

MONTHLY REPORT ON **FISCAL POSITION**

(September 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 September'04, about 20.2% of the **Budgeted Revenue** have been collected.
- **Revenue Expenditure** incurred over this time is about 15.2% of the Budget for FY04.
- **Development Expenditure** during the same period is about 6.6% of the development budget for the FY04, implying under utilization and/or underreporting.
- **Overall Balance** up to September'04, measured from above the line, as % of estimated GDP is about -1.1%.
- **Financing** (budget deficit as defined from below the line) up to September'04 stands at about 1.1% of the GDP.

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Monthly Report on Fiscal Position¹

September 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 7.2% lower than that of RB03, B04 was 23.4% higher than A03 and 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%) and Social Security and Welfare (28.2%).

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 Sept)	B04 as % of RB03	B04as % of A03	A04 (up to Sept) as % B04
GPS	4441.9	4059.0	3734.4	15.9	91.4	92.0	5820.9	131.0	665.5	143.4	155.9	11.4
LGRD	572.7	632.9	617.4	2.6	110.5	97.6	836.1	146.0	62.5	132.1	135.4	7.5
Defence	3393.6	3405.1	3052.8	13.0	100.3	89.7	3534.3	104.1	362.2	103.8	115.8	10.2
POS	1800.7	1946.4	1893.3	8.1	108.1	97.3	1933.6	107.4	394.6	99.3	102.1	20.4
Edu	3876.0	4040.4	3919.3	16.7	104.2	97.0	4187.4	108.0	1074.3	103.6	106.8	25.7
Hlth	1325.4	1333.7	1298.1	5.5	100.6	97.3	1409.8	106.4	213.7	105.7	108.6	15.2
SSW	923.6	941.9	544.3	2.3	102.0	57.8	1207.1	130.7	27.0	128.2	221.8	2.2
Housing	300.0	369.1	347.3	1.5	123.0	94.1	434.3	144.8	49.1	117.7	125.0	11.3
RCRA	239.1	316.3	275.8	1.2	132.3	87.2	312.4	130.6	27.4	98.8	113.2	8.8
FE	7.9	8.8	8.5	0.0	110.9	96.5	8.9	112.7	1.9	101.6	105.3	21.4
Agri	880.4	966.4	936.1	4.0	109.8	96.9	981.5	111.5	188.8	101.6	104.8	19.2
IES	115.4	132.3	123.6	0.5	114.7	93.4	130.7	113.3	22.3	98.8	105.8	17.1
Trans	1481.6	1580.1	1569.6	6.7	106.6	99.3	1734.1	117.0	230.3	109.7	110.5	13.3
Interest	4614.0	5574.4	5156.5	22.0	120.8	92.5	6437.5	139.5	1090.7	115.5	124.8	16.9
Total	23972.3	25306.7	23476.8	100.0	105.6	92.8	28968.6	120.8	4410.2	114.5	123.4	15.2
Increase over FY02	103.7	111.5	102.9									

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 September'04 was 10.2% higher than the corresponding period of the previous year.
- However, only for the month of September'04, actual expenditure was 15.4% higher than the corresponding month of FY03.
- Up to September'04 only 15.2% 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 Sept'04
(in Crore Taka)

