



**FINANCE
DEPARTMENT**
GOVERNMENT OF SINDH

DEBT BULLETIN SINDH

(BI-ANNUAL)

JULY - JUNE, 2025

Prepared by

DEBT MANAGEMENT UNIT
FINANCE DEPARTMENT | GOS

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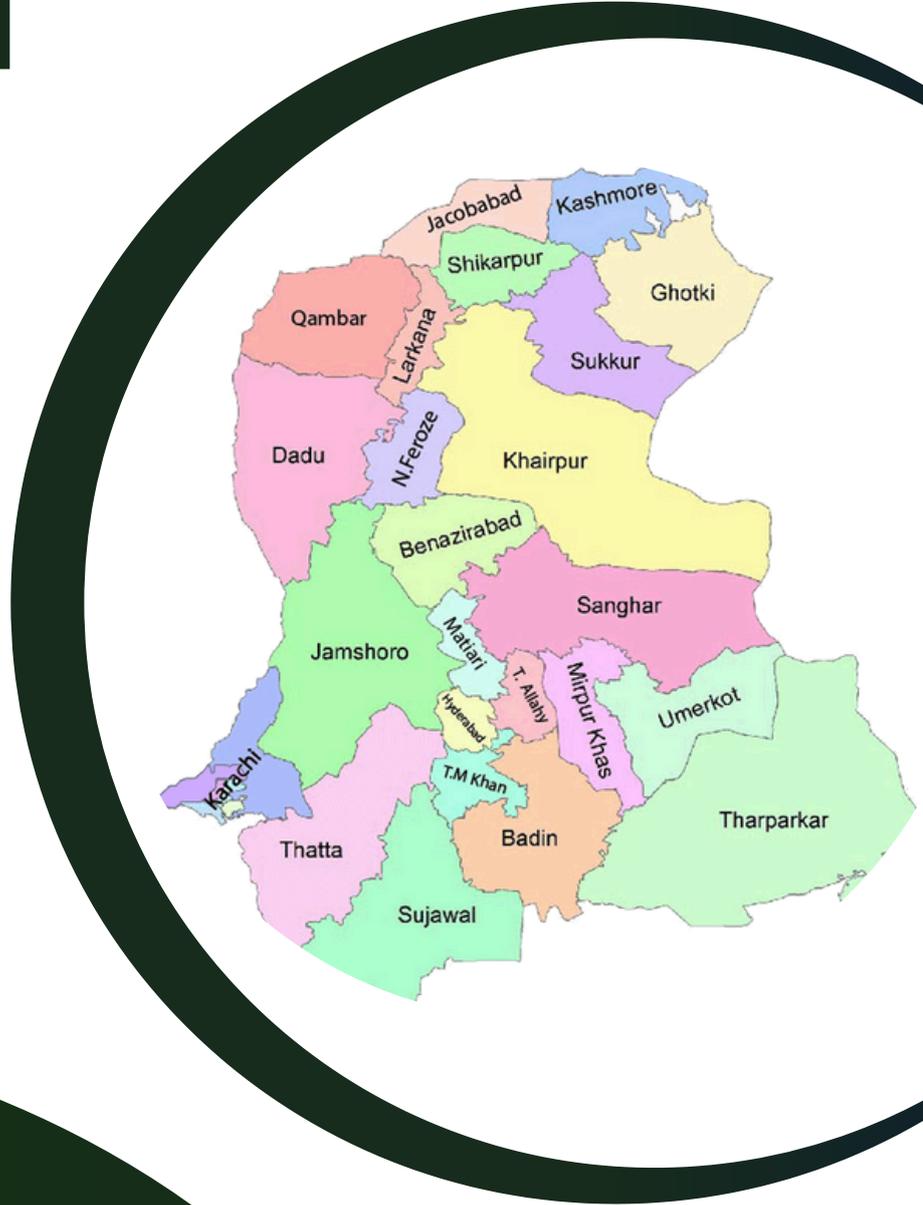


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List Of Abbreviations

ADB	Asian Development Bank
AFD	French Development Agency (Agence Française de Développement)
AIIB	Asian Infrastructure Investment Bank
ATM	Average Time to Maturity
ATR	Average Time to Re-fixing
CLICK	Competitive and Live-able City of Karachi
CRE	Current Revenue Expenditure
GCF	Green Climate Fund
GOP	Government of Pakistan
GOS	Government of Sindh
HCIP	Human Capital Investment Project
HSBRP	Hyderabad Southern Bypass Road Project
SWEEP	Solid Waste Emergency and Efficiency Project
SW&ATP	Sindh Water & Agriculture Transformation Project
IBRD	International Bank for Reconstruction & Development
IDA	International Development Association
IFAD	International Fund for Agricultural Development
ISDB	Islamic Development Bank
JICA	Japan International Corporation Agency
KWSSIP	Karachi Water and Sewerage Services Improvement Project
NHSP	National Health Support Program
OPEC	Organization of the Petroleum Exporting Countries
SACOS	Sindh Aqua Culture Operations in Sindh
SELECT	Sindh Early Learning Enhancement Through Classroom Transformation
SPRSIP	Sindh Provincial Road Sector Improvement Project II
SSEIP	Sindh Secondary Education Improvement Project
TRR	Total Revenue Receipts
WAIR	Weighted Average Interest Rate

