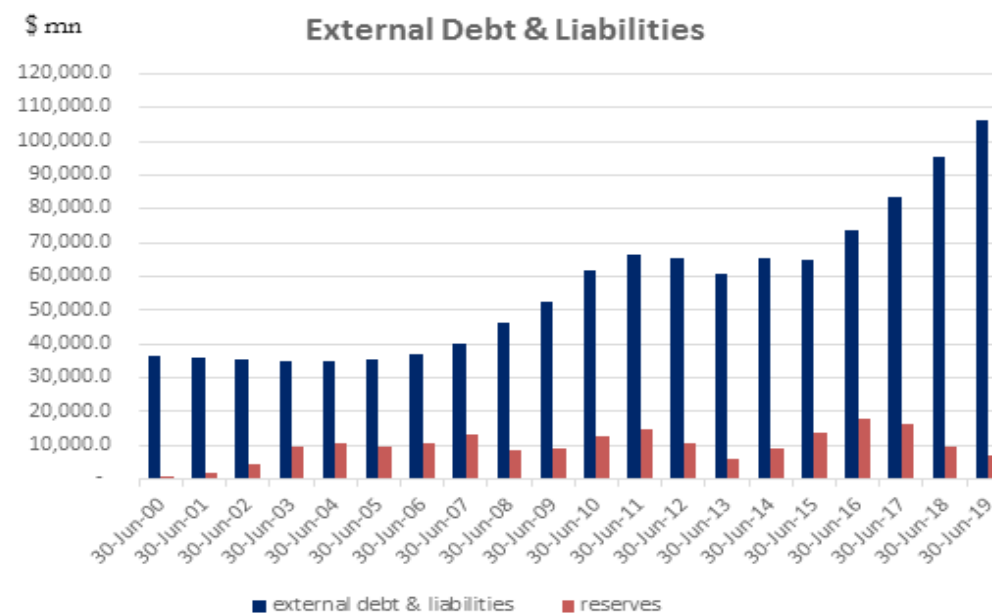
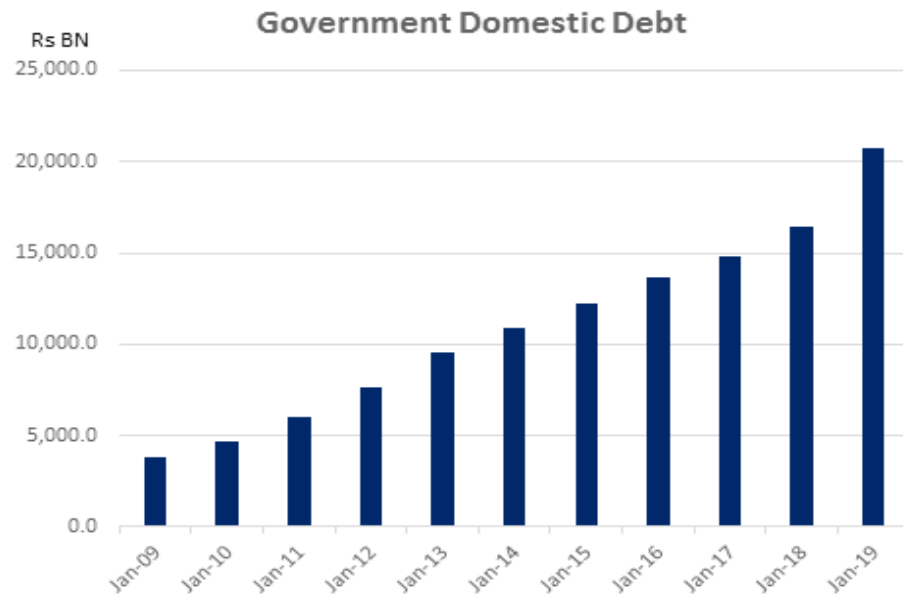
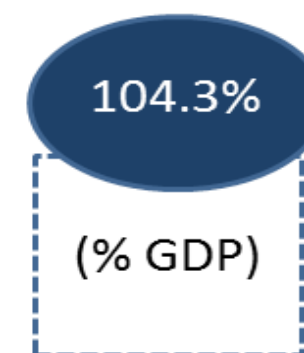
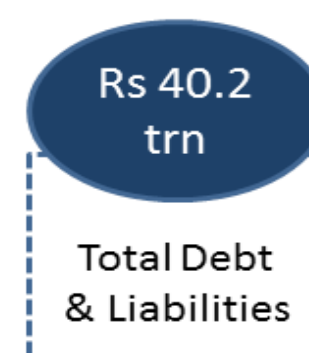
