

Monthly Report on Fiscal Position¹

December FY03

a.0 Revenue Expenditure

a.1 Sector-wise Utilization and Growth

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

- While Revised Budget (RB02) for the FY02 was 1.8% lower than the original budget (B02) and Actual Exp (A02) was almost equal to that of RB02, B03 was 5.6% higher than A02 but only 3.7% higher than B02.
- Nominal Increase of B03 over RB02 was 5.6%, the largest increase was in the General Public Services (26.6%), followed by Public Order and Safety (3.6%).

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

(in Crore Taka)

Sectors	B02	RB02	A02	Sector's Share of A02 (in %)	RB02 as % of B02	A02 as % of RB02	B03	B03 as % of B02	A03 (up to Dec)	B03 as % of RB02	B03 as % of A02	A03 (up to Dec) as % B03
GPS	4105.1	3507.9	3255.1	14.3	85.5	92.8	4441.9	108.2	1721.5	126.6	136.5	38.8
LGRD	520.8	559.1	551.6	2.4	107.4	98.7	572.7	110.0	184.0	102.4	103.8	32.1
Defence	3534.1	3391.0	3633.8	16.0	96.0	107.2	3393.6	96.0	1050.8	100.1	93.4	31.0
POS	1749.7	1738.1	1717.6	7.6	99.3	98.8	1800.7	102.9	785.8	103.6	104.8	43.6
Edu	3707.3	3811.6	3744.3	16.5	102.8	98.2	3876.0	104.6	1848.2	101.7	103.5	47.7
Hlth	1252.1	1286.1	1207.7	5.3	102.7	93.9	1325.4	105.9	510.3	103.1	109.7	38.5
SSW	733.7	899.0	664.2	2.9	122.5	73.9	923.6	125.9	117.8	102.7	139.0	12.8
Housing	288.1	298.7	296.4	1.3	103.7	99.2	300.0	104.1	131.4	100.4	101.2	43.8
RCRA	217.3	237.5	228.6	1.0	109.3	96.3	239.1	110.0	91.5	100.7	104.6	38.3
FE	7.8	8.1	7.8	0.0	104.5	96.3	7.9	101.9	3.5	97.5	101.2	44.1
Agri	850.3	855.4	857.2	3.8	100.6	100.2	880.4	103.5	400.2	102.9	102.7	45.5
IES	110.5	113.0	112.0	0.5	102.2	99.1	115.4	104.4	46.0	102.1	103.0	39.9
Trans	1422.0	1466.1	1506.0	6.6	103.1	102.7	1481.6	104.2	683.8	101.1	98.4	46.2
Interest	4608.5	4520.0	4915.5	21.7	98.1	108.8	4614.0	100.1	2267.2	102.1	93.9	49.1
Total	23107.3	22691.7	22697.9	100.0	98.2	100.0	23972.3	103.7	9842.1	105.6	105.6	41.1
Increase over FY01	117.7	109.824	106.57									

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 Dec.'02 was 8.8% higher than the corresponding period of the previous year.
- However, only for the month of Dec.'02, actual expenditure was 19.4% less than the corresponding month of FY02.
- Up to Dec.'02 only 41.1% of the Budget for the FY03 has been spent.

¹ This report is based on data generated in the Reforms in Budgeting and Expenditure Control (RIBEC) 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 Dec.'02

(in Crore Taka)

