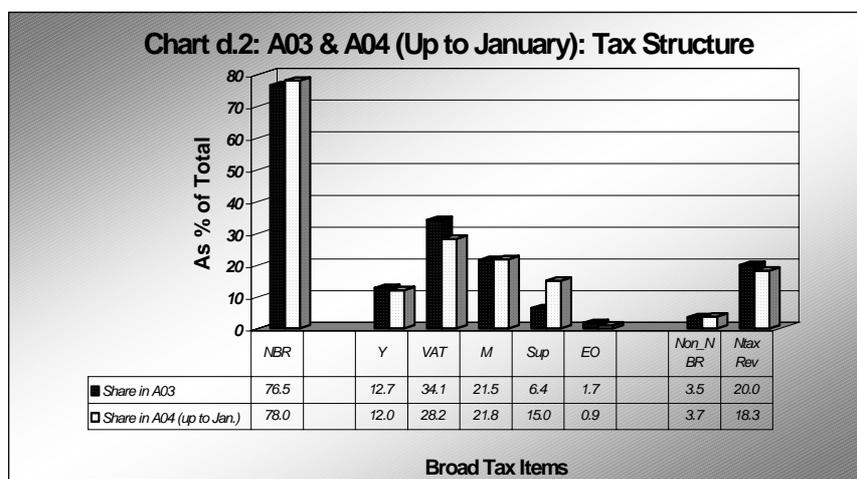
⁶ Notes: Income = Income/Profit/Property/Wealth, Sup=Supplementary+Excise, EO = Electricity+Others
 NL = Narcotics & Liquor, DP = Dividend & Profit, PO&R = Post Office+Railway
 IFT = Interest/Fees/Tolls & Other receipts

Table d.2: Revenue Receipts⁷: Growth and Structure

	(RB03/B03)*100	(B04/A03)*100	(B04/RB03)*100	Share in A03	(Jan04/Jan'03)*100	(A04/A03)*100(up to Jan.)	(A04up to Jan./B04)*100
Tax Rev(a+b)	97.8	119.8	116.5	80.0	123.6	113.6	50.4
a. NBR	100.0	119.6	116.8	76.5	124.0	113.2	50.4
a.1 Income	100.0	138.9	112.0	12.7	127.3	114.2	40.2
a.2 VAT	100.0	86.4	110.8	34.1	105.9	95.5	56.6
a.2i Import	100.0	110.2	106.8	14.3	140.3	103.9	54.0
a.2ii Domestic	100.0	69.3	115.8	19.9	86.3	88.2	59.6
a.3 Import	99.7	116.8	129.8	21.5	105.5	108.8	51.4
a.4 Sup	100.3	273.3	120.1	6.4	271.5	191.1	48.0
a.4i Import	100.0	125.6	95.7	3.9	128.2	138.0	66.1
a.4ii Domestic	100.5	512.5	133.6	2.4	876.5	253.6	40.9
a.5 EO	100.0	104.8	86.4	1.7	171.6	129.4	60.4
b. Non-NBR	68.6	123.9	110.1	3.5	117.4	121.9	50.7
b.1 NL	87.5	165.5	142.9	0.1	150.6	115.7	36.2
b.2 Vehicles	83.3	105.4	106.7	0.8	96.4	119.2	64.4
b.3 Land	63.2	105.1	103.2	0.7	144.6	118.5	44.0
b.4 Stamp	65.9	135.0	111.4	2.0	118.6	124.1	49.3
c. Non-tax Rev	86.3	115.5	114.8	20.0	122.5	120.4	46.8
c.1 DP	67.7	136.6	111.1	2.2	0.4	137.2	82.6
c.2 PO&R	101.8	110.6	108.5	1.8	101.2	88.8	29.1
c.3 T&T	99.9	110.0	106.3	5.1	138.0	110.8	37.3
c.4 IFT	84.4	114.5	121.2	10.9	139.7	122.1	45.1
Total Rev (a+b+c)	95.3	119.0	116.2	100.0	123.5	114.8	49.7

d.2 Revenue Structure

Chart d.2 presents tax structure for FY03 and FY04 (up to Jan). Basic characteristics of the



Notes: Y = All sorts of Income Tax, M = Import Duty, Sup = Supplementary Duty & Excise Duty, EO=Electricity and Other Taxes, Non-NBR=Non-NBR Taxes, and Ntax Rev=Non-tax Revenue. tax structure of Bangladesh can easily be seen from it. These are:

- Too much dependence on indirect taxes (only 13% from income tax, about 20% from all direct taxes including income tax)
- Biased towards external sector (about 40%) and susceptible to external shocks.

⁷ Notes: Income = Income/Profit/Property/Wealth, Sup=Supplementary+Excise, EO = Electricity+Others
 NL = Narcotics &Liquor, DP = Dividend & Profit, PO&R = Post Office+Railway
 IFT = Interest/Fees/Tolls & Other receipts

e. Budget Deficit

Following table e.1 shows budget deficit position over different time-spans. Budget deficit is calculated using guidelines of the IMF.