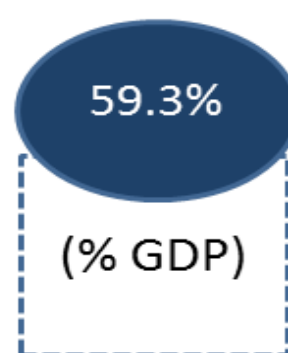
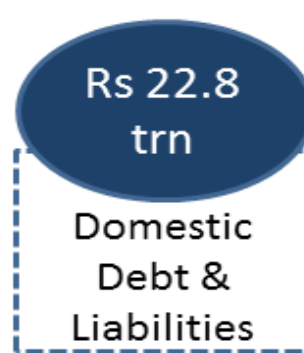
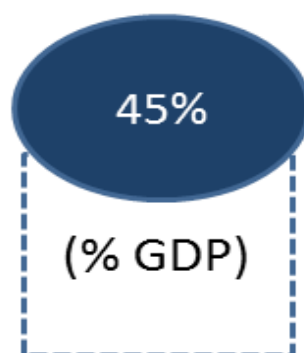
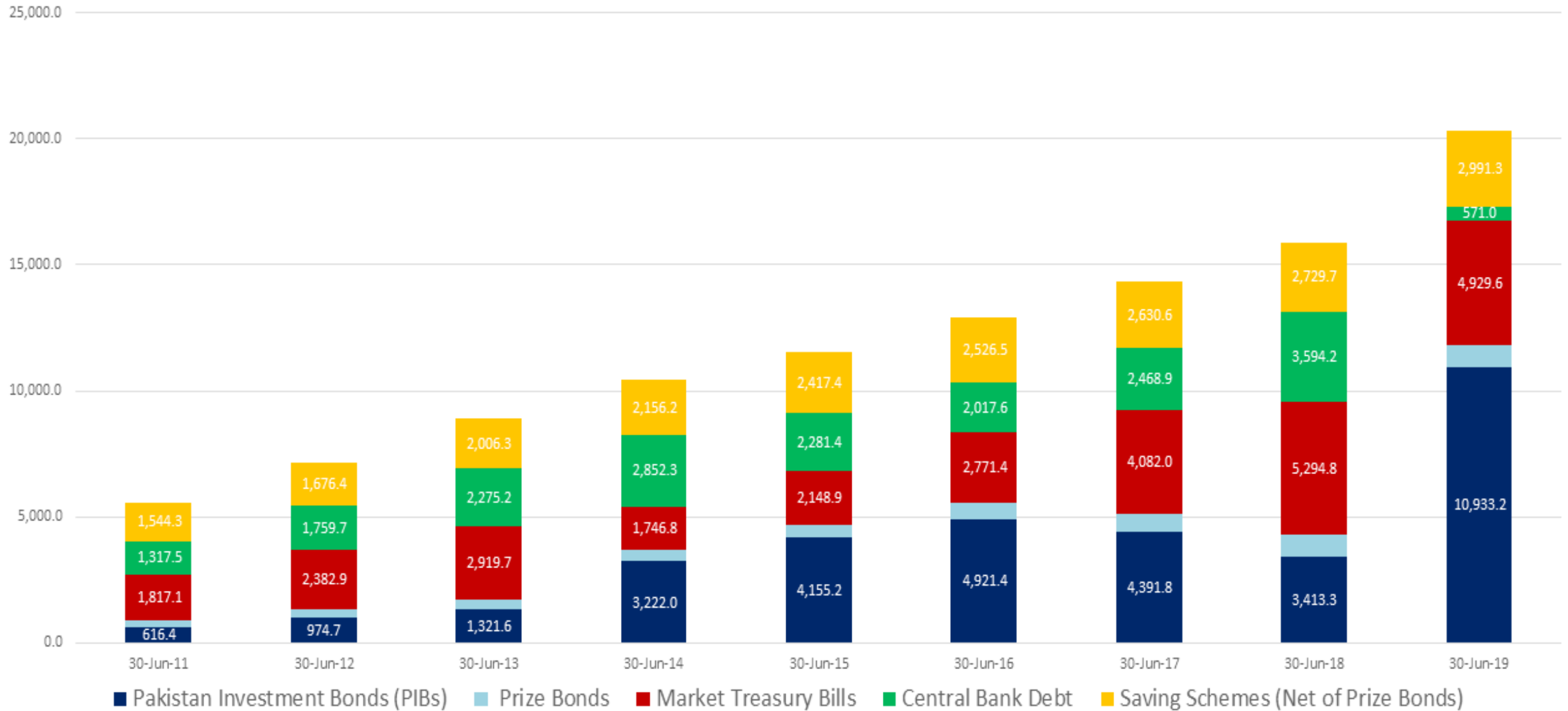