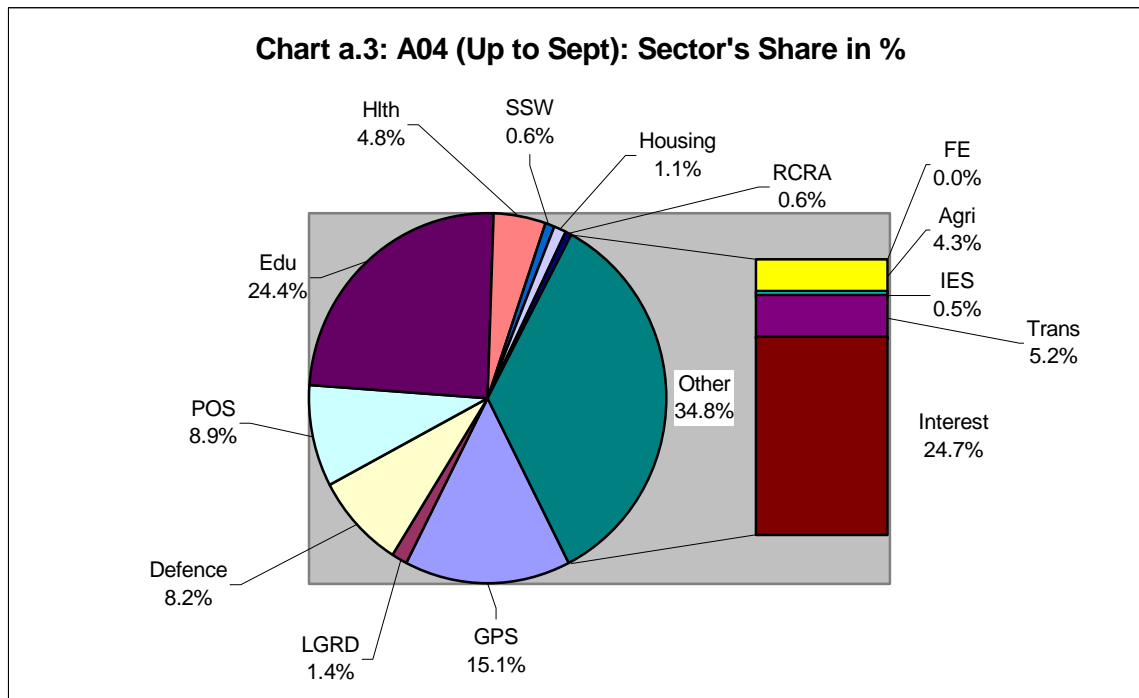
	A02	B03	RB03	A03 (Sept)	A03 (Up to Sept)	A03	B04	A04 (Sept)	A04 (up to Sept)	A04 (up to Sept) as % B04	A04 as % A03 (Sept)	A04 as % A03 (up to Sept)
Sub-total = GPS	3303.4	4441.9	4059.0	177.9	504.0	3734.4	5820.9	306.3	665.5	11.4	172.2	132.0
President	2.9	3.4	3.6	0.2	1.0	3.2	3.2	0.2	1.0	31.5	120.8	106.2
Parliament	27.4	35.9	32.4	1.9	5.1	28.6	42.1	2.7	6.4	15.2	147.1	125.9
PMO	53.8	53.5	57.3	5.5	11.1	52.1	60.8	3.7	15.5	25.5	66.5	139.4
Cabinet Div	9.3	10.9	15.1	0.6	1.9	13.7	10.0	0.7	1.9	19.6	109.9	100.6
Election Com	92.0	137.8	77.6	0.9	2.3	75.3	88.0	1.1	2.7	3.1	126.2	119.8
Estab	250.9	263.9	309.5	20.3	61.3	316.7	278.2	26.5	71.1	25.6	130.9	116.0
PSC	4.2	4.6	5.5	0.3	0.7	5.3	5.0	0.3	1.0	20.8	105.5	142.5
Finance Div	1710.9	3124.0	2730.7	116.3	335.0	2650.3	4526.2	241.3	482.4	10.7	207.4	144.0
IRD	904.5	557.8	567.1	17.1	35.8	333.6	558.9	13.0	31.4	5.6	76.2	87.8
ERD	20.1	21.4	22.3	1.0	3.2	18.5	19.7	1.0	4.0	20.4	98.2	126.5
Planning Div	46.6	49.0	50.8	1.9	2.9	46.7	50.0	4.1	9.2	18.3	216.1	310.4
IMED	2.7	2.8	2.9	0.3	0.6	2.8	2.9	0.3	0.6	22.5	97.9	116.6
Statistics Div	0.0	0.0	0.0	0.7	3.3	0.0	0.0	0.0	0.0		0.9	0.7
Foreign Aff	178.0	176.7	184.2	10.9	39.8	187.5	176.0	11.4	38.1	21.6	103.9	95.6
Sub-total = LGRD	551.1	572.7	632.9	33.0	57.2	617.4	836.1	35.0	62.5	7.5	106.0	109.3
LGD	374.8	387.9	448.7	21.1	40.5	435.6	472.5	22.0	44.4	9.4	103.9	109.5
RD Div	77.9	83.9	86.4	11.9	16.5	79.9	287.1	12.6	17.6	6.1	106.7	106.8
CHT	98.5	100.9	97.8	0.0	0.1	102.0	76.4	0.4	0.5	0.7	863.3	357.8
Sub-total = Defence	3633.9	3393.6	3405.1	170.2	315.9	3052.8	3534.3	173.6	362.2	10.2	102.0	114.7
Def. Service	3561.5	3336.4	3324.5	166.4	307.3	2992.7	3474.0	168.9	349.6	10.1	101.5	113.8
Def.- Others	72.4	57.2	80.5	3.8	8.6	60.1	60.3	4.7	12.6	20.8	123.3	146.4
Sub-total=POS	1712.4	1800.7	1946.4	127.3	341.4	1893.3	1933.6	142.7	394.6	20.4	112.1	115.6
Law & Parlia.	114.2	117.6	126.7	9.4	23.2	118.4	127.9	13.0	26.6	20.8	137.7	114.7
Supreme Court	14.0	13.6	16.6	1.2	3.0	16.4	14.5	1.4	3.4	23.7	122.6	116.2
Home Aff.	1584.2	1669.5	1803.1	116.7	315.3	1758.4	1791.1	128.3	364.6	20.4	109.9	115.6
Sub-total = Edu	3744.3	3876.0	4040.4	271.0	847.0	3919.3	4187.4	456.4	1074.3	25.7	168.4	126.8
PMED	1368.8	1476.7	1468.6	100.7	285.9	1358.1	1500.8	130.3	339.3	22.6	129.3	118.7
Education	2303.4	2325.4	2494.1	162.9	553.6	2484.2	2606.8	318.2	726.9	27.9	195.3	131.3
Sc. & Tech	72.1	73.9	77.7	7.3	7.5	77.0	79.8	7.9	8.1	10.2	108.2	108.1
Sub-total = Health	1205.5	1325.4	1333.7	85.5	195.5	1298.1	1409.8	89.6	213.7	15.2	104.8	109.3
HFV	1205.5	1325.4	1333.7	85.5	195.5	1298.1	1409.8	89.6	213.7	15.2	104.8	109.3
Sub-total = SSW	664.2	923.6	941.9	17.1	28.4	544.3	1207.1	14.7	27.0	2.2	86.0	94.9
Social Wel.	194.1	253.2	255.4	5.9	13.4	261.0	318.8	11.3	19.0	6.0	193.2	142.2
Women Aff.	24.5	27.2	28.2	0.8	2.1	26.3	132.2	0.9	2.3	1.7	111.3	109.4
Disaster Man.	444.9	595.6	611.0	2.3	4.7	209.7	683.3	2.4	5.5	0.8	104.9	117.7
Liberation Aff.	0.7	47.6	47.3	8.2	8.3	47.2	72.9	0.1	0.2	0.2	1.3	2.0
Sub-total = HCS	295.8	300.0	369.1	26.1	54.3	347.3	434.3	28.0	49.1	11.3	107.2	90.4
Housing	295.8	300.0	369.1	26.1	54.3	347.3	434.3	28.0	49.1	11.3	107.2	90.4
Sub-total = RCRA	228.6	239.1	316.3	21.9	36.9	275.8	312.4	11.3	27.4	8.8	51.6	74.2
Information	130.0	139.9	186.5	14.0	26.0	150.5	172.5	6.9	18.2	10.5	49.0	69.8
Cultural Aff.	31.5	32.5	35.2	1.0	2.1	34.0	33.9	2.6	4.1	12.2	257.1	199.5
Religious Aff.	28.2	24.1	45.4	2.1	2.4	43.1	27.9	0.1	0.4	1.3	3.2	14.9
Youth	38.9	42.5	49.1	4.8	6.4	48.2	78.0	1.7	4.8	6.1	36.7	74.2
Sub-total = FE	7.8	7.9	8.8	0.6	1.5	8.5	8.9	0.7	1.9	21.4	127.5	124.2
Petroleum	5.9	6.3	6.8	0.4	1.2	6.5	7.3	0.6	1.3	18.4	135.7	111.5
Energy	1.9	1.6	2.0	0.1	0.3	1.9	1.7	0.2	0.6	34.6	103.6	169.5
Sub-total = Agr	857.8	880.4	966.4	66.9	151.9	936.1	981.5	86.3	188.8	19.2	129.0	124.3
Agriculture	313.9	326.7	330.9	37.1	69.9	329.8	351.7	25.8	76.8	21.8	69.7	109.9
Fisheries	161.8	160.1	184.1	11.5	34.2	172.0	199.5	14.3	34.3	17.2	124.7	100.4
Environment	59.2	62.0	72.1	5.7	13.8	67.0	70.4	10.4	19.4	27.6	181.4	141.4
Land	154.8	170.5	173.0	12.1	33.0	162.5	167.5	13.8	35.8	21.4	114.1	108.5
Water	165.8	158.8	201.7	0.4	0.6	201.6	189.9	21.8	22.0	11.6	5077.5	3743.5
Food (Excl Food A/C)	2.3	2.4	4.5	0.2	0.5	3.3	2.5	0.2	0.5	21.7	132.1	108.3
Sub-total = IES	112.1	115.4	132.3	7.6	19.0	123.6	130.7	12.0	22.3	17.1	157.6	117.7
Indsuties	29.8	30.0	36.3	0.4	1.6	36.0	36.1	5.3	6.4	17.7	1181.6	398.9
Jute	6.1	8.0	8.3	0.5	1.2	7.0	7.6	0.5	1.3	16.6	102.2	101.2
Textiles	15.9	15.3	18.5	0.5	2.1	18.1	16.1	0.5	1.2	7.5	114.0	56.9
Commerce	24.0	24.7	27.4	3.4	7.0	24.9	32.0	2.5	5.2	16.4	73.4	75.0
Labour	33.2	11.9	13.3	1.8	5.4	19.6	12.0	0.9	2.6	21.8	53.0	48.9
Expatriates	3.0	25.5	28.5	1.0	1.6	18.0	26.9	2.2	5.6	20.8		
Sub-total = TC	1547.4	1481.6	1580.1	114.8	294.8	1569.6	1734.1	101.2	230.3	13.3	88.1	78.1
Roads/ Comm	946.4	936.8	1026.1	79.7	181.3	1038.8	1178.3	62.0	106.8	9.1	77.8	58.9
Shipping	28.6	28.8	30.8	0.6	1.5	30.4	31.5	0.5	1.3	4.0	90.3	84.7
Civil Aviation	1.4	1.4	1.9	0.2	0.5	1.8	1.5	0.1	0.4	25.0	61.8	69.6
Post&Tele.	570.9	514.6	521.3	34.4	111.5	498.5	522.9	38.6	121.9	23.3	112.0	109.2
Sub-total = Interest	4951.9	4614.0	5574.4	441.2	1154.8	5156.5	6437.5	344.5	1090.7	16.9	78.1	94.4
Domestic	4167.2	3588.5	4617.2	371.6	971.6	4237.6	5461.1	285.2	912.9	16.7	76.8	94.0
Foreign	784.8	1025.5	957.2	69.6	183.2	918.9	976.4	59.3	177.8	18.2	85.3	97.1
Total	22816.2	23972.3	25306.7	1561.2	4002.6	23476.8	28968.6	1802.4	4410.2	15.2	115.4	110.2