Summary

The publication of the Sindh Debt Bulletin as of June 30, 2025 reflects the Sindh Government's strong commitment to prudent debt management, enhanced transparency, and informed engagement with stakeholders. The Bulletin offers a comprehensive overview of the provincial debt portfolio, including the stock of debt, redemption profile, composition of foreign and domestic borrowing, and outstanding provincial guarantees, providing a sound basis for assessing fiscal and financial risks. By combining concise narrative explanations with detailed reports, key financial indicators, and analytical ratios, the document presents a clear outlook of the public debt position and highlights important trends and variations that occurred during the year. This structured disclosure supports decision making and strengthens accountability in the management of public resources.

A review of the debt portfolio indicates that the Weighted Average Interest Rate (WAIR) for domestic loans stands at 11.06%, significantly higher than the 2.50% WAIR for external loans, largely due to the comparatively higher cost of borrowing from domestic sources. Whereas, the total WAIR for the provincial debt portfolio is 2.58%. The prevailing discount rate of State Bank of Pakistan (SBP) is 11% as of June 30, 2025. There is a decrease in the WAIR for the entire debt portfolio from 2.63%, (as of June 2024) to 2.58%, this decrease is noted due to the inclusion of additional concessional loans in the debt portfolio and the decline in 6-month SOFR rates during the period.

The Total Revenue Receipt (TRR), Current Revenue Expenditure (CRE), and Debt Servicing (Principal + Interest) were **Rs. 2,375.19 billion**, **Rs. 1,691.17 billion** and **Rs. 71.38 billion** in FY 2024-25.

1.0 Introduction

The Bulletin serves as an authentic reference document for general purposes and reflects the Government's commitment to ensuring public access to credible and timely debt-related information. It consolidates key data on the province's debt position, including: (i) an overview of the provincial debt, (ii) year-on-year changes in the public debt portfolio, (iii) debt servicing obligations, (iv) the composition and structure of domestic and external debt, and (v) a snapshot of major debt risk indicators.

2.0 Overview of Total Public Debt

Total public debt defined as “the sum of domestic and external debts of the Government with defined terms and conditions for repayment for each”. It excludes the debt of public corporations/entities controlled by the provincial government. The following table depicts the composition of Sindh's debt portfolio

**TABLE -1:
OVERVIEW
OF
PROVINCIAL
DEBT**

	Jun-23	Jun-24	Jun-25
Rs. In Million			
Domestic Debt	13,293	13,730	12,245
External Debt	894,507	1,051,255	1,337,691
Total Debt	907,800	1,064,985	1,349,936
Sindh's GDP	20,596,845	25,981,050	27,868,191
(In Percent of Sindh's GDP)			
Domestic Debt	0.06	0.05	0.04
External Debt	4.34	4.05	4.8
Total Debt	4.41	4.1	4.84
(In Percent of Total Public Debt)			
Domestic Debt	1.46	1.29	0.91
External Debt	98.54	98.71	99.09
(USD in Million)			
Domestic Debt	46.48	49.32	43.15
External Debt	3,127.76	3,776.33	4,714.16
Total Debt	3,174.24	3,825.65	4,757.32
Exchange Rate (PKR/USD)	285.99	278.38	283.76

Note:

- Pakistan GDP data fetched from <https://www.sbp.org.pk/ecodata/Summary.pdf>
- Sindh GDP calculated @ 24.5% of national GDP as per NFC award formula

3.0 Reasons for Increase in Total Debt

During FY 2024-25, the increase of **Rs. 284,951 million** is primarily attributable to the inclusion of active loan disbursements amounting to **Rs. 279,004 million**. In addition, total principal repayments and the impact of currency depreciation amounted to **Rs. 42,787 million** and **Rs. 48,734 million**, respectively.

(Rs. In Million)

TABLE -2:
REASONS FOR
INCREASE IN
TOTAL DEBT

	Jun-23	Jun-24	Jun-25
Increase in Total Debt	331,718	157,185	284,951
Currency Depreciation / (Appreciation)	228,175	(21,091)	48,734
Disbursement - Principal Payments	103,543	178,276	236,217