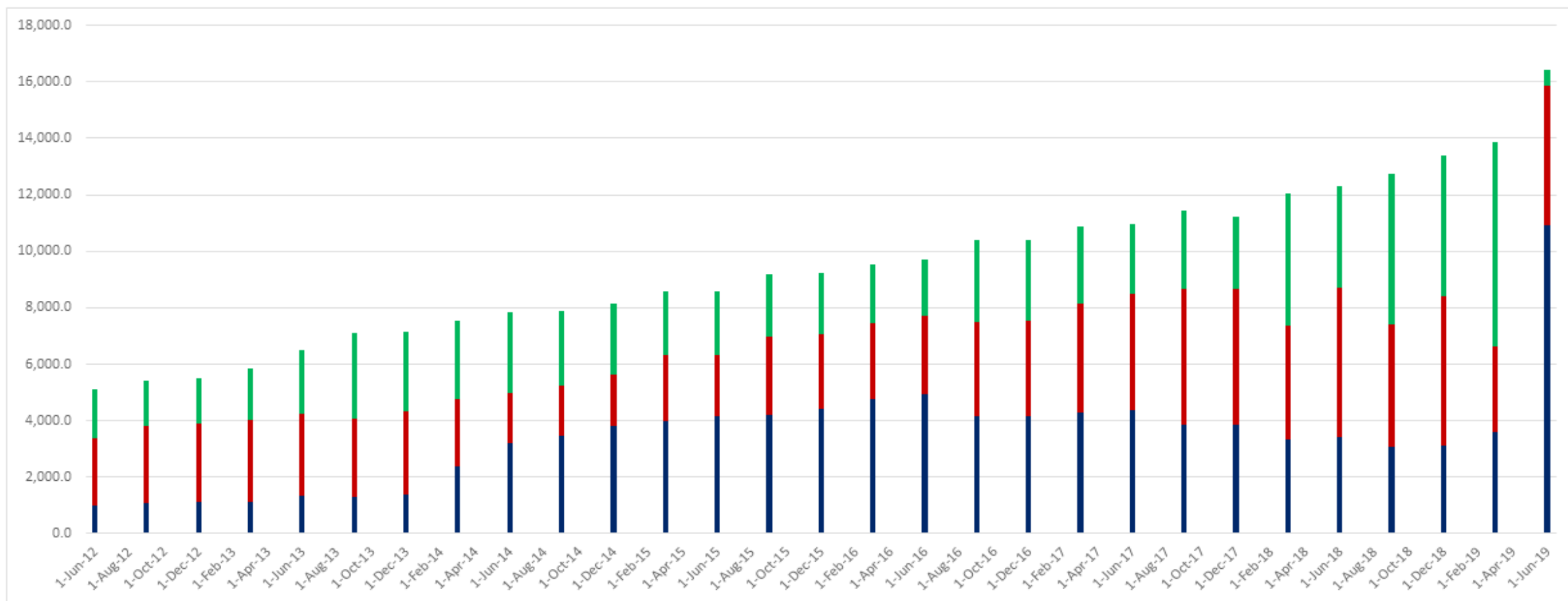
# Debt Profile of Pakistan



# Government Debt Composition



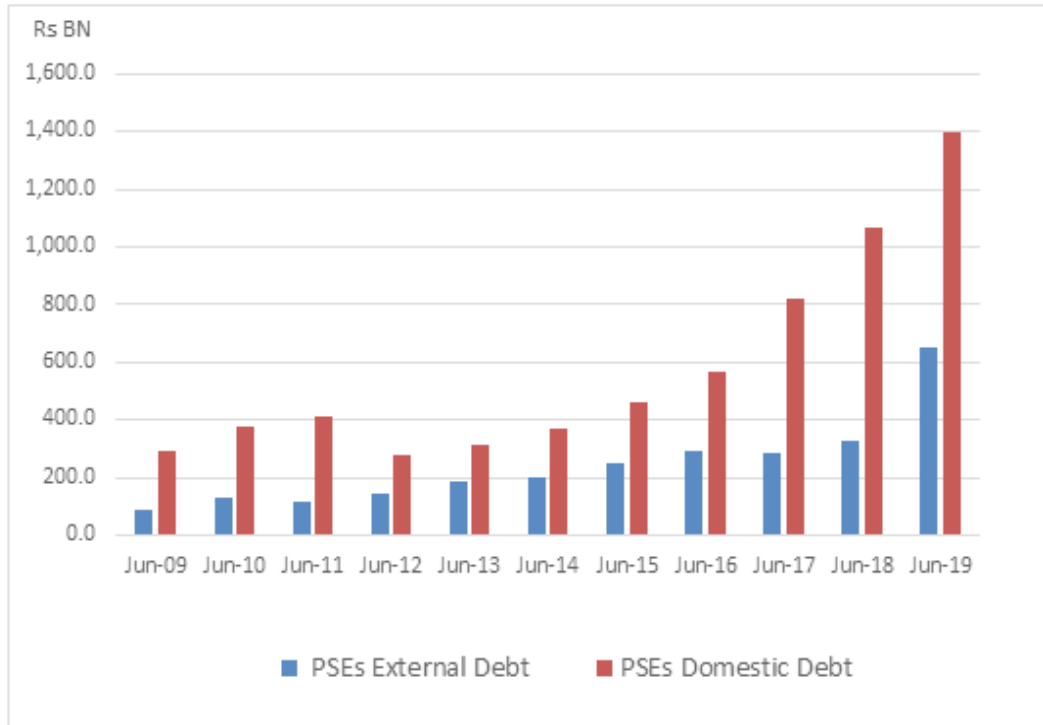
## Government Debt Composition (Quarterly basis)



- The debt composition has changed significantly owing to the IMF Condition of reprofiling of the debt towards the longer term floater PIB's, thereby reducing the refinancing risk

# Public Sector Enterprises Debt

## PSE Debt Profile



## PSE Debt Composition

### Outstanding Domestic Debt of Public Sector Enterprises (PSEs)

(In Billion Rupees)