- Regarding expenditures up to August'04, about 14 (Fourteen) ministries/divisions show an utilization of revenue resources less than 10%: LG Division (9.4%), RD Division (6.1%) Roads & Communication (9.1%), Textile (7.5%), Youth (6.1%), IRD (5.6%), Shipping (4.0%), Election Commission (3.1%), Women Affairs (1.7%), Religious Affairs (1.3%), Disaster Management (0.8%), Ctg. Hill Tracts (0.7%), Social Welfare (6.0%), Liberation Affairs (0.2%). 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	37.0	28.7	6.7	4.0	1.7	22.0
Sector's Share of B04	39.0	27.9	6.0	3.4	1.5	22.2
Sector's Share of A04 (Upto Sept)	32.2	32.3	5.3	4.3	1.1	24.7



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 September) for the FY04 is shown in Chart a.3. Individually the largest share is: Interest (24.7%), followed by Education (24.4%), General Public Services (15.1%), Public Order and Safety (8.9%), Transportation (5.2%), Agriculture (4.3%) and Defence (8.2%).

a.4 Utilization up to September'04

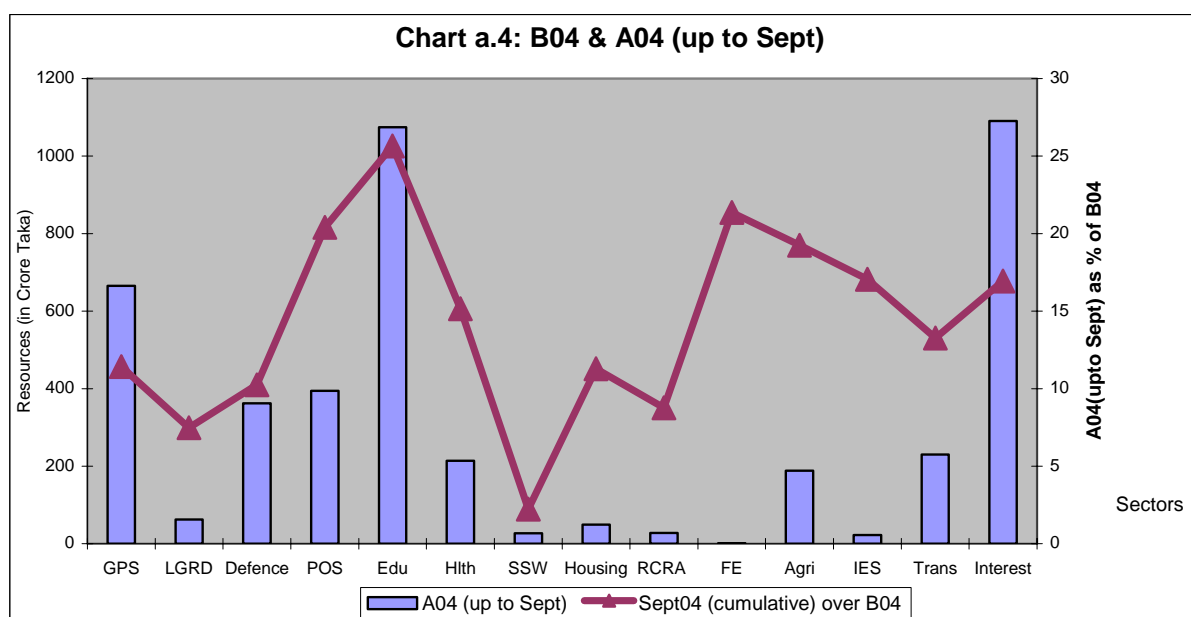
Sector-wise utilization of resources (up to September'04) is shown in Table a.4 and Chart a.4 (presented in the next page). It appears that the following sectors have a utilization rate less than 10%:

- Social Security and Welfare (SSW) (2.2% of B04 has been spent)
- LGRD (7.5%)
- RCRA (8.8%)

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 Sept'04 and up to Sept of FY04
(in Crore Taka)

Sectors	A03 (Sept)	A03 (Up to Sept)	A04 (Sept)	A04 (up to Sept)	Sept04 over Sept03 (in %)	Sept04 over Sept03 (cumulative)	Sept04 (cumulative) over B04
GPS	177.9	504.0	306.3	665.5	172.2	132.0	11.4
LGRD	33.0	57.2	35.0	62.5	106.0	109.3	7.5
Defence	170.2	315.9	173.6	362.2	102.0	114.7	10.2
POS	127.3	341.4	142.7	394.6	112.1	115.6	20.4
Edu	271.0	847.0	456.4	1074.3	168.4	126.8	25.7
Hlth	85.5	195.5	89.6	213.7	104.8	109.3	15.2
SSW	17.1	28.4	14.7	27.0	86.0	94.9	2.2
Housing	26.1	54.3	28.0	49.1	107.2	90.4	11.3
RCRA	21.9	36.9	11.3	27.4	51.6	74.2	8.8
FE	0.6	1.5	0.7	1.9	127.5	124.2	21.4
Agri	66.9	151.9	86.3	188.8	129.0	124.3	19.2
IES	7.6	19.0	12.0	22.3	157.6	117.7	17.1
Trans	114.8	294.8	101.2	230.3	88.1	78.1	13.3
Interest	441.2	1154.8	344.5	1090.7	78.1	94.4	16.9
Total	1561.2	4002.6	1802.4	4410.2	115.4	110.2	15.2



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:

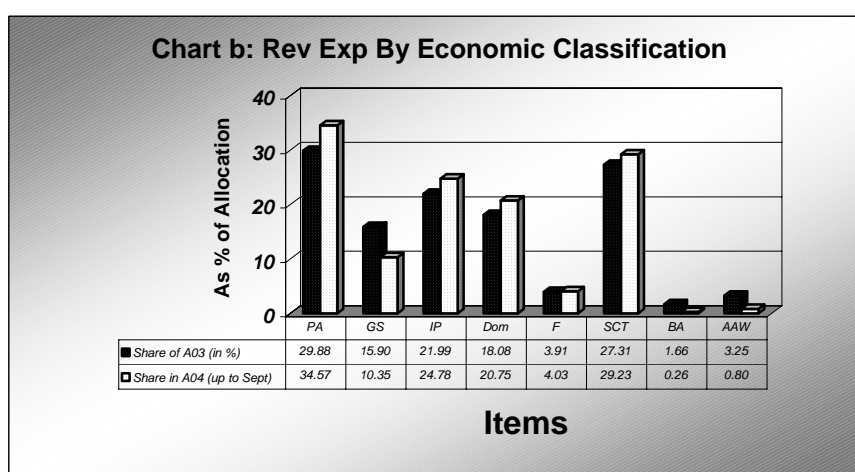
- Until September'04, maximum utilization of Revenue Expenditure as % of B04 has been carried out under two heads: Pay and Allowances (20.3%) and Interest Payments (17.0%). Subsidies and Current Transfers come thereafter with 16.5%.
- During the last Fiscal Year (A03), Domestic Interest Payments (18.1%) was more than 4 (four) times larger than that of Foreign Interest Payment (3.9%).

- Up to September'04, the following economic categories show an utilization rate less than 5%: Construction and Works (3.0%), Acquisition of Assets (2.8%), Acquisition of Land Assets (0%), Other Expenditure (2.7%), and Unexpected Expenditure (0.3%).

Table b: Revenue Expenditure by Economic Classification

(in Crore Taka)

Description	RB03	B04	A03	A04 (up to Sept)	B04 as % of RB03	Share of A03 (in %)	A04 (up to Sept) as % B04
Pay and Allowances	7283.3	7502.3	7015.3	1524.8	103.0	29.9	20.3
Pay of Officers	702.4	771.5	693.9	162.0	109.8	3.0	21.0
Pay of Establishment	3122.3	3196.4	3050.7	704.3	102.4	13.0	22.0
Allowances	3458.5	3534.4	3270.7	658.4	102.2	13.9	18.6
Goods and Services	4264.2	4468.1	3731.8	456.2	104.8	15.9	10.2
Supplies and Services	3051.3	2911.1	2658.2	350.8	95.4	11.3	12.1
Repairs, Maintenance & Rehabilitation	1212.9	1556.9	1073.7	105.4	128.4	4.6	6.8
Interest Payments	5574.4	6437.5	5163.3	1092.9	115.5	22.0	17.0
Domestic	4617.2	5461.1	4244.4	915.1	118.3	18.1	16.8
Foreign	957.2	976.4	918.9	177.8	102.0	3.9	18.2
Subsidies and Current Transfers	7083.4	7806.5	6412.3	1289.2	110.2	27.3	16.5
Subsidies	1463.0	1399.6	1176.3	117.2	95.7	5.0	8.4
Grants in Aid	3930.8	4611.3	3522.4	790.7	117.3	15.0	17.1
Contributions to Intl Organisation	22.6	22.8	15.2	2.3	101.1	0.1	9.9
Pensions and Gratuties	1666.5	1772.2	1698.4	379.1	106.3	7.2	21.4
Block Allocation	565.9	1966.9	389.8	11.6	347.6	1.7	0.6
Unexpected	100.0	1700.0	29.3	4.4	1700.0	0.1	0.3
Others	465.9	2669.2	360.5	7.1	57.3	1.5	2.7
Acquisition of Assets and Works	1051.7	1243.3	763.0	35.5	118.2	3.3	2.9
Acquisition of Assets	800.6	960.2	510.3	27.3	119.9	2.2	2.8
Acquisition of Land Assets	14.6	12.6	11.8	0.0	86.1	0.1	0.0
Construction and Works	236.5	270.5	241.0	8.2	114.4	1.0	3.0
Net Total	25306.7	28968.6	23476.5	4410.2	114.5	100.0	15.2