	A01	B02	RB02	A02 (Dec)	A02 (Up to Dec)	A02	B03	RB03	A03 (Dec)	A03 (up to Dec)	A03 (up to Dec) as % B03	A03 as % A02 (Dec)	A03 as % A02 (up to Dec)
Sub-total = GPS	3019.6	4105.1	3507.9	187.9	1445.6	3255.1	4441.9	0.0	225.5	1721.5	38.8	120.0	119.1
President	2.7	3.0	3.1	0.2	1.6	2.9	3.4	0.0	0.2	1.6	45.4	85.4	99.5
Parliamnet	33.2	35.6	30.7	1.4	5.8	27.4	35.9	0.0	2.0	10.7	29.8	146.7	185.0
PMO	50.1	50.5	57.5	4.8	20.6	53.7	53.5	0.0	3.7	21.1	39.5	76.8	102.3
Cabinet Div	13.7	8.4	10.4	0.7	3.0	9.3	10.9	0.0	0.7	4.2	38.5	95.1	141.2
Election Com	72.5	189.7	102.9	4.0	63.3	90.2	137.8	0.0	1.2	6.2	4.5	31.1	9.9
Estab	243.5	247.7	260.3	25.6	119.9	252.8	263.9	0.0	18.6	130.3	49.4	72.9	108.6
PSC	4.5	4.6	4.5	0.7	2.1	4.2	4.6	0.0	0.3	2.4	51.4	40.0	114.6
Finance Div	1426.5	2067.8	1760.2	102.8	660.9	1868.4	3124.0	0.0	162.0	1336.4	42.8	157.6	202.2
IRD	930.0	1055.6	1029.3	26.6	454.0	699.7	557.8	0.0	16.3	98.9	17.7	61.2	21.8
ERD	19.0	22.1	24.3	3.6	8.7	20.1	21.4	0.0	1.1	10.1	47.5	30.2	116.1
Planning Div	9.7	10.0	48.4	0.8	4.3	9.6	49.0	0.0	4.0	14.8	30.2	520.0	344.9
IMED	2.5	2.7	2.8	0.3	1.2	2.7	2.8	0.0	0.2	1.1	37.9	72.6	91.3
Statistics Div	36.7	37.3	0.0	5.3	17.9	37.0	0.0	0.0	0.3	5.1		6.1	28.8
Foreign Aff	174.9	370.1	173.5	11.2	82.5	177.1	176.7	0.0	15.0	78.6	44.5	133.4	95.3
Sub-total = LGRD	505.2	520.8	559.1	58.3	184.9	551.6	572.7	0.0	34.1	184.0	32.1	58.5	99.5
LGD	337.4	363.9	376.8	46.3	149.8	375.3	387.9	0.0	21.3	145.3	37.5	46.1	97.0
RD Div	76.8	84.7	83.4	11.8	34.6	77.9	83.9	0.0	12.3	37.9	45.2	104.2	109.5
CHT	90.9	72.1	98.9	0.2	0.4	98.5	100.9	0.0	0.5	0.8	0.7	238.6	175.7
Sub-total = Defence	3398.6	3534.1	3391.0	203.6	1071.2	3633.8	3393.6	0.0	180.6	1050.8	31.0	88.7	98.1
Def. Service	3328.0	3460.5	3325.6	198.6	1036.1	3561.5	3336.4	0.0	176.8	1027.3	30.8	89.0	99.2
Def.- Others	70.6	73.7	65.4	5.0	35.1	72.3	57.2	0.0	3.8	23.4	41.0	76.6	66.9
Sub-total=POS	1671.1	1749.7	1738.1	174.9	742.1	1717.6	1800.7	0.0	133.4	785.8	43.6	76.3	105.9
Law & Parlia.	119.3	118.9	118.3	12.0	57.7	121.2	117.6	0.0	8.8	54.8	46.6	73.3	95.0
Supreme Court	0.0	12.4	14.8	1.7	4.9	12.1	13.6	0.0	1.3	7.3	53.4	78.6	148.2
Home Aff.	1551.8	1618.4	1605.0	161.3	679.5	1584.2	1669.5	0.0	123.3	723.8	43.4	76.4	106.5
Sub-total = Edu	3583.5	3707.3	3811.6	324.4	1781.3	3744.3	3876.0	0.0	149.8	1848.2	47.7	46.2	103.8
PMED	1323.0	1402.7	1428.4	132.6	640.5	1368.8	1476.7	0.0	103.3	651.9	44.1	77.9	101.8
Education	2174.4	2232.8	2310.5	179.4	1114.1	2303.5	2325.4	0.0	41.1	1173.1	50.4	22.9	105.3
Sc. & Tech	86.1	71.8	72.7	12.4	26.7	72.1	73.9	0.0	5.4	23.3	31.5	43.6	87.3
Sub-total = Health	1041.1	1252.1	1286.1	165.6	496.1	1207.7	1325.4	0.0	107.2	510.3	38.5	64.7	102.9
HFV	1041.1	1252.1	1286.1	165.6	496.1	1207.7	1325.4	0.0	107.2	510.3	38.5	64.7	102.9
Sub-total = SSW	966.9	733.7	899.0	12.5	104.7	664.2	923.6	0.0	66.6	117.8	12.8	530.9	112.5
Social Wel.	173.6	199.7	201.7	8.5	85.7	194.2	253.2	0.0	62.9	91.4	36.1	738.9	106.6
Women Aff.	21.6	21.8	26.7	1.8	7.5	24.5	27.2	0.0	1.4	7.2	26.4	80.1	95.6
Disaster Man.	771.7	512.2	661.4	2.3	11.4	444.9	595.6	0.0	2.2	10.7	1.8	98.6	93.7
Liberation Aff.	0.0	0.0	9.2	0.0	0.0	0.7	47.6	0.0	0.0	8.5	17.8		
Sub-total = HCS	290.6	288.1	298.7	26.0	121.7	296.4	300.0	0.0	28.2	131.4	43.8	108.4	108.0
Housing	290.6	288.1	298.7	26.0	121.7	296.4	300.0	0.0	28.2	131.4	43.8	108.4	108.0
Sub-total = RCRA	231.9	217.3	237.5	20.6	87.8	228.6	239.1	0.0	15.2	91.5	38.3	73.8	104.2
Information	138.2	130.7	137.3	13.3	60.1	130.0	139.9	0.0	6.6	57.6	41.2	49.9	95.9
Cultural Aff.	30.7	31.4	31.8	1.5	8.8	31.5	32.5	0.0	3.4	12.8	39.3	234.7	146.1
Religious Aff.	26.3	23.7	29.5	2.1	4.7	28.2	24.1	0.0	2.5	5.3	22.1	118.1	114.5
Youth	36.7	31.5	38.8	3.7	14.3	38.9	42.5	0.0	2.6	15.8	37.1	70.4	110.3
Sub-total = FE	7.2	7.8	8.1	0.8	3.8	7.8	7.9	0.0	0.5	3.5	44.1	60.1	92.7
Petroleum	5.6	5.9	6.2	0.7	2.9	5.9	6.3	0.0	0.4	2.7	43.2	56.2	93.1
Energy	1.6	1.9	1.9	0.2	0.8	1.9	1.6	0.0	0.1	0.8	47.8	76.3	91.5
Sub-total = Agr	831.6	850.3	855.4	86.7	376.3	857.2	880.4	0.0	88.2	400.2	45.5	101.8	106.4
Agriculture	304.7	322.2	308.3	30.6	151.9	313.9	326.7	0.0	20.5	159.2	48.7	66.9	104.8
Fisheries	142.2	151.9	155.5	16.3	69.0	161.8	160.1	0.0	11.2	75.1	46.9	68.7	109.0
Environment	56.4	57.8	59.1	4.5	24.5	59.2	62.0	0.0	6.0	29.5	47.6	134.2	120.4
Land	149.0	163.6	164.9	17.0	74.4	154.8	170.5	0.0	11.8	75.7	44.4	69.5	101.7
Water	177.0	152.4	165.2	18.0	55.5	165.1	158.8	0.0	38.6	59.6	37.5	214.2	107.3
Food (Excl Food A/C)	2.4	2.4	2.4	0.2	1.0	2.3	2.4	0.0	0.2	1.2	48.9	70.9	111.1
Sub-total = IEC	107.1	110.5	113.0	14.2	51.4	112.0	115.4	0.0	5.9	46.0	39.9	41.3	89.6
Indsuties	28.4	28.9	29.7	5.5	13.9	29.8	30.0	0.0	0.3	9.2	30.7	5.5	66.5
Jute	6.9	7.9	7.8	0.6	2.9	6.1	8.0	0.0	0.6	3.6	44.6	99.2	121.2
Textiles	13.6	14.3	16.0	2.8	6.1	15.9	15.3	0.0	0.7	5.3	34.9	23.5	87.9
Commerce	23.5	24.7	23.7	1.7	10.8	24.0	24.7	0.0	1.5	11.6	47.1	88.2	107.5
Labour	34.7	34.7	25.3	3.6	17.7	36.0	11.9	0.0	1.4	10.6	89.2	40.1	59.9
Expatriates	0.0	0.0	10.6	0.0	0.0	0.2	25.5	0.0	1.3	5.7	22.3		
Sub-total = TC	1468.4	1422.0	1466.1	140.7	662.1	1506.0	1481.6	0.0	116.3	683.8	46.2	82.7	103.3
Roads/ Comm	890.1	877.3	915.7	96.9	404.5	946.4	936.8	0.0	78.3	412.1	44.0	80.8	101.9
Shipping	26.8	28.4	29.1	0.6	8.4	28.6	28.8	0.0	0.4	14.2	49.2	60.7	168.8
Civil Aviation	1.5	1.3	1.4	0.1	0.6	1.4	1.4	0.0	0.1	0.9	63.0	88.7	144.2
Post&Tele.	550.1	515.0	519.8	43.1	248.6	529.5	514.6	0.0	37.6	256.7	49.9	87.3	103.3
Sub-total = Interest	4176.5	4608.5	4520.0	414.0	1917.5	4915.5	4614.0	0.0	322.8	2267.2	49.1	78.0	118.2
Domestic	3273.4	3644.0	3585.3	382.9	1704.5	4138.2	3588.5	0.0	244.3	1814.8	50.6	63.8	106.5
Foreign	903.1	964.5	934.8	31.1	212.9	777.3	1025.5	0.0	78.4	452.4	44.1	252.2	212.5
Total	21299.3	23107.3	22691.7	1830.1	9046.3	22697.9	23972.3	0.0	1474.2	9842.1	41.1	80.6	108.8