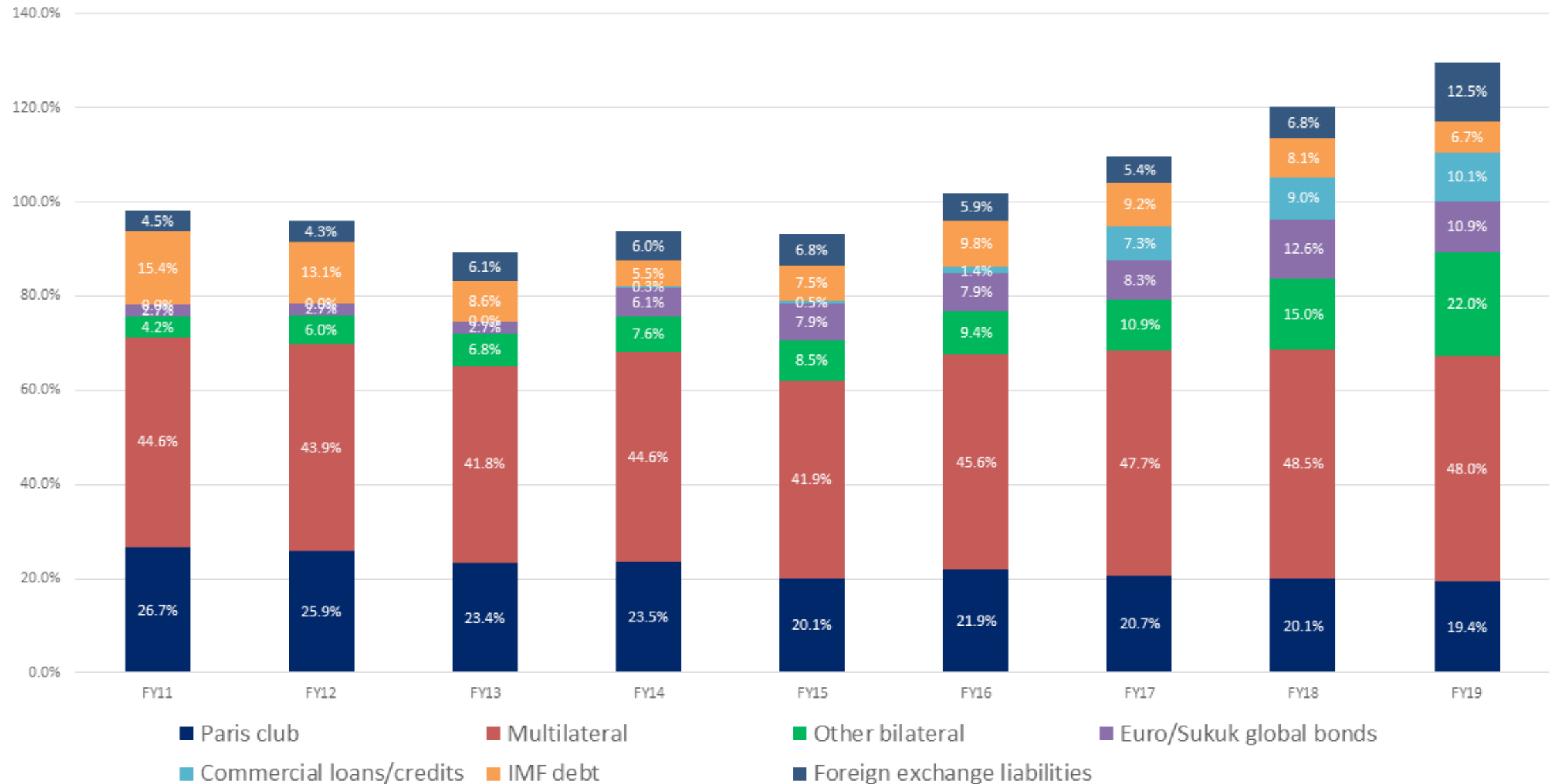
Provisional

	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
<b>PSEs debt and liabilities (I+II)</b>	<b>1,299.5</b>	<b>1,359.7</b>	<b>1,443.2</b>	<b>1,593.3</b>	<b>1,621.9</b>
<i>YOY Growth (in %)</i>	23.5	31.5	30.2	33.1	24.8
<i>As percent of GDP</i>	3.8	3.5	3.7	4.1	4.2
<b>I.PSEs debt</b>	<b>1,068.2</b>	<b>1,128.9</b>	<b>1,213.3</b>	<b>1,378.4</b>	<b>1,394.2</b>
<i>YOY Growth (in %)</i>	29.8	36.4	36.5	38.3	30.5
<i>As percent of GDP</i>	3.1	2.9	3.1	3.6	3.6
Water and Power Development Authority (WAPDA)	131.2	131.7	130.0	88.0	86.4
Oil and Gas Development Corporation (OGDC)	4.3	4.7	4.9	5.5	6.3
Pakistan International Airlines Corporation (PIA)	146.0	145.0	149.0	156.9	149.8
Pakistan Steel Mills Corporation	43.2	43.2	43.2	43.2	43.2
Other PSEs	743.4	804.4	886.2	1,084.8	1,108.5
<b>II.PSEs Liabilities<sup>1</sup></b>	<b>231.3</b>	<b>230.8</b>	<b>229.9</b>	<b>214.9</b>	<b>227.7</b>
<b>Memorandum Items</b>	<b>FY18<sup>R</sup></b>	<b>FY19<sup>P</sup></b>	<b>FY19<sup>P</sup></b>	<b>FY19<sup>P</sup></b>	<b>FY19<sup>P</sup></b>
GDP (current market price) <sup>2</sup>	34,618.6	38,558.8	38,558.8	38,558.8	38,558.8

