Debt and Deficit: Recent Trends

Bangladesh Economic Update

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1. INTRODUCTION

The current issue of the Bangladesh Economic Update analysing the current trends in deficit and debt reveals that increases in per capita debt, share of GDP and debt service payment have been lowering public spending on physical and socio-economic infrastructure and escalating intergenerational debt burden in the future.

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Deficit as percentage of GDP is increasing which is not that alarming level but swelling every year can be menacing for the economic growth. The expenditure – both the development and non-development expenditure – is increasing but collection of revenue is not at desirable level to cover the expenditure. In order to meet up this gap, debt from domestic and external sources is mandatory. Debt is, however, common for both the developed and developing economies but success of a country depends on prudent use and efficient management of debt. In this regard, financing and managing the deficit in a best possible way becomes a challenge for the government.

Debt may be considered as a fiscal stimulus which has a multiplier effect on economy if it is used for productive purpose otherwise the debt make the problem worse (Leech, 2012). The per capita debt burden of Bangladesh has been mounting rapidly since FY 2009-10, and debt as a share of GDP is high. A large amount of money is paid every year as a principal and interest to service the domestic and foreign debt which is decreasing the net asset of the country. But the sustainability of debt is questionable because a huge portion of the debt is spent to finance the non development expenditure like the interest payment, salary, food cost, structural adjustment cost etc; narrowing the capacity of the government to spend on social and infrastructural development. The development expenditure is much lower than the non development expenditure which may increase the cost of debt by creating inflationary pressure, crowding out the private investment and may turn to a burden for future generation.

This issue highlights the current trend of deficit which emerges from the shortfall of revenue collection and expenditure, how this deficit is financed through the debt from domestic and external sources and the growth path of per capita debt burden. This issue also studies the cost of debt and suggests some policy prescription for more prudent use of debt and self sustaining growth.

Since the revenue collection target of the government seems to be ambitious, the government may be forced to cut the expenditure level in FY 2014-15 to keep the budget deficit within the target.

2. TRENDS OF DEFICIT

The overall budget deficit for FY 2014-15 is estimated at Tk.67552 crore that represents 5 percent of GDP. The revised deficit in FY 2013-14 was Tk. 59551 crore (5 percent of GDP), which was Tk. 55,032 crore (4.6 percent of GDP) in the proposed budget. Since the revenue collection target of the government seems to be ambitious, the government may be forced to cut the expenditure level in FY 2014-15 to keep the budget deficit within the target. The three fiscal targets related to revenue earning, revenue expenditure and budget deficit thus has fallen short and the government had to revise these by a significant margin. Even then, the targets for revenue collection and revenue expenditure in FY 2013-14 are set above the trend observed in the last several fiscal years. In addition, the NBR has missed the target to collect Tk. 130178 crore in FY 2013-14. The gap between the total expenditure and total revenue is increasing over the years. Due to the slower rate of collection of revenue as compared to the total expenditure, more borrowing and foreign loans are required to finance the budget deficit.

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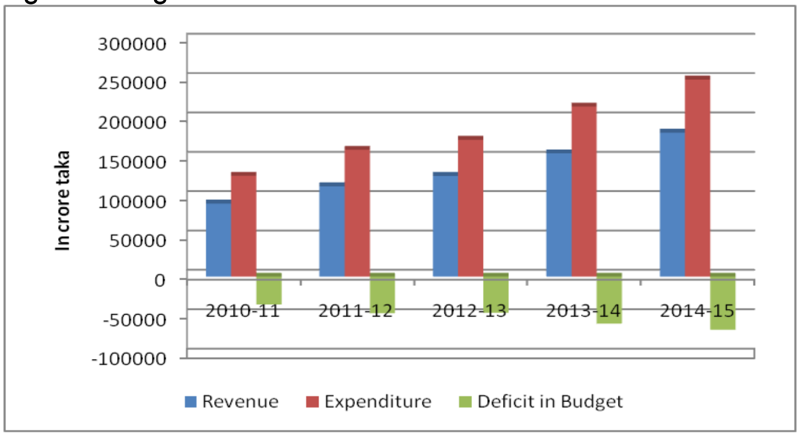
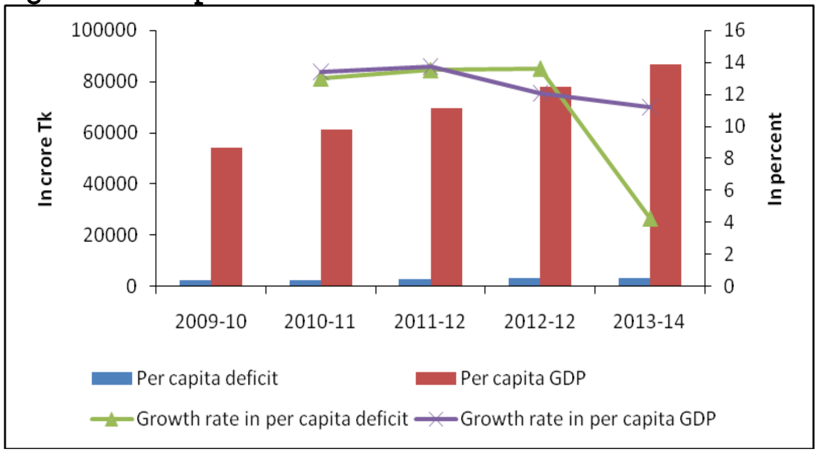
Figure 1: Budget Deficit