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 September'04 only about 6.6% 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 Sept'04

(in Crore Taka)

	A02	B03	RB03	A03 (Sept)	A03 (Up to Sept)	B04	A04 (Sept)	A03	A04 (up to Sept)	A04 (up to Sept) as % B04	A04 as % A03 (Sept)	A04 as % A03 (up to Sept)
Sub-total = GPS	186.0	703.8	375.0	20.1	20.3	944.5	10.2	202.5	11.5	1.2	50.4	56.6
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	17.3	17.3	184.5	8.5	98.2	8.6	4.6		
Cabinet	1.1	4.1	6.7	0.1	0.1	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		0.0	0.0
Establishment	54.5	86.2	65.7	1.7	1.9	57.1	1.3	59.0	2.5	4.3	75.2	130.5
Finance Div	14.3	48.6	41.5	0.0	0.0	109.2	0.0	2.3	0.1	0.1		885.3
IRD	13.9	29.2	32.3	0.6	0.6	21.4	0.0	1.0	0.0		0.0	0.0
ERD	1.2	13.5	9.0	0.0	0.0	10.7	0.1	0.6	0.1	1.2		
Planning Div	8.8	346.1	75.1	0.4	0.4	521.1	0.2	28.1	0.2	0.0		
IMED	0.3	11.0	13.7	0.0	0.0	15.0	0.0	8.3	0.0		0.0	0.0
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	0.0
Sub-total = LGRD	2880.2	3400.1	3182.2	120.2	145.5	3730.6	141.4	2782.6	223.4	6.0	117.6	153.5
LGD	2639.0	3122.9	2983.6	107.5	132.8	3466.5	122.5	2653.3	192.8	5.6	113.9	145.2
RD	144.2	138.3	114.0	8.1	8.1	127.5	10.3	61.3	21.9	17.2		
CHI	97.1	138.9	84.7	4.7	4.7	136.6	8.7	68.0	8.7	6.4		
Sub-total = Defence	5.9	15.9	13.5	0.0	0.0	31.6	0.0	7.3	0.0	0.0	0.0	0.0
Defence Service	4.4	9.2	8.2	0.0	0.0	7.9	0.0	5.4	0.0	0.0		
Def.-Others	1.5	6.7	5.3	0.0	0.0	23.7	0.0	1.9	0.0	0.0		
Sub-total=POS	78.0	156.3	160.3	1.0	1.3	184.7	5.9	122.1	7.0	3.8	593.0	552.8
Law & Parlia. Aff.	12.5	50.0	35.2	0.0	0.0	81.8	1.7	27.9	2.7	3.2		17473.7
Ministry of Home Aff.	65.5	106.3	125.1	1.0	1.3	102.9	4.2	94.2	4.4	4.3	421.2	348.4
Sub-total = Edu	2114.1	2995.2	2618.9	182.7	226.8	2708.7	122.5	2542.4	167.0	6.2	67.1	73.6
PMED	1148.0	1778.7	1485.9	106.6	127.4	1299.8	20.3	1441.3	37.3	2.9	19.1	29.2
Education	910.9	1129.3	1055.1	71.3	93.9	1332.5	96.7	1035.4	124.3	9.3	135.7	132.4
Sc. & Tech.	55.2	87.3	77.8	4.7	5.5	76.4	5.5	65.7	5.5	7.2		99.0
Sub-total = Health	1192.2	1702.3	1463.1	1.1	1.3	1512.3	0.4	1046.5	3.7	0.2	39.9	289.0
HFW	1192.2	1702.3	1463.1	1.1	1.3	1512.3	0.4	1046.5	3.7	0.2	39.9	289.0
Sub-total = SSW	693.5	879.0	911.9	3.7	3.7	894.1	3.3	588.6	6.5	0.7	89.0	176.5
SW	61.8	99.6	84.7	1.5	1.5	88.5	1.3	62.5	1.3	1.5	87.3	87.2
Women's Aff.	25.9	96.1	62.0	1.1	1.1	104.9	1.6	21.4	4.5	4.3	155.0	421.6
Disaster Manag.	600.8	667.4	758.3	0.0	0.0	668.1	0.3	498.2	0.6	0.1		
Lib. Affairs	0.1	11.0	6.9	1.1	1.1	25.6	0.0	6.5	0.1	0.3		
SAD	4.9	5.0	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0		
Sub-total = HCS	78.8	94.4	77.1	8.2	8.2	84.1	5.5	75.9	12.6	15.0	67.4	154.3
Housing	78.8	94.4	77.1	8.2	8.2	84.1	5.5	75.9	12.6	15.0	67.4	154.3
Sub-total = RCRA	179.4	312.2	228.5	10.5	12.2	325.1	12.8	212.7	14.5	4.5	122.0	118.9
Information	18.4	85.4	28.6	0.1	0.1	82.4	0.1	21.0	0.1	0.1	73.5	83.8
Cultural Aff.	34.4	48.3	39.5	1.1	1.1	67.1	5.1	37.2	5.3	7.8		458.4
Religious Aff.	23.5	35.5	30.6	1.0	1.0	50.9	1.0	30.2	1.0	1.9		
Youth	103.0	143.1	129.8	8.3	9.9	124.8	6.7	124.2	8.2	6.5	80.7	82.2
Sub-total = FE	1924.1	2849.6	2973.6	15.5	191.0	4067.2	134.3	2745.6	500.5	12.3	865.8	262.1
Petroleum	381.9	574.2	634.2	3.9	4.0	846.3	11.6	610.8	87.6	10.3	296.6	2214.3
Energy	1542.3	2275.4	2339.4	11.6	187.0	3220.9	122.7	2134.8	412.9	12.8	1057.2	220.8
Sub-total = Agr	1700.5	1930.8	1629.1	101.4	124.6	1855.2	106.9	1484.9	137.9	7.4	105.4	110.7
Agriculture	416.4	474.3	425.9	29.5	44.5	582.7	40.6	383.4	63.0	10.8	137.5	141.5
Fisheries	194.1	264.3	211.0	7.5	14.5	287.2	3.9	214.8	8.3	2.9	51.8	57.5
Environment	180.2	175.7	155.8	10.9	12.1	187.0	2.5	119.1	4.2	2.2	23.2	34.5
Land	24.5	93.1	81.0	0.4	0.5	103.5	0.1	64.1	0.1	0.1	22.6	29.5
Water	861.5	895.1	730.0	52.9	52.9	671.1	59.7	680.4	59.7	8.9		
Ministry of Food	23.8	28.4	25.5	0.1	0.1	23.7	0.0	23.1	2.6	10.8		
Sub-total = IES	121.7	278.9	201.5	9.4	9.4	296.2	8.5	119.1	8.9	3.0	90.3	95.3
Industries	78.8	121.3	56.8	8.0	8.0	146.9	5.1	54.9	5.2	3.6	63.8	65.2
Jute	3.9	5.7	4.9	0.0	0.0	5.1	0.0	1.5	0.0	0.0		
Textiles	15.2	68.0	42.8	0.9	0.9	41.5	3.2	31.4	3.2	7.7		
Commerce	7.5	57.5	68.6	0.0	0.0	44.8	0.0	4.6	0.4	0.8		
Labour	16.2	26.5	28.3	0.5	0.5	57.9	0.2	26.8	0.2	0.3	33.1	32.9
Sub-total = TC	3950.0	4344.4	3818.3	280.9	508.6	4187.8	120.4	4378.7	287.6	6.9	42.9	56.6
Communication	2767.0	3420.7	3110.4	198.2	257.2	3465.3	107.5	3585.6	262.3	7.6	54.3	102.0
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	0.3	11.3	29.6	0.0	25.2	0.0	0.0	0.0	0.0
Civil Aviation	162.7	26.5	29.2	0.0	0.0	20.9	0.8	19.8	0.8	3.8		
Post and Tele.	858.6	865.7	650.6	82.5	240.1	672.0	12.1	748.1	24.5	3.7	14.6	10.2
a. Total	15104.5	19663.0	17653.0	754.6	1252.8	20822.0	672.1	16308.8	1381.3	6.6	89.1	110.3
b. Total: Source IMED	15471							14900				
c. a as % of b	97.6							109.5				