➤ Regarding expenditures even up to Dec., 2003, about 9 (nine) ministries/divisions show an utilization of revenue resources less than 30%: Parliament (28.8%), Election Commission (4.5%), IRD (17.7%), CHTs (0.7%), Women affairs (26.4%), (Relief and Disaster

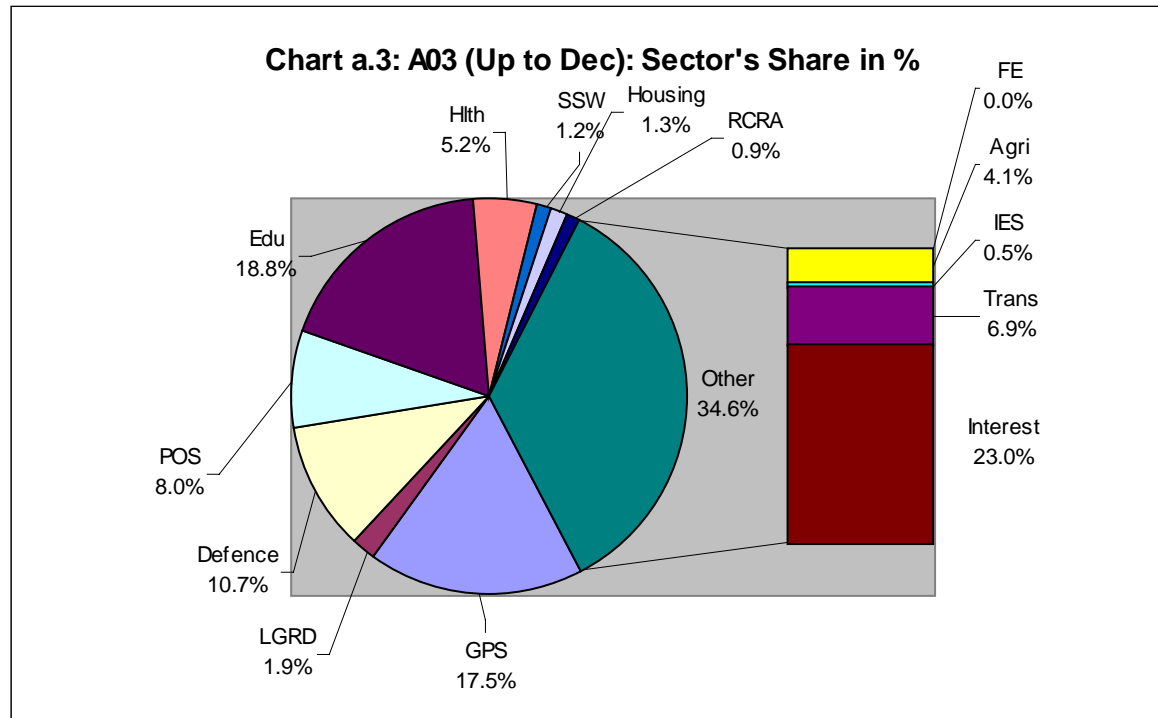
Management (1.8%), Religious Affairs (22.1), Liberation War Affairs (17.8%), and Expatriate welfare (22.3%). In some cases, there are some programmed expenditure which has not yet been carried out (Election Commission) and in others, there may be underreporting or lag in reporting of expenditure again with regard to programmed expenditure involving food with in 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	Agr	Oth	Interest
Sector's Share of A02	32.8	32.3	5.3	0.0	7.9	21.7
Sector's Share of B03	35.1	33.1	5.2	0.0	7.4	19.2
Sector's Share of A03 (Upto Dec)	30.0	33.1	5.5	0.0	8.3	23.0

It appears that of share Interest Payments is on rise.



A detail of sector-wise share of revenue expenditure based on the Account (up to Dec.) for the FY03 is shown in Chart a.3. Individually the largest shares are: Interest (23.0%), Education (18.8%), General Public Services (17.5%), Defence (10.7%) and Public Order and Safety (8.0%).

a.4 Utilization up to Dec.'02

Sector-wise utilization of resources (up to Dec.'02) is shown in Table a.4 and Chart a.4 (presented in the next page). It appears the following sectors have less than 35% utilization rates:

- SSW (Social Security and Welfare) (12.8% of B03 has been spent)

⁴ Admn = General Public Services, Defence, and Public Order and Safety,

SIS = Social Infrastructure, covers Edu, health, HCS and SSW.

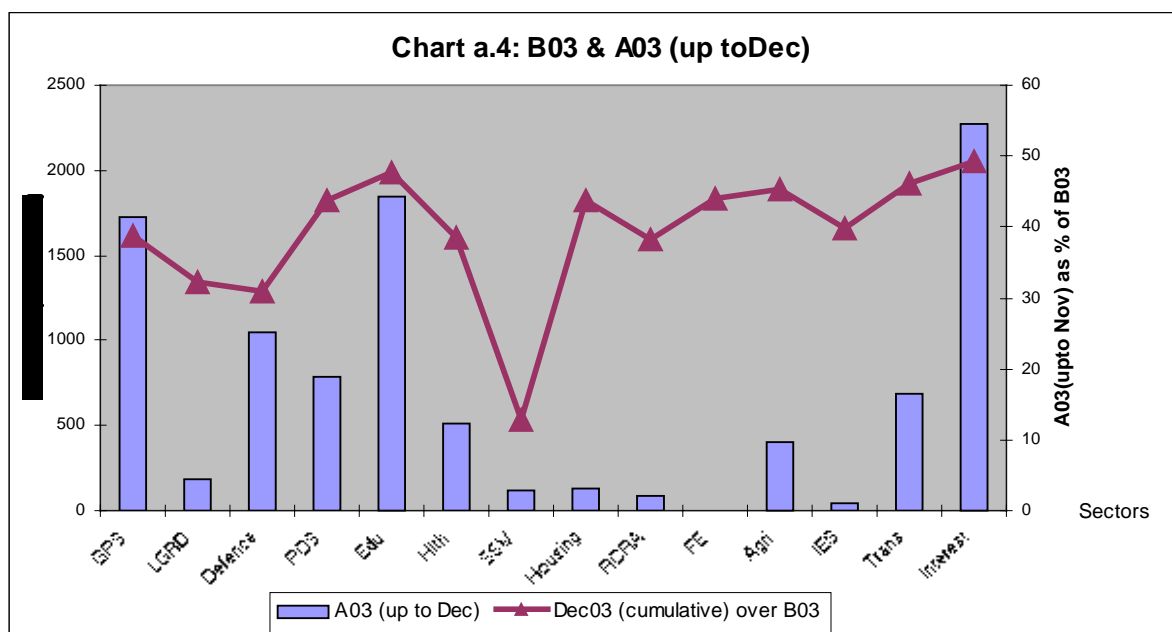
PIS = Physical Infrastructure, covers FE, MMC, TC and Others include RCRA and CLE