Source: Ministry of Finance, 2014

Per capita deficit has been increasing over time. As in FY 2014-15, the government has proposed the biggest budget ever, the deficit is the biggest and so is the per capita deficit. In FY 2013-14, the per capita deficit was Tk.3533.22 where the per capita GDP was Tk.86731. Per capita GDP were Tk. 61198, Tk 69914 and Tk.78089 in FY 2010-11, FY 2011-12 and FY 2012-13 respectively whereas the per capita deficit were Tk.2626.79, Tk.2981.79 and Tk.3387.64 respectively in the same period. The rate of growth in per capita deficit was 13 percent, 13.51 percent, 13.61percent, and 4.27 percent in FY 2010-11, FY 2011-12, FY 2012-13 and FY 2013-14 respectively. On the other hand, the rate of growth in per capita GDP was 13.41 percent in FY 2010-11 which increased to 13.75 and 12.03 percent in FY 2011-12 and FY 2012-13; then slightly decreased to 11.18 percent in 2013-14. The per capita GDP is increasing and per capita deficit is keeping pace with it.

Figure2: Per capita GDP and Deficit



Source: Ministry of Finance, 2014

3. FINANCING THE DEFICIT: DEBT INSTRUMENT

The gap between the revenue and the expenditure is mostly financed through the borrowing. Against the deficit of Tk. 67552 crore in budget for FY 2014-15, the targeted borrowing is Tk. 61346 crore. In FY 2013-14, the target of borrowing was Tk. 48362 crore where the revised debt was Tk. 53595 crore. The amount of debt was Tk. 39005 crore, Tk. 41868 crore and Tk. 33218 crore in FY 2012-13, FY 2011-12 and FY 2010-11 respectively. In the last five years from FY 2010-11 to FY 2014-15, the borrowing has increased by 103.35

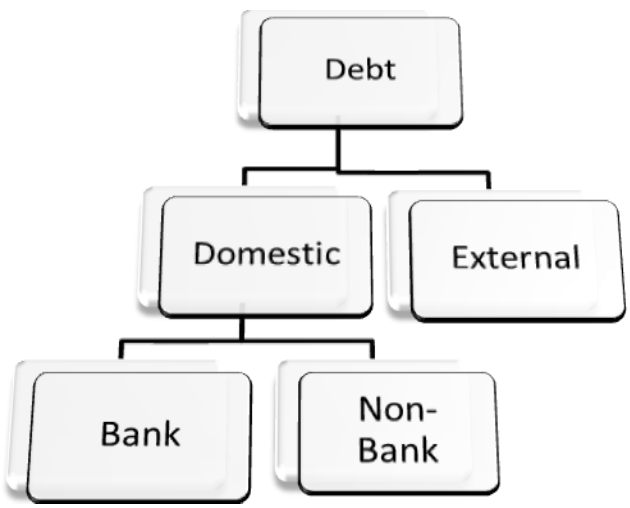
percent. Total budget financing of the government in July'15 stood higher at Tk.9101 crore (an increase of 77.18 percent) than Tk.5137 crore during the same period of the previous fiscal year. An obligation or liability to pay later arising from the government borrowing in each year or budget financing is known as debt (Pearce, 1992).

3.1 Sources of Debt

Government debt in Bangladesh consists of domestic and external debt. External Debt is directly linked to borrowing from bilateral and multilateral institutions for project funding through the Annual Development Programme and budget support systems. Domestic borrowing is generated for financing segments of the budget deficit in addition to intra-year cash flow management. In general, external borrowing is applied to long term commitments while domestic borrowing is required for short, medium and long term commitments.