- 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 & FY03, 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 10.20% less than the original budget (B03) and A03 was 7.6% less than RB03, B04 was 18.0% higher than RB03.

Table c.2: Development Expenditure Pattern by Sector^{5T}

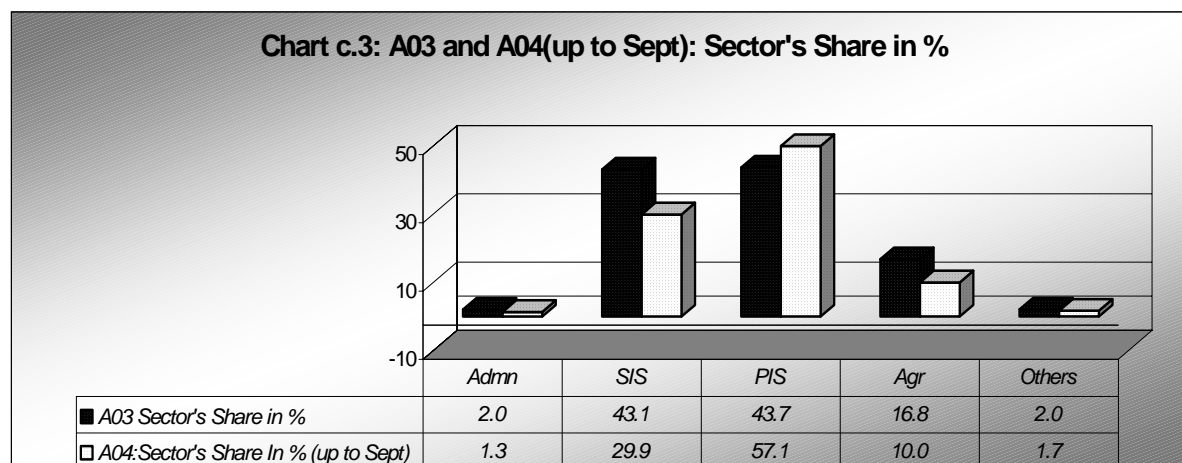
(in Crore Taka)

Sectors	A02	B03	RB03	A03	B04	A04 (up to Sept)	A03 Sector's Share in %	A03 as% of RB03	B04 as % of RB03	RB03 as % of B03	B04 as % of A03	A04(up to Sept) as % of A03
GPS	186.0	703.8	375.0	202.5	944.5	11.5	1.2	54.0	251.9	53.3	466.5	5.7
LGRD	2880.2	3400.1	3182.2	2782.6	3730.6	223.4	17.1	87.4	117.2	93.6	134.1	8.0
Defence	5.9	15.9	13.5	7.3	31.6	0.0	0.0	54.1	234.9	84.7	434.4	0.0
POS	78.0	156.3	160.3	122.1	184.7	7.0	0.7	76.1	115.2	102.5	151.3	5.8
Edu	2114.1	2995.2	2618.9	2542.4	2708.7	167.0	15.6	97.1	103.4	87.4	106.5	6.6
Health	1192.2	1702.3	1463.1	1046.5	1512.3	3.7	6.4	71.5	103.4	85.9	144.5	0.4
SSW	693.5	879.0	911.9	588.6	894.1	6.5	3.6	64.5	98.0	103.7	151.9	1.1
HCS	78.8	94.4	77.1	75.9	84.1	12.6	0.5	98.5	109.1	81.7	110.8	16.6
RCRA	179.4	312.2	228.5	212.7	325.1	14.5	1.3	93.1	142.3	73.2	152.8	6.8
FE	1924.1	2849.6	2973.6	2745.6	4067.2	500.5	16.8	92.3	136.8	104.4	148.1	18.2
AFL	1700.5	1930.8	1629.1	1484.9	1855.2	137.9	9.1	91.1	113.9	84.4	124.9	9.3
IES	121.7	278.9	201.5	119.1	296.2	8.9	0.7	59.1	147.0	72.2	248.7	7.5
TC	3950.0	4344.4	3818.3	4378.7	4187.8	287.6	26.8	114.7	109.7	87.9	95.6	6.6
Total	15104.5	19663.0	17653.0	16308.8	20822.0	1381.3	100.0	92.4	118.0	89.8	127.7	8.5

- While Budget for the FY04 shows 18.0% increase over RB03, up to September'04 actual expenditure registers only 8.5% 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, LGRD = LGD, RD & Cooperatives, CHTs, POS = Public Order and Safety, Edu = Education and Technology, Health = Health, SSW = Social Security and Welfare, RCRA = Recreation, Culture and Religious Affairs, AFL= Agriculture, Fisheries and Livestock, Land, Water Resources and Food, FE = Fuel and Energy, IES = Industries, Jute, Textiles, Commerce, Labor & Overseas, TC = Transport and Communication.