Table e.1: Budget Deficit over Time

(in crore Taka)

Items	Account 2001-02	2002-03					2003-04		
		Budget	Revised	Actual Jan.	Actual Up to Jan.	Account	Budget	Actual Jan.	Actual Up to Jan.
1.0 Total Rev	27680.9	32567.1	31050.0	2412.7	15632.2	30323.9	36071.0	2978.7	17938.8
2.0 Total Pub Exp	39620.9	44653.7	43703.7	2946.0	19179.3	40666.2	51980.0	3936.9	19927.3
2.1 Current Exp	21812.0	22956.3	24255.0	1951.1	11673.7	23646.9	27725.3	3043.4	13021.3
2.2 Net Outlay on Food A/C	-6.0	234.0	-76.0	-1.6	-11.0	-37.0	519.0	16.2	113.6
2.3 ADP Expenditures	14371.5	19000.0	16900.0	807.0	4832.6	15514.4	20300.0	1075.5	4477.3
2.4 Non-ADP Cap & net lending	1843.2	2063.4	1464.7	107.9	241.2	1067.7	1945.7	56.1	318.9
2.4.1 Non-ADP capital spending	2050.1	2049.9	2194.7	138.6	723.4	1629.3	2155.3	109.1	630.0
2.4.2 Net Lending	-206.9	13.5	-730.0	-30.7	-482.2	-561.5	-209.6	-53.1	-311.1
2.5 Extraordinary Expenditures	21.5	400.0	1160.0	52.1	450.9	1130.3	1490.0	0.0	4.9
2.6 Check Float & discrepancy	1578.6	0.0	0.0	29.4	1992.1	-656.1	0.0	-254.3	1991.4
3.0 Total Rev As % of GDP	10.1	10.8	10.3	10.2	9.4	10.1	11.0	11.5	9.9
4.0 Total Pub Exp As % of GDP	14.5	14.9	14.5	12.4	11.6	13.5	15.8	15.1	10.9
5.0 Overall Balance (1.0 - 2.0)	-11940.0	-12086.6	-12653.7	-533.3	-3547.2	-10342.3	-15909.1	-958.2	-1988.5
6.0 GDP _{new}	273201.0	300485.0	300485.0	23714.1	165998.8	300485.0	328400.0	26009.7	182067.8
7.0 Overall Balance as % of GDP	-4.4	-4.0	-4.2	-2.2	-2.1	-3.4	-4.8	-3.7	-1.1

Data generated under the Budgeting Information System still underreports development expenditure and it seems there is some time lag between actual expenditure and imputing the same in the System. This seems to be true both for Revenue expenditure and Development expenditure.

The major problematic areas are:

- Regarding expenditures up to January, FY04, about 9 (Nine) ministries/divisions show an utilization of revenue resources higher than 65%: Establishment (66.1%), Public Service Commission (66.8%), IMED (65.3%), Supreme Court (67.7%), PME (66.1%), Education (67.1%), Energy (74.0%), Environment (66.2%) and Civil Aviation (68.6%). In some cases, there are some programmed expenditure which has not yet been carried out (e.g. CHT) and in others, there may be underreporting or lag in reporting of expenditure again with regard to programmed expenditure involving food within other ministries/divisions.
- Overall development expenditure remains unreported. There is also a probability that development expenditure remains under-utilized up to the first half of the year resulting misutilization at the end of the FY. This needs to be addressed.

Data regarding 'Foreign Loan and Grants' may still remain underreported. This year's prospect of Foreign aid flow is also expected to fall short of the budget estimate as evident from the table shown below.

f. Budget Financing

Table e.1 in the previous page presents the budget deficit position. The table presented below indicates sources of financing the deficit and their shares. Following Values of major policy variables emerge from the above-mentioned two tables:

Table f.1: Financing of Budget Deficit

(in crore Taka)

Items	Account 2001-02	2002-03				2003-04			
		Budget	Revised	Actual Jan.	Actual Up to Jan.	Account	Budget	Actual Jan.	Actual Up to Jan.
1.0 Net Foreign financing (1.1+1.2-1.3)	4764.9	6173.1	6990.8	25.0	229.9	6380.9	9309.3	-246.4	-932.7
1.1 Grant	1975.9	3041.3	2447.1	141.7	683.5	3228.0	2596.3	3.4	120.7
1.2 Loan	5365.0	6139.2	7434.3	145.2	1186.8	5807.2	9805.5	32.0	356.0
1.3 Amortisation	2576.0	3007.4	2890.7	261.9	1640.4	2654.2	3092.5	281.8	1409.3
2.0 Domestic Financing (2.1+2.2)	7175.1	5913.1	5664.5	508.3	3317.3	3961.4	6600.2	1204.6	2921.2
2.1 Non Bank Borrowing	4648.1	4038.5	4093.5	256.4	2052.0	4092.8	3897.2	370.3	2787.1
2.2 Bank Borrowing	2463.0	1358.0	1501.0	239.3	1225.9	-195.1	2603.0	831.0	119.9
2.3 Privatisation Receipts	64.0	516.6	70.0	12.6	39.4	63.7	100.0	3.2	14.2
3.0 Total Financing (1+2)	11940.0	12086.2	12655.2	533.3	3547.2	10342.3	15909.6	958.2	1988.5
4.0 Total Financing as % GDP	4.4	4.0	4.2	2.2	2.1	3.4	4.8	3.7	1.1
4.1 Net Foreign financing(As % of GDP)	1.7	2.1	2.3	0.1	0.1	2.1	2.8	-0.9	-0.5
4.2 Domestic Financing (As % of GDP)	2.6	2.0	1.9	2.1	2.0	1.3	2.0	4.6	1.6
4.2.1 Non Bank borrowing	1.7	1.3	1.4	1.1	1.2	1.4	1.2	1.4	1.5
4.2.2 Bank Borrowing	0.9	0.5	0.5	1.0	0.7	-0.1	0.8	3.2	0.1
4.2.2 Privatisation Receipts	0.0	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0

- In FY03, Revenue collection of the government remains in the neighbourhood of 10.1% of GDP.
- Public expenditure hovers around 13.5% of GDP.
- Budget deficit in FY03, measured from above the line, as percent of GDP is 3.4%.
- Net foreign financing of budget deficit is around 2.1% of GDP
- Domestic borrowing stands at 1.3% of GDP, of which, Non-Bank borrowing has a larger share and is near to 1.4%.