- Defence (31.0%)
- LGRD (32.1%)

Table a.4: Resource Utilization Pattern of June and up to Dec. of FY03

(in Crore Taka)

Sectors	A02 (Dec)	A02 (Up to Dec)	A03 (Dec)	A03 (up to Dec)	Dec03 over Dec02 (in %)	Dec03 over Dec02 (cumulative)	Dec03 (cumulative) over B03
GPS	187.9	1445.6	225.5	1721.5	120.0	119.1	38.8
LGRD	58.3	184.9	34.1	184.0	58.5	99.5	32.1
Defence	203.6	1071.2	180.6	1050.8	88.7	98.1	31.0
POS	174.9	742.1	133.4	785.8	76.3	105.9	43.6
Edu	324.4	1781.3	149.8	1848.2	46.2	103.8	47.7
Hlth	165.6	496.1	107.2	510.3	64.7	102.9	38.5
SSW	12.5	104.7	66.6	117.8	530.9	112.5	12.8
Housing	26.0	121.7	28.2	131.4	108.4	108.0	43.8
RCRA	20.6	87.8	15.2	91.5	73.8	104.2	38.3
FE	0.8	3.8	0.5	3.5	60.1	92.7	44.1
Agri	86.7	376.3	88.2	400.2	101.8	106.4	45.5
IES	14.2	51.4	5.9	46.0	41.3	89.6	39.9
Trans	140.7	662.1	116.3	683.8	82.7	103.3	46.2
Interest	414.0	1917.5	322.8	2267.2	78.0	118.2	49.1
Total	1830.1	9046.3	1474.2	9842.1	80.6	108.8	41.1



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:

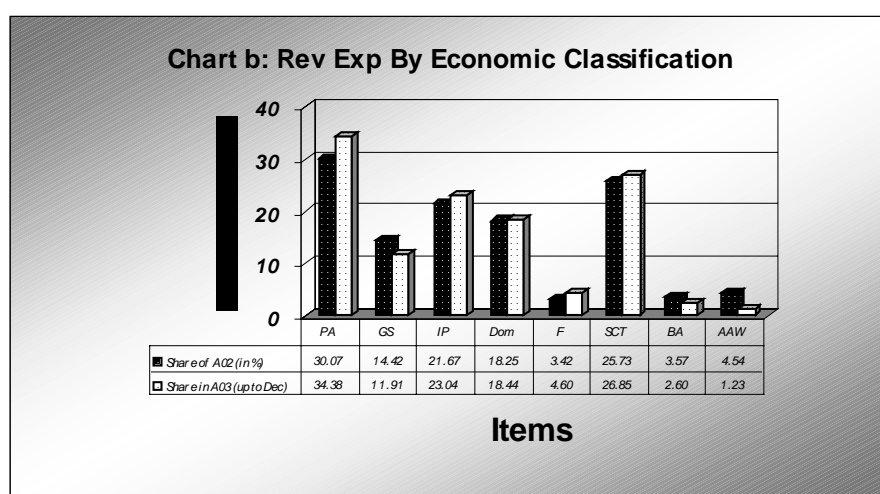
- Until Dec.'02, maximum utilization of Revenue Expenditure as % of B03, has been carried out under the head Interest Payments (49.1%). Pay and Allowances and Subsidies and Current Transfers come there after with 46.2% and 40.2% respectively

- During the last Fiscal Year (A02), Domestic Interest Payments (18.2%) was more than 4 (four) times larger than that of Foreign Interest Payment (3.4%).
- Up to Dec'02 utilization rate is less than 35% in following economic categories: in case of Repairs, Maintenance & Rehabilitation (32.7%), Supplies and Services (32.4%), Unexpected Expenditure (25.5%), Others Expenditure (10.5%), Asset Acquisition (7.6%), Acquisition of Land Assets (18.5%) and Construction and Works (27.1%).

Table b: Revenue Expenditure by Economic Classification

(in Crore Taka)

Description	RB02	B03	A02	A03 (up to Dec)	B03 as % of RB02	Share of A02 (in %)	A03 (up to Dec) as % B03
Pay and Allowances	6801.6	7318.7	6823.7	3383.6	107.6	30.1	46.2
Pay of Officers	637.4	659.5	55.6	326.9	103.5	2.9	49.6
Pay of Establishment	2995.8	3125.0	253.6	1478.7	104.3	13.2	47.3
Allow ances	3168.5	3534.2	237.7	1578.0	111.5	14.0	44.6
Goods and Services	3451.6	3612.5	3272.3	1171.9	104.7	14.4	32.4
Supplies and Services	2420.7	2562.0	150.2	828.9	105.8	10.0	32.4
Repairs, Maintainance & Rehabilitation	1030.9	1050.4	75.8	343.0	101.9	4.4	32.7
Interest Payments	4520.0	4614.0	4919.1	2267.3	102.1	21.7	49.1
Domestic	3585.3	3588.5	244.3	1814.9	100.1	18.2	50.6
Foreign	934.8	1025.5	78.4	452.4	109.7	3.4	44.1
Subsidies and Current Transfers	5914.6	6572.7	5839.0	2642.6	111.1	25.7	40.2
Subsidies	680.8	1226.9	25.0	484.3	180.2	3.7	39.5
Grants in Aid	3648.0	3551.9	155.0	1411.6	97.4	14.9	39.7
Contributions to Intl Organisation	21.5	20.7	0.2	9.2	96.4	0.1	44.3
Pensions and Gratuties	1563.8	1772.8	115.4	737.5	113.4	7.1	41.6
Block Allocation	1230.8	1439.0	810.1	255.9	116.9	3.6	17.8
Unexpected	80.7	700.0	8.1	178.2	867.8	0.0	25.5
Others	1150.1	7390.0	802.0	77.7	64.3	3.5	10.5
Acquisition of Assets and Works	1105.8	1015.9	1031.4	120.7	91.9	4.5	11.9
Acquisition of Assets	830.5	785.1	758.5	59.3	94.5	3.3	7.6
Acquisition of Land Assets	38.3	11.9	43.1	2.2	31.1	0.2	18.5
Construction and Works	237.0	218.9	229.7	59.2	92.4	1.0	27.1
Net Total	23357.0	23972.3	22695.7	9842.0	102.6	100.0	41.1