In recent times, the government finances the lion's share of the deficit from the domestic source especially from the banks.

Figure 3: Sources of Debt



Source: Bangladesh Bank,2014

3.2 Domestic Debt

The domestic resources are always considered as key source of the government for deficit financing. In recent times, the government finances the lion's share of the deficit from the domestic source especially from the banks. Total domestic

The banking system is the main source of borrowing, although the dependency on non –bank system, specially the borrowing through National Savings Deposit (NSD) is increasing.

financing has been showing an increasing trend since FY 2009-10 because of increase in deficit. Domestic borrowing in FY 2009-10 was Tk.78980.14 crore and became Tk. 20760.61 crore in FY 2012-13 and Tk.20859 crore in FY 2013-14. The budgetary target set for FY 2014-15 is Tk.43277 crore.

The government borrows from two domestic sources: banking system and the non- banking system, while the borrowing from banking sector is decreasing in recent times. In FY 2013- 14, government borrowed Tk. 6705 crore (till Feb'14) where the amount was Tk. 17873 crore and Tk. 18875 crore in FY 2012-13 and FY 2011-12 respectively; showing a 5.31 percent decrease in net borrowing from the banking system from the period of FY 2011-12 to FY 2012-13.

The banking system is the main source of borrowing, although the dependency on non –bank system, specially the borrowing through National Savings Deposit (NSD) is increasing. The net borrowing from the non-bank source was Tk.12056 crore (till Feb'14). In FY 2012-13, the borrowing was Tk. 14153 crore which was Tk. 2887.71 crore in FY 2011-12, showing a 390.11 percent increase within a fiscal year.

In FY 2012-13, the total net borrowing from the banking system was Tk. 17873 crore which stood at Tk. 6705.9 crore in FY 2013-14(a 62.5 percent decrease).

Outstanding of debt was Tk. 45181.8 crore in FY 2001-02 which reached at 78470.4 crore in FY 2006-07 at an annual rate of growth of 14.74 percent. From FY 2006-07 to FY 2008-09, domestic debt increased at an annual rate of 19.42 percent and since the last six years, i.e. from FY 2008-09 to FY 2013-14, domestic debt increased at an annual rate of 17.09 percent. In FY 2011-12, debt stood at Tk. 160423 crore, then increased to Tk. 181183.96 crore (17.46 percent as a share of GDP) in 2012-13 and Tk. 202043.80 crore (17.11 percent as a share of GDP) in FY 2013-14 . If this trend continues, outstanding domestic debt will be Tk. 260498.44 crore in FY 2014-15 and Tk. 318953.08 crore in FY 2015-16.

Table1:DomesticDedt

Year	Net borrowing of the Govt. from the banking system	Net non-bank borrowing of the Govt. from the public	Total domestic financing	Outstanding Domestic debt (end period	Outstanding domestic debt as % of GDP@ at current market price
2001-02	2487.10	4711.47	7198.57	45181.76	16.54
2002-03	-1103.10	4795.22	3692.12	48873.88	16.26
2003-04	1246.20	4598.94	5845.14	54719.02	16.43
2004-05	3106.60	2907.56	6014.16	60733.18	16.38
2005-06	5667.80	2758.90	8426.70	69159.88	16.64
2006-07	4937.20	4373.53	9310.73	78470.61	16.61
2007-08	11531.50	4008.68	15540.18	94010.79	17.22
2008-09	10527.40	4405.51	14932.91	108943.70	17.72
2009-10	-4376.00	12256.14	7880.14	116823.84	16.92
2010-11	19384.10	3012.93	22397.03	139220.87	17.68
2011-12	18875.00	2327.38	21202.38	160423.25	17.54
2012-13	17873.00	2887.71	20760.71	181183.96	17.46
2013-14*	6705.90	14153.94	20859.84	202043.8	17.11
2014-15(Budget)	31221	12056	43277	-	-

Source: Bangladesh bank, 2014

Per capita domestic debt is increasing over the years with the per capita GDP. In FY 2002-03, the rate of growth in per capita GDP was 8.56 percent which reached at 12.76 percent in FY 2007-08.

