

Research and Development Department LCCI

- The country's National Economic Council (NEC) has approved the Public Sector Development Programme (PSDP) of Rs2.140 trillion for 2017-18. In order to take the economic growth to 6%, special focus in this development budget has been given to the investments in the road infrastructure and energy.
- The federal PSDP is set at Rs 1.001 trillion while the cumulative Annual Development Plans (ADPs) of the Provincial Governments amount to Rs 1.14 trillion against Rs 875 Billion outlay for this year(an increase of around 30%). This includes Rs 600 Billion allocation for Punjab, followed by Rs 263 billion for Sindh, Rs 202 Billion for KPK and Rs 75 Billion for Balochistan
- Talking about major allocation, Rs 324 Billion have been given to National Highway Authority (NHA), Rs 44 Billion have been earmarked for Pakistan Railways while Rs 44 Billion have been reserved for other transportation modes like aviation etc.
- A total spending of Rs 404 billion would be done on the energy sector including Rs 87 billion from PSDP while the remaining Rs 317 billion spending would be done by Wapda/NTDC and power generation companies from their own resources.
- About Rs 180 billion have been earmarked for the projects related to China-Pakistan Economic Corridor (CPEC).

- Social sector allocations have also been enhanced to Rs 153 billion from Rs 90 billion outlay of this year. This includes Rs57 billion for health and population services and Rs 35 billion for higher education.
- The issue of clean drinking water gets special attention in these allocations. The new special initiatives of the Prime minister -Energy for All gets Rs 12.5 billion allocation and Clean Drinking Water for All gets an allocation of Rs12.5 billion.
- A heavy amount of Rs 400 Billion has been allocated to Public Sector entities like Wapda and NTDC which would push the total development outlay above Rs 2.5 Trillion
- For implementation of fast track development projects in Fata, AJK and G-B, a sizeable allocation of Rs 65 Billion has been made in the development outlay.

LCCI fully supports this tremendous initiative of the Government to enhance the allocations of Public Sector Development Programme by around 28 percent to Rs 2.14 Trillion for the year 2017-18. The economic policies of the Government have taken the country on the verge of economic take-off as the GDP growth rate has surpassed 5% already. The other macro-economic indicators have also shown great progress in the recent times (Fiscal Year 2016) with inflation at 2.9% and fiscal deficit of around 4.3%. The growth rate of manufacturing and services sectors is now above 5%. This is a remarkable progress as the economy was in a dire state in 2013 with GDP growth of less than 4%., inflation above 7% and a fiscal deficit in excess of 8%. LCCI hopes that the journey of tremendous progress in road /energy/transportation infrastructure and other areas would continue and push the GDP growth rate above 6 % in the coming year.