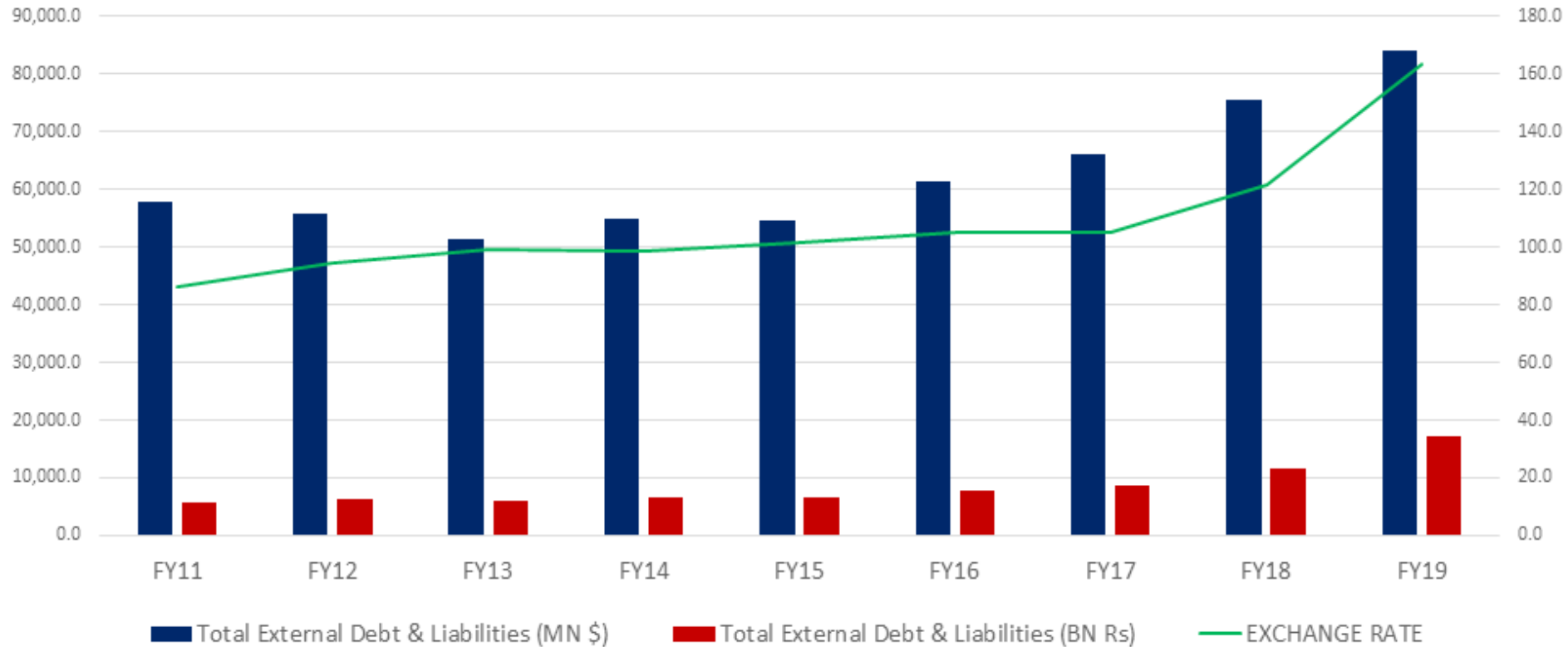
<sup>1</sup> This reflects PSEs borrowings from banks for commodity operations

<sup>2</sup> PBS, GDP(mp) revised estimates for FY17, FY18 and provisional for FY19.

# External Debt Composition



## Effects of PKR Depreciation on External Debt & Liabilities



**External Debt & Liabilities in rupee parity have increased significantly by 44% owing to exchange rate depreciation of 34% in FY19, whereas in real terms the debt & liabilities have increased by 11%.**

# External Debt Servicing

## Party Wise Servicing

Million US \$	FY18	FY19
<b>Principal Repayments</b>		
Paris club	610.9	639.2
Multilateral	1,316.6	1,378.7
Other Bilateral	182.0	329.4
Euro/Sukuk global bonds	-	1,000.0
Commercial loans /credits	488.9	2,097.0
Central bank to IMF	85.9	375.2
<b>Interest Payments</b>		
Paris club	240.3	229.7
Multilateral	357.4	439.2
Other Bilateral	203.3	310.1
Euro/Sukuk global bonds	422.8	502.7
Commercial loans /credits	236.9	412.1
Central bank to IMF	128.3	143.6
Other liabilities (SWAP)	88.8	165.9

## Summary of Pakistan's External Debt Servicing

(Million US\$)

Description	FY - 18			FY - 19		
	Principal	Interest	Total	Principal	Interest	Total
<b>A. Public debt (1+2+3)</b>	<b>4,190</b>	<b>1,787</b>	<b>5,977</b>	<b>7,357</b>	<b>2,288</b>	<b>9,645</b>
1. Government debt	4,105	1,555	5,660	6,981	1,957	8,939
2. From IMF	86	128	214	375	144	519
3. Foreign exchange liabilities	0	103	103	0	187	187
<b>B. Public sector enterprises (PSEs)</b>	<b>332</b>	<b>78</b>	<b>410</b>	<b>224</b>	<b>130</b>	<b>354</b>
a. Guaranteed debt	69	61	129	69	105	174
b. Non guaranteed debt	263	18	281	155	25	180
<b>C. Bank Borrowings</b>	<b>1</b>	<b>61</b>	<b>62</b>	<b>3</b>	<b>72</b>	<b>75</b>
<b>D. Private Sector</b>	<b>655</b>	<b>391</b>	<b>1,046</b>	<b>1,071</b>	<b>443</b>	<b>1,514</b>
a. Guaranteed debt	0	0	0	0	0	0
b. Non guaranteed debt	655	391	1,046	1,071	443	1,514
<b>Total Debt Servicing (A+B+C+D)</b>	<b>5,178</b>	<b>2,317</b>	<b>7,495</b>	<b>8,654</b>	<b>2,933</b>	<b>11,588</b>