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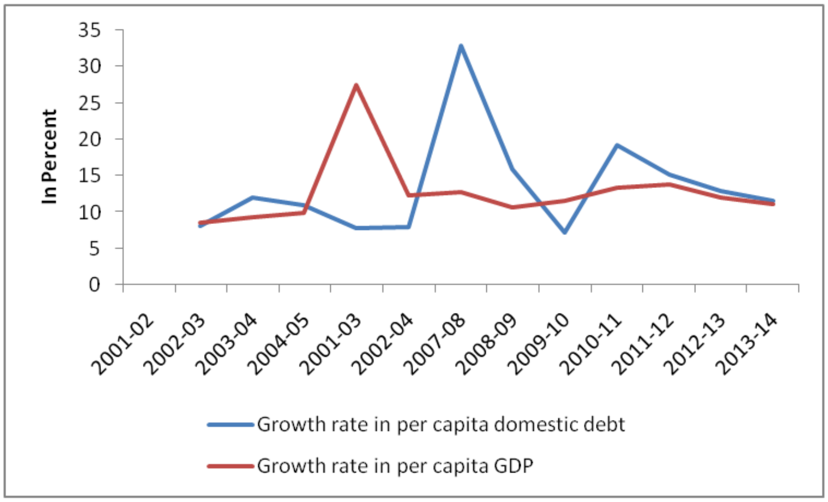
percent to 11.18 percent where the per capita debt decreases from 14.29 percent to 11.4 percent. In FY 2013-14, the per capita domestic debt was Tk. 12968 which was Tk. 11788.2 and Tk.10582 in FY 2012-13 and 2011-12 respectively. Taking account of per capita debt of ten years, projection says that the per capita domestic debt will be Tk.15969.42 and Tk. 18970.5 in FY 2014-15 and FY 2015-16 respectively and the per capita GDP will be Tk.109707.50 and Tk. 132684 respectively at the same time periods.

Figure 4: Growth rate in per capita GDP and per capita domestic debt

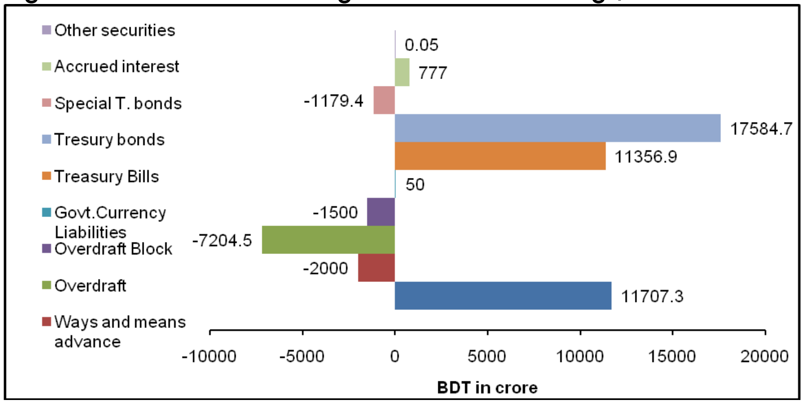


Source: Author's calculation based on data of Ministry of Finance,2014 and Bangladesh bank,2014

3.3 Instrument of Domestic Debt

Government borrows from bank through tresury bills and bonds and through NSD along with treasury bills and bonds from non banking sources. In FY 2013-14, government borrowed Tk. 27762 crore through tresury bill and bonds of which Tk. 106405.2 crore from tresury bonds and Tk.11356.9 crore through tresury bills . NSD is the most important source of borrowing from non-bank system. In FY 2013-14, the net borrowing through NSD was Tk. 11707.3 crore (146.34 percent of the buget target) and outstanding borrowing through NSD at end of the year became Tk.76396.48 crore. Other important instruments are the Ways and Means Advances , Overdraft and block account, accrued interest etc .

Figure 5:Instrumentwise net government borrowing (FY'14)



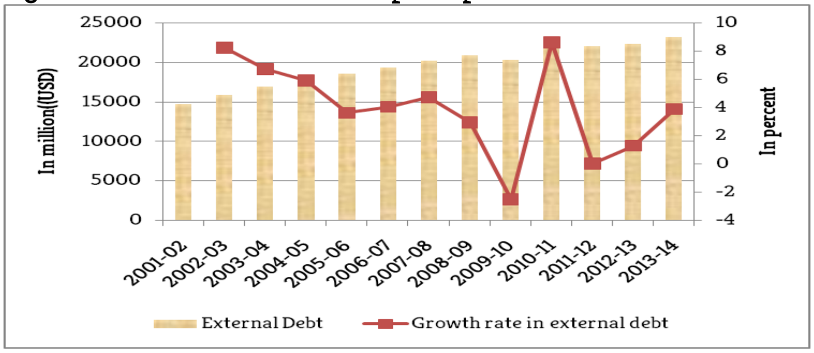
Source: Bangladesh Bank,2014

3.4 External Debt

Borrowing from the foreign debt partner is much lower than the domestic one but the dependency is high.