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 Dec.'02 only 20.3% of the Budget for the FY03 has been spent implying under utilization and/or underreporting

Table c.1: Development Expenditure: Ministry-wise Expenditure Pattern Up to Dec. '02

(in Crore Taka)

	A01	B02	RB02	A02 (Dec)	A02 (Up to Dec)	B03	RB03	A03 (Dec)	A02	A03 (up to Dec)	A03 (up to Dec) as % B03	A03 as % A02 (Dec)	A03 as % A02 (up to Dec)
Sub-total = GPS	349.5	1122.6	348.6	55.7	85.5	703.8		4.8	206.4	52.6	7.5	8.6	61.5
Parliament	0.1	1.9	2.1	1.5	1.5	1.3		0.0	2.9	0.0	0.0	0.0	0.0
PMO	177.4	123.2	153.7	25.0	37.8	141.3		0.0	72.7	34.7	24.6	0.1	91.9
Cabinet	0.0	1.5	1.3	0.0	0.1	4.1		0.6	1.1	1.5	36.3	7748.0	2330.2
Election Com.	1.9	21.2	12.7	0.0	0.0	18.6		0.0	0.2	0.0	0.0	0.0	25.7
Establishment	50.7	121.0	70.3	2.5	11.7	86.2		3.7	53.9	12.5	14.4	149.7	106.5
Finance Div	25.9	14.2	21.8	25.0	25.2	48.6		0.0	35.2	0.1	0.3	0.0	0.5
IRD	12.2	30.3	30.3	1.3	4.7	29.2		0.0	13.9	1.0	3.5	0.0	22.0
ERD	2.7	3.4	11.2	0.0	0.1	13.5		0.1	1.2	0.3	1.9	2283.1	449.1
Planning Div	13.8	771.9	13.5	0.2	2.1	346.1		0.3	8.8	2.5	0.7	178.1	118.1
IMED	0.5	0.5	2.6	0.0	0.1	11.0		0.0	0.3	0.1	0.9	9.7	98.9
Statistics Div	64.1	31.6	27.2	0.2	2.4	0.0		0.0	16.2	0.0	0.0	0.0	0.0
Foreign Aff.	0.1	2.0	2.0	0.0	0.0	4.0		0.0	0.0	0.0	0.0	0.0	0.0
Sub-total = LGRD	3244.3	3470.1	3233.9	95.4	417.0	3400.1		100.7	2879.2	525.2	15.4	105.6	125.9
LGD	3061.2	3170.3	3003.5	80.3	341.2	3122.9		85.7	2638.4	480.9	15.4	106.7	141.0
RD	80.1	170.2	128.1	0.0	56.2	138.3		7.5	144.2	25.5	18.5	18.5	45.5
CHT	103.1	129.6	102.4	15.0	19.6	138.9		7.6	96.6	18.7	13.5	50.3	95.5
Sub-total = Defence	7.5	15.5	11.1	0.0	0.2	15.9		0.0	5.9	0.3	1.7	88.7	161.7
Defence Service	3.8	8.0	6.5	0.0	0.0	9.2		0.0	4.4	0.0	0.0	0.0	0.0
Def.-Others	3.7	7.5	4.6	0.0	0.2	6.7		0.0	1.5	0.3	3.9	88.7	161.7
Sub-total=POS	81.7	106.1	103.3	3.0	12.8	156.3		4.8	77.7	16.7	10.7	160.2	130.1
Law & Parlia. Aff.	21.8	29.4	33.6	0.3	0.9	50.0		0.1	12.3	0.8	1.6	35.1	91.4
Ministry of Home Aff.	59.8	76.7	69.7	2.6	11.9	106.3		4.6	65.4	15.8	14.9	175.2	133.0
Sub-total = Edu	2254.0	2468.9	2198.0	151.4	489.3	2995.2		198.7	2114.1	766.8	25.6	131.2	156.7
PMED	1274.9	1434.9	1222.3	83.1	269.9	1778.7		168.2	1148.0	515.7	29.0	202.3	191.1
Education	893.5	956.5	915.4	66.9	196.7	1129.3		27.8	910.9	230.6	20.4	41.5	117.2
Sc. & Tech.	85.6	77.5	60.3	1.4	22.8	87.3		2.8	55.2	20.6	23.6	200.0	90.5
Sub-total = Health	1151.8	1621.4	1363.3	159.2	275.5	1702.3		38.1	1190.4	136.6	8.0	23.9	49.6
HFW	1151.8	1621.4	1363.3	159.2	275.5	1702.3		38.1	1190.4	136.6	8.0	23.9	49.6
Sub-total = SSW	940.5	790.7	810.6	14.2	73.0	879.0		133.1	693.3	148.0	16.8	939.3	202.9
SW	66.0	79.0	69.1	8.1	11.9	99.6		2.3	61.6	10.7	10.7	28.8	90.0
Women's Aff.	44.1	68.3	46.0	6.1	10.6	96.1		0.9	25.9	5.6	5.9	14.8	52.9
Disaster Manag.	825.4	638.5	689.6	0.0	50.5	667.4		129.9	600.8	129.9	19.5	257.3	0.0
Lib. Affairs	0.0	0.0	0.8	0.0	0.0	11.0		0.0	0.1	1.9	17.0	0.0	0.0
SAD	5.0	5.0	5.0	0.0	0.0	5.0		0.0	4.9	0.0	0.0	0.0	0.0
Sub-total = HCS	159.1	129.8	80.2	5.6	33.4	94.4		6.2	83.1	32.0	33.9	110.5	95.7
Housing	159.1	129.8	80.2	5.6	33.4	94.4		6.2	83.1	32.0	33.9	110.5	95.7
Sub-total = RCRA	204.0	291.8	203.6	16.1	53.6	312.2		10.2	179.4	45.4	14.5	63.5	84.7
Information	24.3	74.2	33.9	3.1	4.7	85.4		0.7	18.4	2.1	2.5	23.7	45.1
Cultural Aff.	45.9	47.0	36.7	2.9	12.4	48.3		0.6	34.5	5.4	11.3	21.5	44.0
Religious Aff.	7.0	30.5	24.0	0.5	5.3	35.5		0.0	23.5	1.8	4.9	0.0	32.9
Youth	126.8	140.1	109.0	9.7	31.2	143.1		8.9	103.0	36.1	25.2	91.8	115.7
Sub-total = FE	2184.9	2904.2	2361.4	24.7	400.6	2849.6		34.4	1924.1	639.9	22.5	139.2	159.7
Petroleum	379.3	654.3	451.5	23.1	118.9	574.2		9.3	381.9	61.5	10.7	40.0	51.7
Energy	1805.6	2250.0	1909.8	1.6	281.7	2275.4		25.1	1542.3	578.4	25.4	1588.2	205.3
Sub-total = Agr	2035.2	2069.6	1815.1	79.7	501.1	1930.8		166.2	1687.5	533.2	27.6	208.4	106.4
Agriculture	480.4	504.9	420.0	30.7	165.2	474.3		33.1	416.4	138.5	29.2	107.8	83.8
Fisheries	199.9	309.9	242.8	5.5	57.9	264.3		3.4	194.1	49.1	18.6	62.1	84.8
Environment	171.2	219.7	161.7	15.5	51.6	175.7		39.4	180.2	63.5	36.2	253.7	123.1
Land	63.3	100.4	63.1	1.7	2.2	93.1		30.3	24.5	33.3	35.7	1740.7	1529.9
Water	1096.6	908.7	901.3	25.7	214.5	895.1		57.8	848.6	242.8	27.1	224.3	113.2
Ministry of Food	23.8	26.0	26.3	0.5	9.8	28.4		2.1	23.8	6.0	21.2	441.6	61.6
Sub-total =IES	289.0	322.1	238.1	11.0	17.6	278.9		14.2	121.9	29.2	10.5	128.5	166.2
Indsuties	235.5	198.6	125.1	6.1	11.2	121.3		9.8	79.3	19.2	15.8	161.4	171.5
Jute	5.8	5.8	4.8	0.1	0.8	5.7		0.0	3.9	0.1	0.9	13.8	6.4
Textiles	30.5	50.5	30.8	0.6	0.8	68.0		3.9	15.2	6.3	9.2	619.6	816.9
Commerce	0.4	43.6	58.4	3.3	3.3	57.5		0.0	7.5	1.0	1.7	0.0	28.7
Labour	16.8	23.5	19.0	0.9	1.5	26.5		0.5	16.0	2.8	10.6	51.0	184.1
Sub-total = TC	3683.0	4059.2	3815.8	306.8	1765.3	4344.4		111.5	4660.6	1099.0	25.3	36.4	62.3
Communication	2901.5	3054.3	2861.3	195.4	1094.9	3420.7		106.1	2835.3	827.5	24.2	54.3	75.6
Jumuna Bridge	75.0	100.0	83.0	0.0	0.0	0.0		0.0	14.2	0.0	0.0	0.0	0.0
Shipping	36.3	143.3	66.6	42.4	46.1	31.5		0.0	79.2	15.2	48.1	0.0	32.9
Civil Aviation	198.5	112.1	101.3	61.4	62.0	26.5		1.2	162.7	2.3	8.8	1.9	3.8
Post and Tele.	471.7	649.6	703.7	7.6	562.2	865.7		4.3	1569.2	254.1	29.3	56.9	45.2
a. Total	16584.4	19372.0	16583.0	922.9	4124.8	19663.0		822.9	15823.8	4024.9	20.5	89.2	97.6
b. Total: Source IMED	15471								14900				
c. a as % of b	107.2								106.2				