## IMF Projections regarding Repayment of External Debt

	Outstanding debt	Amortization over the EFF period				Total
		FY2019/20	FY2020/21	FY2021/22	FY2022/23 (through Q1)	
<b>Paris Club</b>	<b>11,261</b>	<b>721</b>	<b>778</b>	<b>827</b>	<b>53</b>	<b>2,379</b>
Austria	26	3	4	4	0	11
Belgium	19	2	3	3	0	8
Canada	393	22	23	24	0	68
Finland	4	0	1	1	0	2
France	1,624	131	154	169	16	470
Germany	1,369	79	82	83	0	244
Italy	164	5	5	5	0	15
Japan	5,672	307	320	330	35	992
Korea	372	40	46	52	1	138
The Netherlands	86	5	5	5	2	16
Norway	11	1	2	2	0	5
Russia	77	10	11	13	0	33
Spain	65	4	5	5	0	14
Sweden	98	12	14	16	0	42
Switzerland	80	8	9	10	0	27
United Kindom	5	1	1	1	0	2
United States	1,195	90	96	105	0	291
<b>Non-Paris Club Bilateral</b>	<b>23,769</b>	<b>7,442</b>	<b>7,720</b>	<b>738</b>	<b>378</b>	<b>16,278</b>
China	15,155	3,399	3,480	701	366	7,946
Kuwait	165	13	14	15	8	49
Libya	4	0	0	0	0	1
Saudi Arabia 2/	6,411	3,023	3,220	20	2	6,265
UAE	2,033	1,006	1,006	2	2	2,016
<b>Multilateral</b>	<b>27,991</b>	<b>2,195</b>	<b>1,618</b>	<b>1,713</b>	<b>589</b>	<b>6,115</b>
Islamic Development Bank 3/	1,665	733	96	95	27	951
ADB	10,728	855	864	863	275	2,857
AIIB	59	0	0	7	4	11
ECO Trade Bank	43	1	1	0	0	3
IBRD	1,319	117	118	130	55	419
IDA	13,840	472	523	600	225	1,820
Int'l Fund for Agri. Developmei	242	8	9	10	2	28
Nordic Development Fund	8	1	1	1	0	2
OPEC FUND	87	8	8	8	1	25
EIB	0	0	0	0	0	0
<b>Commercial</b>	<b>9,370</b>	<b>2,764</b>	<b>2,400</b>	<b>2,336</b>	<b>0</b>	<b>7,500</b>
China	6,736	2,200	2,300	2,236	0	6,736
Others	2,634	564	100	100	0	764
<b>Bonds</b>	<b>7,300</b>	<b>1,000</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>2,000</b>
<b>IMF</b>	<b>5,791</b>	<b>757</b>	<b>1,025</b>	<b>1,040</b>	<b>265</b>	<b>3,088</b>
<b>Total</b>	<b>85,482</b>	<b>14,878</b>	<b>13,541</b>	<b>7,654</b>	<b>1,285</b>	<b>37,359</b>



## IMF Projections regarding External Financing Requirements & Available Financing

US\$ Million	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>Gross External Financing Requirements (A)</b>	<b>30,385</b>	<b>25,035</b>	<b>25,616</b>	<b>28,100</b>	<b>27,373</b>	<b>27,886</b>	<b>31,218</b>
(In percent of GDP)	9.7	8.8	9.9	10.3	9.3	8.8	9.2
<b>Current account deficit</b>	<b>19,897</b>	<b>13,082</b>	<b>6,695</b>	<b>5,490</b>	<b>5,274</b>	<b>5,310</b>	<b>6,082</b>
(In percent of GDP)	6.3	4.6	2.6	2	1.8	1.7	1.8
Amortization	10,403	11,577	18,163	21,585	21,059	21,487	24,087
Public Sector	5,703	7,517	14,480	16,883	14,908	13,214	13,811
Short-term Borrowing	1,488	2,103	2,019	7,300	7,700	7,700	4,500
Long-term Borrowing (non-IMF)	4,163	4,414	11,461	9,583	6,208	4,514	8,311
Bonds	52	1,000	1,000	0	1,000	1,000	1,000
Private Sector 1/	4,700	4,062	3,683	4,702	6,151	8,274	10,276
Short-term Borrowing	4,094	3,474	3,629	4,436	5,518	6,760	8,227
Long-term Borrowing	606	588	54	266	633	1,514	2,049
IMF Repurchases	85	377	757	1,025	1,040	1,089	1,049
<b>Available Financing (B)</b>	<b>24,034</b>	<b>22,070</b>	<b>27,597</b>	<b>30,127</b>	<b>30,207</b>	<b>33,065</b>	<b>34,402</b>
Foreign Direct Investment (net) 2/	3,461	1,795	2,094	2,854	3,615	4,380	5,036
Disbursement	21,117	20,264	24,813	26,660	26,020	28,109	28,878
From private creditors	12,130	6,452	7,200	8,528	12,267	16,490	18,492
Disbursement to Private Sector 3/	7,569	5,777	6,200	6,528	9,267	12,490	14,492
Disbursement to Public Sector 4/	4,561	675	1,000	2,000	3,000	4,000	4,000
From official creditors (non-IMF)	8,987	13,812	17,613	18,132	13,754	11,619	10,386
Project Loans	3,458	2,867	2,830	2,957	2,959	2,638	3,298
China	1,811	1,987	1,100	1,100	1,200	1,200	1,200
Program Loans	261	17	1,483	1,687	1,095	1,781	0
WB	205	0	668	765	471	707	0
ADB	50	0	800	900	600	1,050	0
Rollover of short-term debt	5,141	5,535	6,536	12,718	11,260	12,727	14,155
Public Sector	1,667	1,906	2,100	7,200	4,500	4,500	4,500
Private Sector	3,474	3,629	4,436	5,518	6,760	8,227	9,655
Other Net Capital Inflows (net) 5/	-544	11	690	613	572	576	488
<b>Remaining Financing Needs (C=A-B)</b>	<b>6,352</b>	<b>2,965</b>	<b>-1,981</b>	<b>-2,027</b>	<b>2,833</b>	<b>-5,179</b>	<b>-3,184</b>
Borrowing from IMF (D)	0	0	2,383	1,253	1,590	799	0
<b>Gross Official Reserves (US \$ BN)</b>	<b>9.8</b>	<b>6.8</b>	<b>11.2</b>	<b>14.5</b>	<b>18.9</b>	<b>24.9</b>	<b>28.1</b>