External assistance has played a vital role in the economic development of Bangladesh assisting in bridging the internal gap (savings-investment gap) and external gap (export-import gap). Borrowing from the foreign debt partner is much lower than the domestic one but the dependency is high. In FY 2013-14, the total external financing were Tk.14603 crore (provisional) where it was Tk. 15080 crore in FY 2012-13. Outstanding external debt stood at USD 23250 million in FY 2013-14 which was 22381.4 million in FY 2012-13, showing a 3.88 percent increase in external debt in FY 2013-14. From FY 2002-03 to FY 2006-07, the external debt increased at an annual rate of 6.37 percent, then deceased to 2.93 percent for the period FY 2007-08 and FY 2008-09 and again increased to 3.58 percent for the period from FY 2009-10 to FY 2013-14. The fluctuation in the rate of growth in external debt arouse from political unrest in different time and also from the diplomatic tactics. If the trend continues, external debt will be USD 24381 million in FY 2014-15 and USD 25513 million inFY2015-16.

Figure 6: Total external debt and per capita external debt

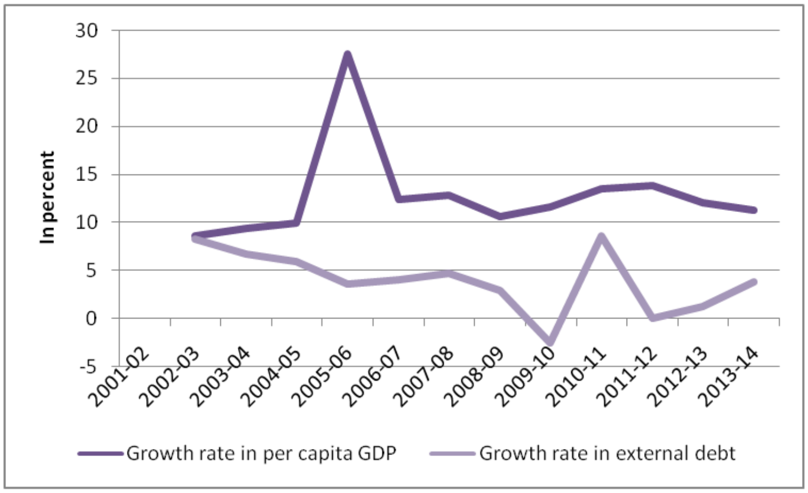


Source: Bangladesh bank, 2014

Per capita external debt shows how much burden of external debt each person carry or the liability of each person of the country to the foreigners. In FY 2013-14, each person was burdened with USD 149.2 (provisional) whereas the amount was USD 145.6 in FY 2012-13; showing 2.41 percent increase within a fiscal year. If the trend continues, it can be predicted that the per capita external burden will be USD 153 and USD 158 in FY 2014-15 and FY2015-16 respectively.

In FY 2013-14, each person was burdened with USD 149.2 (provisional) whereas the amount was USD 145.6 in FY 2012-13; 2.41 percent increase within a fiscal year.

Figure 7: Rate of growth in per capita external debt and per capita GDP



Source: Bangladesh bank, 2014

3.5 Debt – GDP ratio (external)

Generally, Government debt as a percent of GDP is used to measure a country ability to make future payments on its debt, thus affecting the country borrowing costs and government bond yields.(Trade economics,2010) Debt ratios particularly debt (itself) as a percentage to GDP is the standard parameter for measuring the sustainability of a country's debt. This ratio depicts changes in the position of outstanding debt compared to the changes in the GDP of a particular year(ADB,2014). The debt to GDP ratio is showing a declining trend since 2007 implying a visible improvement in the outstanding debt position as a percentage to GDP. The total debt to GDP ratio declined to 18 percent of GDP in 2014 compared to 30.5 percent in 2008.

Table 2: Debt as percentage of GDP

Year	Debt-GDP Ratio(In percent)
2007	30.5
2008	29.1
2009	26.5
2010	25.3
2011	23.5
2012	22.6
2013	18.9
2014	18

Source: Trade Economics, ADB,2014

3.6 Debt-service Payments

Debt-service payment is increasing over the time which indicates a decrease in the net foreign asset of the country.

Debt Service Payments is a term used to describe a variable factor within the debt service coverage ratio (DSCR) formula. The DSCR formula is used by investors and lenders to evaluate the potential of an investment property or commercial enterprise by determining its ability to service the debt on a loan given the terms. The Debt Service Payments factor of the equation is simply the amount of the monthly payments made on the interest and principal of a loan. This article provides instructions on how to calculate the Debt Service Payments factor and insert it into the DSCR equation to evaluate the viability of an investment.