- Underreporting has gone 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 FY01/02, CGA development expenditure is higher than IMED ADP expenditures as Development Expenditure > 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 (RB02) for the FY02 was 14.4% less than the original budget (B02) and A02 was 4.6% less than RB02, B03 was 18.6% higher than RB02.

Table c.2: Development Expenditure Pattern by Sector⁵

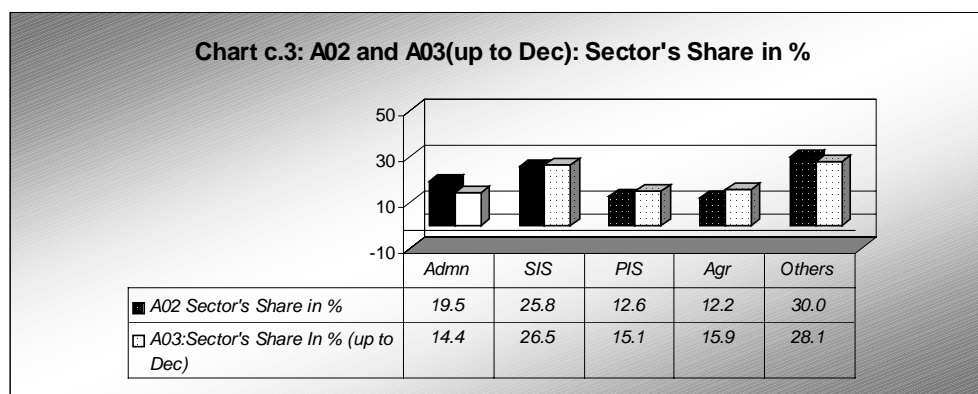
(in Crore Taka)

Sectors	A01	B02	RB02	A02	B03	A03 (up to Dec)	A02 Sector's Share in %	A02 as% of RB02	B03 as % of RB02	RB02 as % of B02	B03 as % of A02	A03(up to Dec) as % of A02
GPS	349.5	1122.6	348.6	206.4	703.8	52.6	1.3	59.2	201.9	31.1	341.0	25.5
Defence	3244.3	3470.1	3233.9	2879.2	3400.1	525.2	18.2	89.0	105.1	93.2	118.1	18.2
POS	7.5	15.5	11.1	5.9	15.9	0.3	0.0	53.3	142.5	72.0	267.4	4.4
Edu	81.7	106.1	103.3	77.7	156.3	16.7	0.5	75.3	151.3	97.4	201.1	21.4
Health	2254.0	2468.9	2198.0	2114.1	2995.2	766.8	13.4	96.2	136.3	89.0	141.7	36.3
SSW	1151.8	1621.4	1363.3	1190.4	1702.3	136.6	7.5	87.3	124.9	84.1	143.0	11.5
HCS	940.5	790.7	810.6	693.3	879.0	148.0	4.4	85.5	108.4	102.5	126.8	21.4
RCRA	159.1	129.8	80.2	83.1	94.4	32.0	0.5	103.6	117.8	61.8	113.7	38.5
FE	204.0	291.8	203.6	179.4	312.2	45.4	1.1	88.1	153.4	69.8	174.0	25.3
AFL	2184.9	2904.2	2361.4	1924.1	2849.6	639.9	12.2	81.5	120.7	81.3	148.1	33.3
MMC	2035.2	2069.6	1815.1	1687.5	1930.8	533.2	10.7	93.0	106.4	87.7	114.4	31.6
TC	289.0	322.1	238.1	121.9	278.9	29.2	0.8	51.2	117.1	73.9	228.7	24.0
CLE	3683.0	4059.2	3815.8	4660.6	4344.4	1099.0	29.5	122.1	113.9	94.0	93.2	23.6
Total	16584.4	19372.0	16583.0	15823.8	19663.0	4024.9	100.0	95.4	118.6	85.6	124.3	25.4

- While Budget for the FY03 shows 18.6% increase over RB02, up to Dec.'02 actual expenditure registers only 25.4% 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.