# Gross External Financing Requirement

## For the Ongoing Fiscal Year FY20

**External  
Requirement  
(\$25.6b)**

- \$6.7B under the projected current account deficit
- \$18.1B under foreign debt-servicing
- \$757M repayment to the IMF on account of past borrowings

**Expected  
Financing  
(\$29.3b)**

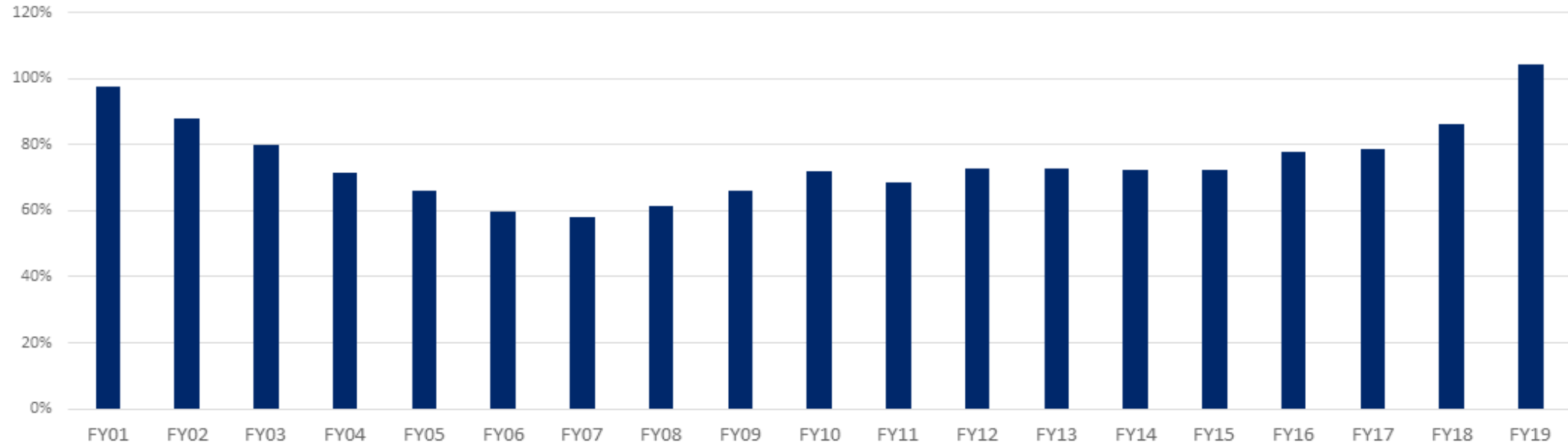
- \$2.1B in net FDI
- \$7.2B in private-sector borrowing
- \$17.6B from non-IMF official bilateral and multilateral creditors
- \$2.4B in IMF borrowing

## Net International Reserves

\$ BN	Sep-16	Feb-18	Jan-19	Jun-19
Net international Reserves	7.48	(0.72)	(11.12)	(15.52)
Gross Reserves SBP	18.49	12.77	8.12	8.28
IMF Liabilities	(6.13)	(6.37)	(5.90)	(5.64)
Chinese Swap	(1.50)	(1.03)	(2.91)	(2.91)
Liabilities to other Central Bank	(0.70)	(0.70)	(2.70)	(6.20)
Forward/SWAP Position	(2.68)	(5.40)	(7.74)	(-8.04)

- The quantum of weakening in the Net International reserves is \$23 bn from Sep 2016
- IMF has established a quantitative target through floor on the Net International Reserves which can exacerbate to \$ -18.5bn by end Sep 2019
- Furthermore, this position has to be improved to \$-16.3bn by Dec 2019 & \$-10.8bn by Jun 2020