Debt-service payment is increasing over the time which indicates a decrease in the net foreign asset of the country. In FY 2005-06, the total debt service payment was USD 678.1 million (where the principal was USD 502 million and interest payment was. USD 176.1 milion) which stood to USD 855.4 million in FY 2008-09 that is a 26.15 percent increase in payment. In FY 2011-12 and 2012-13, the total service payment was USD 966.5 million and USD 1105.7 million respectively; representing a 12.58 percent increase in debt service payment in FY 2012-13. In FY 2013-14, the payment to the foreigners was USD 788 miilion among which USD 640million was the principal and USD 147 million was the interest payment. The disbursement of foreign loan is fluctuating each year. In FY 2005-2006, the disbursement of loan was USD 1067.1 million which stood at USD 1040.4 million in the next fiscal year. The loan disbursed in FY 2011-12 and FY 2012-113 was USD 1588.52 million and USD 2084.7 million respectively which became USD 1509 million in FY 2013-14. This outflow of asset not only creates a pressure on the balance of payment but also makes a burden on the economy.

Table 3: Debt service payment

Year	Loan Disbursement(In USD million)	Principal (In USD million)	Interest (In USD million)	Total (In USD million)	Debt service payment as a share of loan disbursement (in percent)
2005-06	1067.1	502	176.1	678.1	63.55
2006-07	1040.4	540.2	181.8	721.9	69.30
2007-08	1403.4	585.7	184.5	770.2	54.88
2008-09	1189.5	655.6	199.8	855.4	71.91
2009-10	1588.6	685.7	189.8	875.6	55.13
2010-11	1031.6	729.2	200.2	929.4	90.09
2011-12	1588.52	769.9	196.2	966.5	60.84
2012-13	2084.7	908.2	197.5	1105.7	53
2013-14*	1509	640	147	788	52.22

Source: Flow of External Resources, ERD, Ministry of Finance, 2014 and Bangladesh Economic Review,2014
*Till February,2014

The development and non-development expenditure have been heading towards the opposite directions. The rate of growth in development expenditure has decreased at 8.32 percent in FY 2013-14 from 31.73 percent in FY 2012-13, while the rate of growth in non- development expenditure has increased from 10.59 percent in FY 2012-13 to 20.39 percent in FY 2013-14.

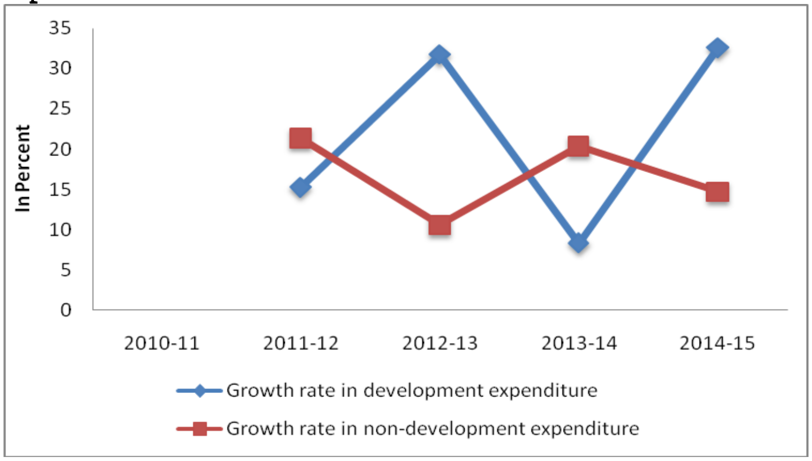
3.7 Debt Increasing-Development vs Non development Expenditure

The size of government expenditure and the gap between total revenue and total expenditure may not necessarily be a matter of concern if the deficit augments growth. There is a need to make a study of the different components of expenditure as well as a distinction between a deficit arising out from wrong policies or distribution of patronage (rent-seeking) and that of an increase in public investment to finance public goods, with a view to inducing growth.(UO,2011)

3.8 Heads of Expenditure: Development Vs Non-Development

The development and non-development expenditure has been heading towards the opposite directions. The rate of growth in development expenditure decreased to 8.32 percent in FY 2013-14 from 31.73 percent in FY 2012-13, while the rate of growth in non-development expenditure increased from 10.59 percent in FY 2012-13 to 20.39 percent in FY 2013-14. In FY 2013-14, development expenditure and non-development expenditure were Tk. 72,275 crore and Tk. 1,34,449 crore respectively. In FY 2014-15, the development and non-development expenditure are Tk. 86345 crore and Tk. 154241 crore respectively (Proposed).