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 September)⁶.

Table d.1: Revenue Receipts: Reporting Scenario

(in Crore Taka)

	A02	B03	RB03	A03 (Sept)	A03 (Up to Sept)	A03	B04	A04 (Sept)	A04 (up to Sept)
Tax Rev(a+b)	21030	25500	24950	1893	5234	24260	29071	2018	5657
a. NBR	19922	23750	23750	1834	5008	23194	27750	1941	5374
a.1 Income	3516	4789	4789	331	782	3864	5366	286	775
a.2 VAT	7042	8071	8071	784	1896	10354	8944	654	2070
a.2i Import	38464	4465	4465	339	958	4325	4767	353	1008
a.2ii Domestic	3195	3606	3606	445	938	6030	4177	301	1062
a.3 Import	5169	5890	5875	509	1461	6532	7628	562	1633
a.4 Sup	3771	4375	4390	171	777	1929	5272	402	782
a.4i Import	1368	1565	1565	98	273	1193	1498	122	306
a.4ii Domestic	2403	2810	2825	74	504	736	3774	280	475
a.5 EO	424	625	625	39	92	515	540	38	114
b. Non-NBR	1108	1750	1200	59	226	1066	1321	77	283
b.1 NL	27	40	35	3	7	30	50	3	8
b.2 Vehicles	179	270	225	6	35	228	240	9	50
b.3 Land	200	326	206	9	47	202	213	11	51
b.4 Stamp	702	1114	734	41	137	606	818	54	175
c. Non-tax Rev	6651	7067	6100	295	1305	6140	7000	302	1622
c.1 DP	1147	1230	832	8	472	677	924	6	745
c.2 PO&R	518	538	547	38	62	537	594	5	23
c.3 T&T	1586	1602	1600	64	133	1545	1700	87	244
c.4 IFT	3401	3697	3120	185	638	3382	3782	203	610
Total Rev (a+b+c)	27681	32567	31050	2188	6539	30401	36071	2319	7279
d. NBR (Source: NBR)	18774.8			1836.72	4975.1	23770.42		2025.1	5411.2
e. a as % of d	106.1			99.9	100.7	97.6		95.8	99.3

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 September'04, tax revenue collection for the FY04 registers 11.3% increase over the corresponding period of the previous FY03. Whereas, Non-NBR tax collection increases by 25.1%. and Non-tax revenue collection by 24.4%.
- Up to September'04, only 20.2% of the budgeted revenues have been collected.

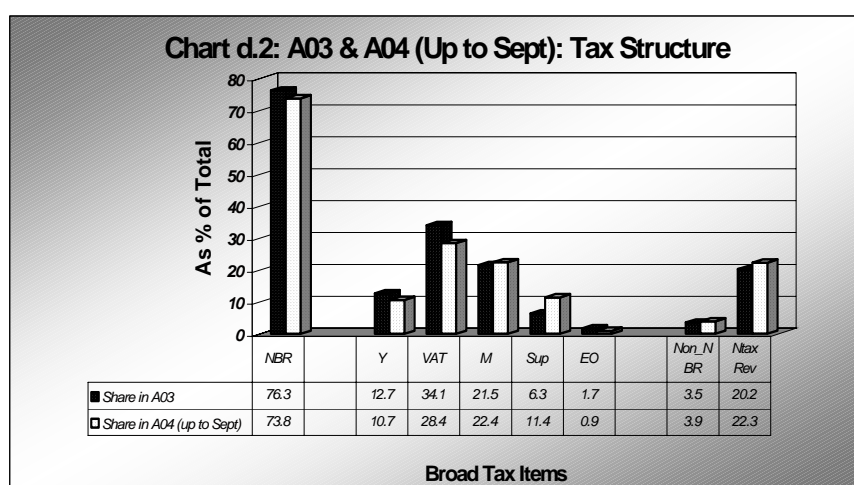
⁶ Notes: Income = Income/Profit/Property/Wealth, Sup=Supplementary+Excise, EO = Electricity+Others
 NL = Narcotics & Liquor, DP = Dividend & Profit, PO&R = Post Office+Railway
 IFT = Interest/Fees/Tolls & Other receipts

Table d.2: Revenue Receipts⁷: Growth and Structure

	(RB03/B03)*100	(B04/A03)*100	(B04/RB03)*100	Share in A03	(Sept04/Sept03)*100	(A04/A03)*100(up to Sept)	(A04up to Sept/B04)*100
Tax Rev(a+b)	97.8	119.8	116.5	79.8	106.6	108.1	19.5
a. NBR	100.0	119.6	116.8	76.3	105.8	107.3	19.4
a.1 Income	100.0	138.9	112.0	12.7	86.4	99.2	14.4
a.2 VAT	100.0	86.4	110.8	34.1	83.3	109.2	23.1
a.2i Import	100.0	110.2	106.8	14.2	104.0	105.3	21.1
a.2ii Domestic	100.0	69.3	115.8	19.8	67.6	113.1	25.4
a.3 Import	99.7	116.8	129.8	21.5	110.3	111.7	21.4
a.4 Sup	100.3	273.3	120.1	6.3	234.2	100.6	14.8
a.4i Import	100.0	125.6	95.7	3.9	124.7	112.3	20.5
a.4ii Domestic	100.5	512.5	133.6	2.4	379.0	94.3	12.6
a.5 EO	100.0	104.8	86.4	1.7	99.4	123.6	21.1
b. Non-NBR	68.6	123.9	110.1	3.5	129.8	125.1	21.4
b.1 NL	87.5	165.5	142.9	0.1	104.4	109.2	16.0
b.2 Vehicles	83.3	105.4	106.7	0.7	150.0	141.6	20.7
b.3 Land	63.2	105.1	103.2	0.7	120.9	107.4	23.8
b.4 Stamp	65.9	135.0	111.4	2.0	130.5	127.8	21.4
c. Non-tax Rev	86.3	114.0	114.8	20.2	102.4	124.4	23.2
c.1 DP	67.7	136.6	111.1	2.2	74.7	157.9	80.6
c.2 PO&R	101.8	110.6	108.5	1.8	12.8	37.5	3.9
c.3 T&T	99.9	110.0	106.3	5.1	136.1	183.7	14.3
c.4 IFT	84.4	111.8	121.2	11.1	110.1	95.6	16.1
Total Rev (a+b+c)	95.3	118.7	116.2	100.0	106.0	111.3	20.2