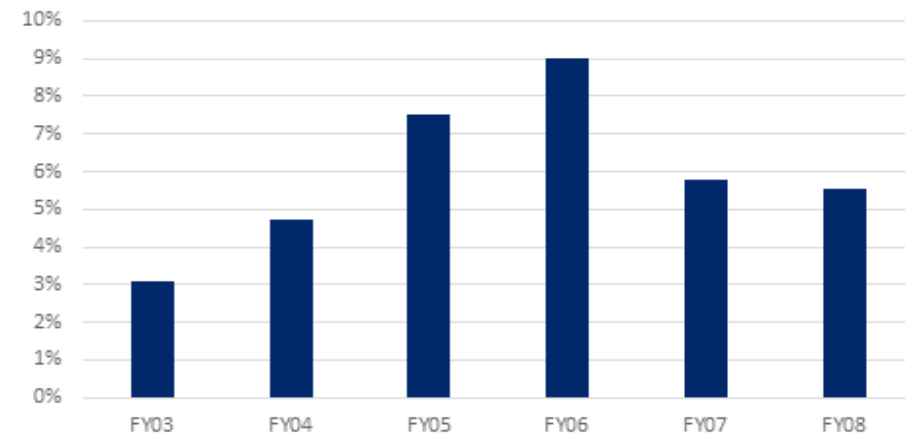
## Total Debt to GDP Scenario



**Debt to GDP can be reduced by taking precedent of history:**

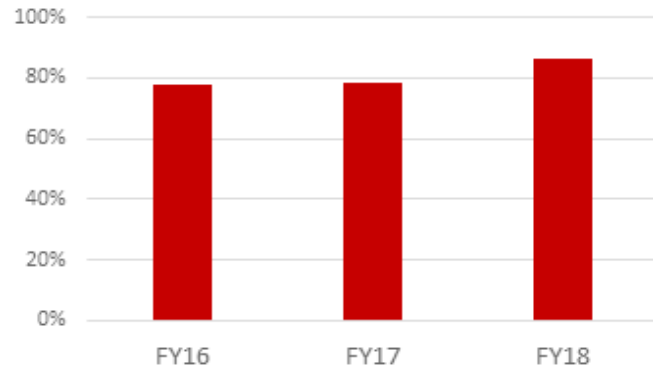
- Real GDP growth leading to higher revenue collection
- Improving tax revenues
- Curtailment of Fiscal deficit
- Lower Interest rates

Real GDP Growth rate (%)

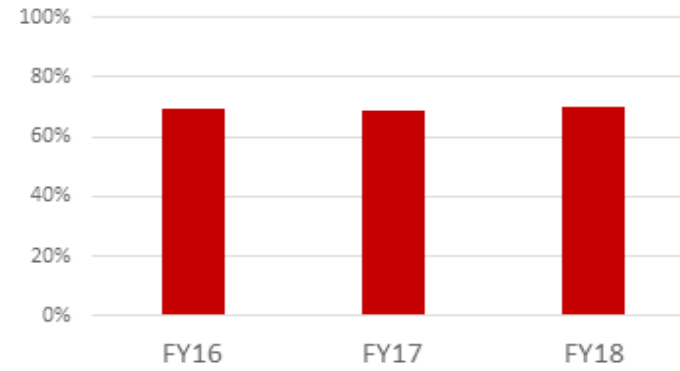


## Regional Comparison (Total Debt as % of GDP)

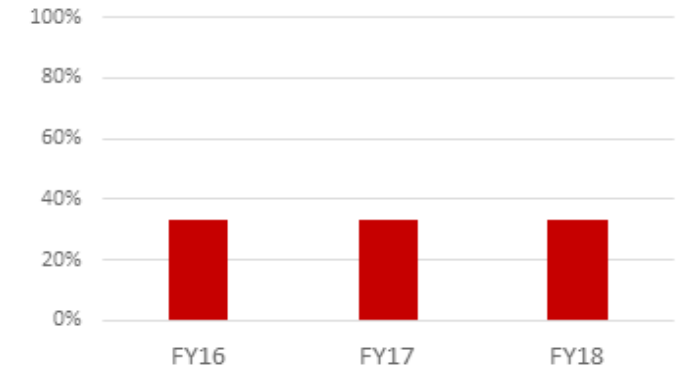
### Pakistan



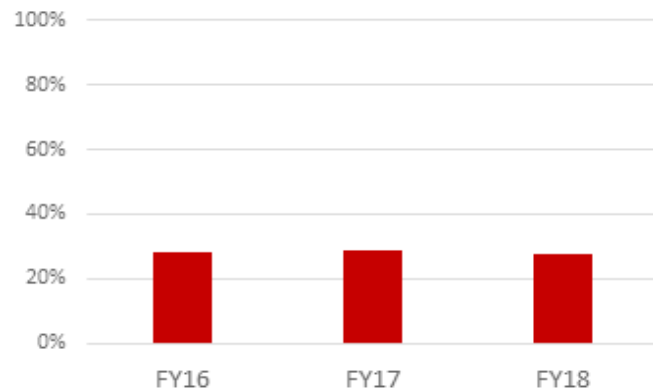
### India



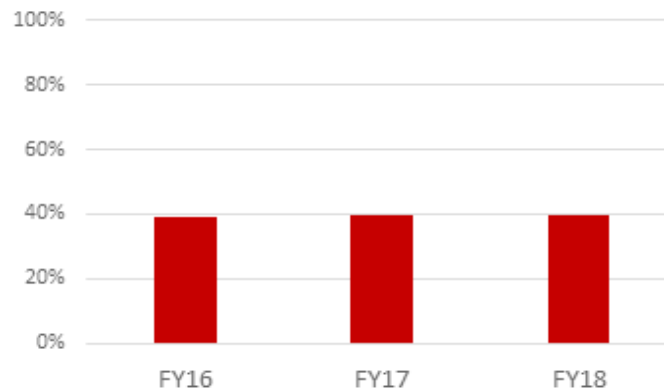
### Bangladesh



### Turkey



### Philippines



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