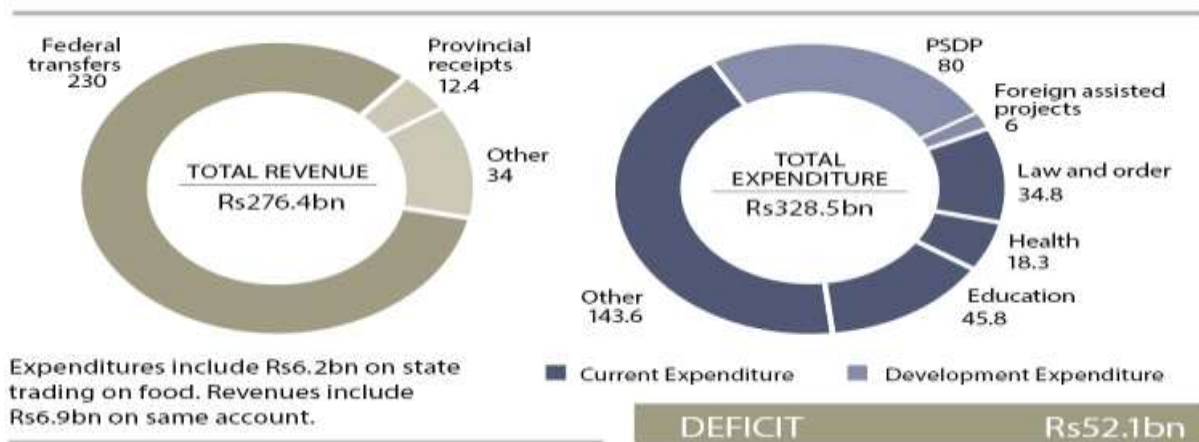


Balochistan Budget 2017-18: Rs52.1bn deficit Balochistan budget announced

- **Rs11bn Quetta uplift package okayed**
- **Unspecified amount for CPEC-related projects**

QUETTA: The Balochistan government plans to spend Rs328.5 billion on its operations and infrastructure development in the province during the next financial year despite a much smaller estimated resource envelope of Rs276.4bn, showing a hefty deficit of Rs52.1bn or 15pc of the total budget outlay.

More than two-fifths (Rs140.7bn) of the total proposed expenditure will be spent on pay and pensions of provincial government employees and well over a quarter (Rs86bn) on the development of social and economic infrastructure to ‘reap the benefits of the China-Pakistan Economic Corridor (CPEC)’. The budget has allocated significant but unspecified funds for completing CPEC-related projects in the province.



Other major expenditure includes grants, subsidies and transfers (to local body institutions) of Rs35.9bn, debt repayment of Rs28bn, investment of Rs10bn in the yet-to-be created Balochistan Bank and Rs3bn in the pension fund. Almost 16.5pc of the total development and current expenditure has been set aside for education, 17.4pc for law and order, 7.4pc for health, 7.7pc for transport and road development and 7pc for irrigation and agriculture and 5pc for energy.

The size of the non-development expenditure (Rs242.5bn) is estimated to have gone up by 11pc from the original target (Rs218.2bn) for the outgoing year while the development spending has been spiked by just over a fifth to Rs86bn from Rs71.1bn, according to the budget for 2017/2018 announced by Adviser to the Chief Minister on Finance Aslam Bizenjo on Thursday.

Much of the cash for the provincial expenditure will come from federal transfers of Rs229.9bn in the form of Balochistan's share from the divisible tax pool (Rs202.7bn) and gas royalty and arrears (Rs27.3bn). The rest of the cash will be raised from the provincial taxes (Rs7.3bn), non-tax receipts (Rs5bn), domestic debt (Rs15.7bn) from the State Bank of Pakistan and soft foreign project loan (Rs6bn) for immunisation and other projects.

The budget documents do not tell readers as to how the government plans to cover the huge gap between its expenditure and income. But officials told Dawn that they will cut down on their non-development spending to fill the gap instead of cutting down their development programme – for which the province has an identifiable resource of only Rs33bn. Nevertheless, they conceded, the expenditure cuts would narrow the gap but will not fill it completely.

Election-year budget

With a view to returning to voters in 2018, the provincial government has announced small sops for the different segments of population in the next budget. These include creation of 7,944 new jobs in the public sector, which will cost its budget Rs3.9bn next year. It also announced up-gradation of schoolteachers, clerical staff at government departments, khateebis and district sports officers besides raising allowances for doctors.

Additionally, the minister said in his speech the government planned to provide subsidised fertilisers to farmers, interest-free loans of Rs1bn for the fishermen, scholarships for 14,000 college and university students, and a grant of Rs250 million for lawyers aspiring to get a higher foreign degree in law. Journalists also received a grant of Rs200m each for the Quetta Press Club and the Journalists' Welfare Fund.

The government also gave a Quetta Development Package for the construction of an Express Way, flyovers, road widening and repair and so on at a cost of more than Rs11bn. Besides, it also allocated half a billion for improving sewerage system in the city and Rs200m for establishing a food street near railway station.

Major initiatives announced in the budget include creation of a provincial bank with a capital of Rs10bn, establishment of five companies for solid waste management, skill development, plantation, etc. The decision to set up a social sector investment company was also announced to improve social sector in the province and bring foreign investment for this purpose. The minister said the government will continue to implement austerity measures to cut its expenditure to narrow budget deficit and launch land revenue management information system in four districts – Quetta, Gwadar, Pishin and Jaffarabad.

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