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

- Growth and Poverty Reducing biases are evident.

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 FY02 and FY03 (up to Dec.)⁶.

Table d.1: Revenue Receipts: Reporting Scenario

(in Crore Taka)

	A01	B02	RB02	A02 (Dec)	A02 (Up to Dec)	A02	B03	A03 (Dec)	A03 (up to Dec)
Tax Rev(a+b)	19132	22023	21932	2842	9066	21030	25500	1944	10886
a. NBR	18129	20730	20732	2777	8585	19922	23750	1876	10435
a.1 Income	3166	4100	4102	397	1452	3516	4789	319	1582
a.2 VAT	6309	6980	6960	945	3055	7042	8071	900	4445
a.2i Import	37538	4070	4050	699	1744	3846	4465	498	2165
a.2ii Domestic	2555	2910	2910	246	1311	3195	3606	402	2280
a.3 Import	4830	5350	5350	911	2252	5169	5890	493	3038
a.4 Sup	3369	3850	3850	500	1667	3771	4375	133	1176
a.4i Import	1267	1400	1400	267	584	1368	1565	99	597
a.4ii Domestic	2102	2450	2450	233	1082	2403	2810	33	580
a.5 EO	455	450	470	24	159	424	625	31	194
b. Non-NBR	1003	1293	1200	65	481	1108	1750	68	451
b.1 NL	29	45	30	2	13	27	40	2	13
b.2 Vehicles	126	160	145	18	90	179	270	18	107
b.3 Land	190	233	214	5	66	200	326	6	68
b.4 Stamp	658	856	811	39	313	702	1114	41	263
c. Non-tax Rev	4564	6433	5740	546	2570	6561	7584	268	2360
c.1 DP	684	840	1162	250	904	1147	1230	7	518
c.2 PO&R	479	522	522	14	168	520	538	31	163
c.3 T&T	1265	1763	1603	51	454	1586	1602	64	489
c.4 IFT	2135	3308	2453	231	1044	3308	4214	166	1190
Total Rev (a+b+c)	23696	28456	27672	3388	11636	27590	33084	2211	13246
d. NBR (Source: NBR)	18774.8			1642.4	8644	20224.4		1931.3	10612.6
e. a as % of d	96.6			169.1	99.3	98.5		97.1	98.3

Table d.1 indicates that:

- On annual basis, the discrepancy between NBR and CGA system has gone away to a great extent.
- On monthly basis, the gap is also narrowed down; it almost disappears on cumulative basis.

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

- While tax revenue collection estimates for the FY03, is 16.3% higher than RB02 of the FY02, it is 21.3% higher than the actual collection (A02).
- Up to Dec.'02, tax revenue collection for the FY03 registers 20.1% increase over the corresponding period of the previous FY02. Whereas, Non-NBR tax collection reduces by 6.3%. and Non-tax collection by 8.2%.
- Up to Dec.'02 only 40% of the Budget estimates have been collected.

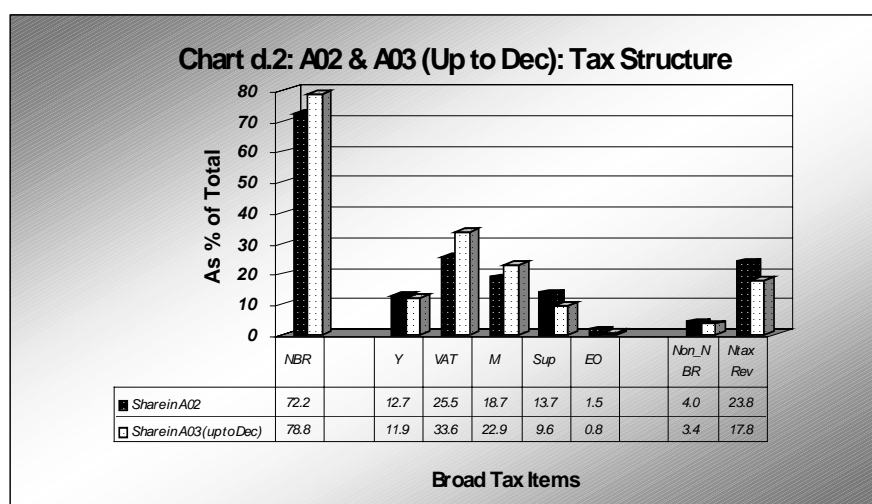
⁶ Notes: Income = Income/Profit/Property/Wealth, Sup=Supplementary+Excise, EO = Electricity+Others
 NL = Narcotics & Liquor, DP = Dividend & Profit, PO&R = Post Office+Railway
 IFT = Interest/Fees/Tolls & Other receipts

Table d.2: Revenue Receipts⁷: Growth and Structure

	(RB02/B02)* 100	(B03/A02)* 100	(B03/RB02)* 100	Share in A02	(Dec03/ Dec02)*100	(A03/A02)*100(up to Dec)	(A03up to Dec/ B03)*100
Tax Rev(a+b)	99.6	121.3	116.3	76.2	68.4	120.1	42.7
a. NBR	100.0	119.2	114.6	72.2	67.5	121.6	43.9
a.1 Income	100.0	136.2	116.7	12.7	80.3	109.0	33.0
a.2 VAT	99.7	114.6	116.0	25.5	95.3	145.5	55.1
a.2i Import	99.5	116.1	110.2	13.9	71.3	124.1	48.5
a.2ii Domestic	100.0	112.9	123.9	11.6	163.4	174.0	63.2
a.3 Import	100.0	114.0	110.1	18.7	54.1	134.9	51.6
a.4 Sup	100.0	116.0	113.6	13.7	26.5	70.6	26.9
a.4i Import	100.0	114.4	111.8	5.0	37.2	102.2	38.1
a.4ii Domestic	100.0	116.9	114.7	8.7	14.3	53.5	20.6
a.5 EO	104.4	147.2	133.0	1.5	129.1	121.7	31.0
b. Non-NBR	92.8	157.9	145.8	4.0	104.3	93.7	25.8
b.1 NL	66.7	148.3	133.3	0.1	92.4	99.8	33.0
b.2 Vehicles	91.0	151.0	186.2	0.6	100.3	119.5	39.7
b.3 Land	91.8	162.8	152.3	0.7	119.6	103.1	20.8
b.4 Stamp	94.7	158.7	137.4	2.5	104.8	84.1	23.6
c. Non-tax Rev	89.2	115.6	132.1	23.8	49.1	91.8	31.1
c.1 DP	138.4	107.2	105.8	4.2	2.9	57.4	42.2
c.2 PO&R	100.0	103.5	103.1	1.9	222.1	97.0	30.3
c.3 T&T	90.9	101.0	99.9	5.7	125.8	107.7	30.5
c.4 IFT	74.2	127.4	171.8	12.0	71.8	113.9	28.2
Total Rev (a+b+c)	97.2	119.9	119.6	100.0	65.3	113.8	40.0

d.2 Revenue Structure

Chart d.2 presents tax structure for FY02 and FY03 (up to Dec.). 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 be easily be seen from it. These are:

- Too much dependence on indirect taxes (only 12.7% from income tax, about 20% from all direct taxes including income tax)

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

- Biased towards external sector (about 40%) and susceptible to external shocks.

e. Budget Deficit

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

(in crore Taka)

Items	2000-01	2001-02				2002-03			
	Account	Budget	Revised	Actual Dec	Actual Up to Dec	Account	Budget	Actual Dec	Actual Up to Dec
1.0 Total Net Rev	23695.7	28456.2	27671.9	3388.1	11636.1	27590.3	33083.7	2211.4	13246.3
2.0 Total Pub Exp	36556.4	42551.7	39734.3	4061.7	16299.5	40469.1	44706.6	2309.5	15459.2
2.1 Net Cur Exp	21299.3	23107.3	22691.7	1830.1	9046.3	22697.9	23972.3	1474.2	9842.1
2.2 Net Outlay on Food A/C	-121.0	395.0	-121.0	-10.1	-60.5	-121.0	360.0	10.0	59.8
2.3 Net ADP Exp	15811.4	18789.0	15810.0	858.4	3802.7	15050.8	19041.0	763.7	3729.0
2.4 Non_AD P Cap Exp	1098.7	857.0	849.1	156.1	421.6	1499.5	993.0	-97.1	467.0
2.5 Check Float	-906.3	0.0	0.0	17.8	186.1	201.6	0.0	-15.8	-2.5
2.6 Other Expenditures	-625.6	-596.6	504.5	1209.3	2903.3	1140.3	340.3	174.5	1363.8
[2.0 = (2.1+2.2+2.3+2.4+2.5+2.6)]									
3.0 Total Net Rev As % of GDP	9.3	11.0	10.7	15.9	9.1	10.2	11.3	9.4	9.4
4.0 Total Pub Exp As % of GDP	14.4	16.5	15.4	19.1	12.7	14.9	15.2	9.8	10.9
5.0 B/D Deficit (2.0 - 1.0)	12860.7	14095.6	12062.4	673.7	4663.3	12878.8	11622.9	98.0	2212.9
6.0 GDP _{new}	253556.0	258068.0	258068.0	21317.7	127906.0	271414.0	293941.0	23556.5	141338.8
7.0 B/D Deficit As % Of GDP	5.1	5.5	4.7	3.2	3.6	4.7	4.0	0.4	1.6

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:

- In revenue expenditure, about 9 (nine) ministries/divisions show an utilization of revenue resources less than 30%: Parliament (28.8%), Election Commission (4.5%), IRD (17.7%), CHTs (0.7%), Women affairs (26.4%), (Relief and Disaster Management (1.8%), Religious Affairs (22.1), Liberation War Affairs (17.8%), and Expatriate welfare (22.3%). In some cases, there are some programmed expenditure which has not yet been carried out (Election Commission) and in others, there may be underreporting or lag in reporting of expenditure again with regard to programmed expenditure involving food with in other ministries/divisions.
- Overall development expenditure remains unreported. It 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

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:

(in crore Taka)

Items	2000-01	2001-02				2002-03			
	Account	Budget	Revised	Actual Dec	Actual Up to Dec	Account	Budget	Actual Dec	Actual Up to
1.0 Net Foreign financing (1.1-1.2)	4790.5	7697.7	6239.9	384.8	1120.9	5462.0	6173.1	203.8	204.2
1.1 Gross Foreign Financing	7108.6	10221.8	8794.1	581.9	2552.8	8020.5	9180.5	358.5	1582.7
1.2 Repayment of Foreign Loan	2318.0	2524.1	2554.2	197.1	1431.9	2558.5	3007.4	154.7	1378.5
2.0 Domestic Financing (2.1+2.2)	6952.2	6162.1	5768.6	233.7	4769.4	7009.4	5536.8	213.0	2781.7
2.1 Borrowing from Public: NSD	4028.2	3881.8	4304.5	189.8	2138.9	4473.0	4140.3	201.8	1880.2
2.2 Borrowing from Banking System	2650.8	2158.0	1682.0	-53.3	2558.3	2463.0	1358.0	11.2	986.5
2.3 Assumption of SOEs Debt	273.2	122.2	-217.9	97.2	72.2	73.4	38.5	0.0	-85.0
3.0 Total Financing (1+2)	11742.7	13859.8	12008.4	618.5	5890.3	12471.4	11709.9	416.8	2985.9
4.0 Discrepancy	-1118.0	-235.8	-54.0	-55.2	1227.0	-407.3	87.0	318.7	773.0
5.0 Total Financing as % GDP	4.6	5.4	4.7	2.9	4.6	4.6	4.0	1.8	2.1
5.1 Net Foreign financing (As % of	1.9	3.0	2.4	1.8	0.9	2.0	2.1	0.9	0.1
5.2 Net Domestic Financing (As %	2.7	2.4	2.2	1.1	3.7	2.6	1.9	0.9	2.0
5.2.1 From Public borrowing: NSD	1.6	1.5	1.7	0.9	1.7	1.6	1.4	0.9	1.3
5.2.2 From Banking Sys	1.0	0.8	0.7	-0.2	2.0	0.9	0.5	0.0	0.7
5.2.2 Assumptions of SOEs Debt	0.1	0.0	-0.1	0.5	0.1	0.0	0.0	0.0	-0.1

- In FY02, Revenue collection of the government remains in the neighborhood of 10.2% of GDP.
- Public expenditure hovers around 14.9% of GDP.
- Budget deficit in FY02 tends to be below but very close to 4.7%.
- Net foreign financing of budget deficit is declining and it is now around 2.0% of GDP
- Domestic borrowing now stands at 2.6% of GDP, of which, public borrowing has a larger share and is near to 1.6%.