d.2 Revenue Structure

Chart d.2 presents tax structure for FY03 and FY04 (up to Sept). 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 Sept	Actual Up to Sept	Account	Budget	Actual Sept	Actual Up to Sept
1.0 Total Revenue	27680.9	32567.1	31050.0	2188.1	6539.0	30400.9	36071.0	2319.4	7279.0
2.0 Total Pub Exp	39620.9	44653.7	43703.7	2579.8	7486.0	40365.6	51980.0	2965.4	8091.0
2.1 Current Exp	21812.0	22956.3	24255.0	1542.1	3973.6	22713.5	27725.3	1787.4	4374.7
2.2 Net Outlay on Food A/C	-6.0	234.0	-76.0	0.1	0.3	37.0	519.0	9.8	29.3
2.3 Net ADP Exp	14371.5	19000.0	16900.0	693.3	1130.1	15555.8	20300.0	612.5	1262.2
2.4 Non_ADP Cap Exp & net lending	1843.2	2063.4	1464.7	-39.4	12.8	964.5	1945.7	53.9	83.4
2.4.1 Non ADP Capital Expenditure	2050.1	2049.9	2194.7	100.4	272.9	1526.0	2155.3	81.6	235.5
2.4.2 Net Lending	-206.9	13.5	-730.0	-139.8	-260.1	-561.6	-209.6	-27.7	-152.2
2.5 Extraordinary Expenditure	21.5	400.0	1160.0	7.7	347.7	1130.3	1490.0	3.1	3.1
2.6 Check Float & discrepancy	1578.6	0.0	0.0	376.1	2021.6	-35.4	0.0	498.6	2338.3
3.0 Overall Balance (2.0 - 1.0)	-11940.0	-12086.6	-12653.7	-391.7	-947.0	-9964.7	-15909.1	-646.0	-812.0
4.0 GDP _{new}	273201.0	300485.0	300485.0	23335.2	70005.5	300485.0	328400.0	25622.0	76865.9
5.0 Total Net Rev As % of GDP	10.1	10.8	10.3	9.4	9.3	10.1	11.0	9.1	9.5
6.0 Total Pub Exp As % of GDP	14.5	14.9	14.5	11.1	10.7	13.4	15.8	11.6	10.5
7.0 Overall Balance As % Of GDP	-4.4	-4.0	-4.2	-1.7	-1.4	-3.3	-4.8	-2.5	-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 inputting 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 August'04, about 14 (Fourteen) ministries/divisions show an utilization of revenue resources less than 10%: LG Division (9.4%), RD Division (6.1%) Roads & Communication (9.1%), Textile (7.5%), Youth (6.1%), IRD (5.6%), Shipping (4.0%), Election Commission (3.1%), Women Affairs (1.7%), Religious Affairs (1.3%), Disaster Management (0.8%), Ctg. Hill Tracts (0.7%), Social Welfare (6.0%), Liberation Affairs (0.2%). 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 towards 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 Sept	Actual Up to Sept	Account	Budget	Actual Sept	Actual Up to Sept
1.0 Net Foreign financing	4764.9	6173.1	6990.8	328.0	181.2	6003.2	9309.3	-111.4	-203.9
1.1 Grant	1975.9	3041.3	2447.1	251.6	344.4	3228.0	2596.3	6.2	70.4
1.2 Loan	5365.0	6139.2	7434.3	274.7	402.9	5426.9	9805.5	48.9	145.9
1.3 Amortisation	2576.0	3007.4	2890.7	198.3	566.1	2651.6	3092.5	166.5	420.2
2.0 Domestic Financing	7175.1	5913.1	5664.5	63.8	765.8	3961.4	6600.2	757.4	1015.9
2.1 Non-Bank Borrowing	4648.1	4038.5	4093.5	392.5	1116.2	4092.8	3897.2	299.0	1283.5
2.2 Bank Borrowing	2463.0	1358.0	1501.0	-332.5	-360.0	-195.1	2603.0	458.0	-273.1
2.3 Privatisation Receipts	64.0	516.6	70.0	3.7	9.7	63.7	100.0	0.5	5.4
3.0 Total Financing (1+2)	11940.0	12086.2	12655.2	391.7	947.0	9964.7	15909.6	646.0	812.0
4.0 Total Financing as % GDP	4.4	4.0	4.2	1.7	1.4	3.3	4.8	2.5	1.1
5.1 Net Foreign financing (As % of GDP)	1.7	2.1	2.3	1.4	0.3	2.0	2.8	-0.4	-0.3
5.2 Net Domestic Financing (As % of GDP)	2.6	2.0	1.9	0.3	1.1	1.3	2.0	3.0	1.3
5.2.1 Non-Bank Borrowing	1.7	1.3	1.4	1.7	1.6	1.4	1.2	1.2	1.7
5.2.2 Bank Borrowing	0.9	0.5	0.5	-1.4	-0.5	-0.1	0.8	1.8	-0.4
5.2.3 Privatisation Receipts	0.0	0.2	0.0	0.0	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 covers around 13.4% of GDP.
- Budget deficit in FY03, measured from the above line, as percent of GDP is 3.3%.
- Net foreign financing of budget deficit is around 2.0% of GDP
- Domestic borrowing stands at 1.3% of GDP, of which, public borrowing has a larger share and is near to 1.4%.