Figure 8: Growth rate of development and non-development expenditure



Source: Ministry of Finace, 2014

3.8.1 Allocation in the total budget among major sectors

The proposed allocation for transport and communication sub-sector increases from 9.3 percent to 9.8 percent in the budget of FY 2014-15 than that of the previous year's budget but the allocation in power and energy sub-sector has decreased to 4.6 percent in FY 2014-15 from 5.10 percent in FY 2013-14.

Each year, both social and physical infrastructure have received lower budgetary allocation for which it has been possible to keep the deficit around five percent of GDP and the use of debt more in meeting up the non development expenditure made the debt unsustainable. In FY 2013-14, 11.7 percent of budget was allocated for education and technology , 4.3 percent for health sector,0.8 percent for housing and 5.6 percent for social safety net programmes where 12.5 percent was allocated to pay interest and 11.18 percent to pay salary and allowance to government employee. In the budget for FY 2014-15, the allocation is 13.1 percent for education and technology, 4.4 percent for health sector, 0.8 percent for housing and 6.1 percent goes to social safety net programmes where 12.4 percent is allocated to pay interest and 11.46 percent to pay salary and allowance to government employee. In FY 2014-15, the allocation increases by 1.4 percentage points in education, 0.01 percentage point in health and 0.5 percentage point increase in social safety net programmes but that is much lower than the required allocation.

The proposed allocation for transport and communication sub-sector increases from 9.3 percent to 9.8 percent in the budget of FY 2014-15 than that of the previous year's budget but the allocation in power and energy sub-sector has decreased to 4.6 percent in FY 2014-15 from 5.10 percent in FY 2013-14. The decrease of allocation in power and energy can hamper the production process both in agriculture and industry. Finally, budgetary allocation has decreased in agricultural and industry in the budget of FY 2014-15. In FY 2013-14, 7.9 percent and 1.4 percent of total revenue budget was allocated to agriculture and industry which stand at 7.6 percent and 1.1 percent respectively; a 0.3 percentage point decrease in both sectors. In this regard, the decreased allocation is a major concern for the agricultural sector of the country as almost half of the total labour force is involved into it.

The interest payment of both domestic and external debt is increasing which decreases the net asset of the country.

Table 4: Budgetary allocation on different sector (In percent)

Category	Budget 2014-15	Budget 2013-14	Budget 2012-13
Education and Technology	13.1	11.7	11.5
Health	4.4	4.3	4.9
Housing	0.8	0.8	0.8
Social safety net and welfare	6.1	5.6	5.7
Agriculture	7.6	7.9	7.5
Industry and economic service	1.1	1.4	1.4
Power and energy	4.6	5.1	5.0
Interest payment	12.4	12.5	12.2
Pay and allowance	11.46	11.18	11.96

Source: Budget in Brief,2014-15,2013-14 and 2012-13

4. COST OF DEBT

Cost of debt can be direct or indirect. The direct cost of debt is the interest payment and indirect cost can be considered as burden on future generation, tax distortion, inflationary pressure which hinder the sustainable economic growth of the country.

4.1 Interest Payment

The direct cost of the debt is the interest payment to the lender which is considered as unproductive expenditure of a government. The interest payment of both domestic and external debt is increasing which decreases the net asset of the country. In FY 2013-14, the total amount of interest payment was Tk. 31043 crore which was Tk. 23347 crore in FY 2012-13. In FY 2012-13 and FY 2013-14, the interest paid to the foreigners were Tk. 1743 crore and Tk. 1686 crore. On the other hand, interest paid to domestic debtor was Tk.21604 crore and Tk. 24854 crore in FY 2012-13 and FY 2013-14 respectively. The proposed budget for repayment of interest in FY 2014-15 is Tk. 31043 crore in which Tk. 29305 crore is the interest of domestic debt and Tk. 1738 crore is the interest of external debt.

Deficit financing debt can make a burden on the economy if the debt does not finance investment or it is used largely to meet the unproductive expenditure.

Table 5: Interest payment(in revised budget)

Year	Interest on domestic debt (In crore Tk.)	Interest on Foreign debt (In crore Tk.)	Total Interest (In crore Tk.)
2005-06	6246	1299	7545
2006-07	7854	1300	9154
2007-08	10621	1346	11967
2008-09	12003	1311	13314
2009-10	13255	1391	14646
2010-11	13125	1422	14578
2011-12	18145	1651	19796
2012-13	21604	1743	23347
2013-14	24854	1686	26540
2014-15	29305	1738	31043

Source: Ministry of Finance,2014

4.2 Burden on Future Generation

Deficit financing debt can make a burden on the economy if the debt does not finance investment or it is used largely to meet the unproductive expenditure. Even the Government borrowing this year which can be considered as a tax cut or increase the spending but the economy has to pay the interest for several years (also the principal). If the government lack the financial capability to repay the debt and its interest the increase in tax or cut in spending is a common feature which worsen the living standard of the people of the next generation. The borrowing has therefore not only benefit it can turn to be a burden if the debt management is poor.

4.3 Crowding out Effect

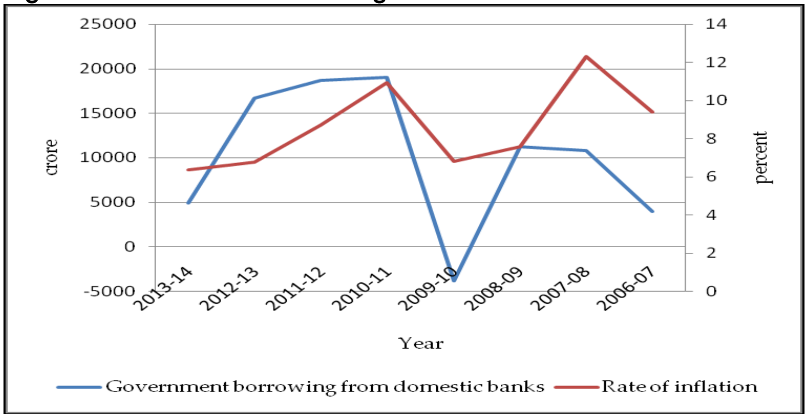
In recent time, government collects a huge amount of money from the domestic banks. The more government borrows from the bank the less loanable funds are available for the private investment. The private investment in the country therefore decreases which is due to the crowding out effect.

4.4 Inflationary Pressure

Government has proposed the budget of Tk. 2, 50,506 crore for the FY 2014-15, where the deficit is set at Tk. 67,552 crore without grants. In order to finance this large deficit, the government plans to borrow Tk. 31,221 crore from the banks which may create inflationary pressure in the economy since the government is to expend a large amount of money in financing the non-development expenditure (UO, 2014).

In FY 2009-10, government borrowing from domestic banks decreased to Tk. 8626.67 crore from Tk. 17153.52 crore in FY 2008-09, inflation decreased to 6.82 percent in FY 2009-10 from 7.6 percent in FY 2008-09. Then in FY2010-11, government borrowing increased to Tk. 21132.55 crore, inflation increased to 10.91 percent in that fiscal year. Again in FY 2011-12, government borrowing decreased to Tk. 20822.11 crore and inflation decreased to 8.69 percent. Government borrowed Tk. 24549.10 crore and Tk. 13173.10 crore in FY 2012-13 and FY 2013-14 (July-February) respectively and inflation rate were 6.78 and 6.37 (July 2013-February 2014) for those fiscal year respectively. There is a strong positive trend between government borrowing and inflation (Figure7). So, that contractionary monetary policy is not adequate enough to control the inflation rate when government is to expend a large amount of money in financing the non-development expenditure.

Figure 9: Government borrowing and rate of inflation



Source:Ministry of Finance, 2014

5. Conclusions

The continuous rise in per capita debt as well as lower per capita growth in GDP is posing serious challenge to a sustainable growth of economy in Bangladesh.

The continuous rise in per capita debt as well as lower per capita growth in GDP is posing serious challenge to a sustainable growth of economy in Bangladesh. The people in general are bearing the burden of higher prices of electricity, lesser public investment in social sectors resulting in a intergenerational debt burden in the future.

Government needs to take proper policy responses by putting emphasis on debt restructuring. In this regard, harmonising the fiscal and monetary policy, taking an effective debt management policy for long term basis and exercising civil and political rights in decision making process concerning debt issues are needed. The government must concentrate on increasing productive capacities and channel adequate resources to productive sectors and should reform tax structure by progressive tax system (to include the tax payable person under tax regime). Moreover, encouraging domestic productive sectors, developing domestic debt market rather than dependency on banking sector is must.

Finally, deficit financing is a weak fiscal tool for fostering economic growth. Proper steps should be taken to create more investable resource or establish fund for financing the non development expenditure for lessening the dependency on debt which will ensure more allocation on development sector for lessening the dependency on debt.

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