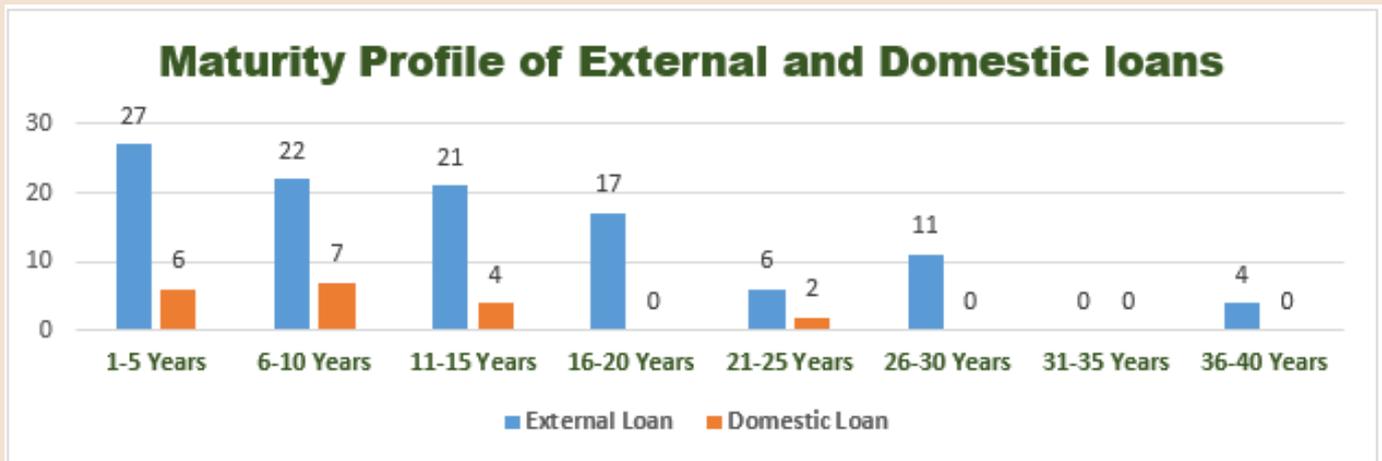
4.0 Maturity Profile of External and Domestic Loans

The following shows the maturity profile of both external and domestic loans in upcoming years till their full maturity.

TABLE -3:
MATURITY
PROFILE OF
EXTERNAL
AND DOMESTIC
LOANS

	1-5 Years	6-10 Years	11-15 Years	16-20 Years	21-25 Years	26-30 Years	31-35 Years	36-40 Years	Total
External Loans	27	22	21	17	6	11	0	4	108
Domestic Loans	6	7	4	0	2	0	0	0	19
Total Loans	33	29	25	17	8	11	0	4	127

Note: Above table is prepared based on the remaining maturity of debt stock.

FIGURE – 1: MATURITY PROFILE OF EXTERNAL AND DOMESTIC LOANS

5.0 Glimpse of Recent Borrowing Activities

During July–June 2025, an amount of **Rs. 279,004 million** was disbursed against twenty-six (26) foreign loans from five (05) multilateral agencies, namely IDA/IBRD, ADB, AFD, IsDB, and AIIB.

There are fifteen (15) new loans that were signed over the last two years, amounting to a total commitment of **USD 3,393.70 million**. Approximately 80% of these loans were contracted on concessional fixed rates, and the remaining 20% on variable terms based on SOFR plus spread. The current variable rate has declined to around 5.8%, comprising the 6-month SOFR of 4.45% (as published on June 30, 2025) and a variable spread of approximately 1.35%. Despite this reduction, the effective cost of variable financing remains significantly higher when compared with concessional financing at a fixed rate of only 2.0%.

(Amount In USD Million)

**TABLE - 4:
RECENT
BORROWING
ACTIVITIES**

S. No	Name of Loans	Lender	Sanctioned Amount	Type (Fixed / Variable)
1	Sindh Secondary Education Improvement Project, Additional Financing	ADB	275	Fixed
2	Sindh Emergency Housing Reconstruction Project	ADB	400	Fixed
3	Sukkur Barrages Additional Financing	IDA	140	Fixed
4	Sindh Flood Emergency Rehabilitation Project	IDA	500	Fixed
5	Sindh Flood Emergency Housing Reconstruction Project	IDA	500	Fixed
6	Sindh Water and Agriculture Transformation Project (SWAT)	IDA	98	Fixed
7	Sindh Water and Agriculture Transformation Project (SWAT)	IDA	194	Variable
8	Sindh Barrages Improvement Project	IDA	71.7	Fixed
9	Sindh Flood Emergency Rehabilitation Project	IDA	200	Fixed
10	Sindh integrated Health and Population Project	IDA	200	Fixed
11	Livestock Aquaculture Operations in Sindh	IDA	135	Fixed
12	Strengthening Social Protection delivery system in Sindh	IDA	200	Fixed
13	Sindh Integrated Health and Women Empower Program	IsDB	40	Variable
14	Sindh Housing Reconstruction Project	IsDB	200	Variable
15	Karachi Water & Sewerage Service Improvement (Phase-II)	AIIB	240	Variable
	Total		3,393.70	

There are ten (10) more loans currently under negotiation or in the concept paper clearance phase, amounting to a total of **USD 1,850 million**. These loans are expected to be signed/approved within the next 12–18 months. Together with the loans already signed/approved, the overall debt portfolio is projected to increase by more than 25% over the next 5–7 years, excluding the impact of average rupee depreciation.

(Amount In USD Million)

**TABLE - 5:
RECENT LOANS
IN NEGOTIATIONS**

S. No	Name of Loans	Lender	Sanctioned Amount
1	Sindh Transformation & Rural Water Supply STAR-WASH	WB	400
2	Katchi Abbadi's Inclusive Development of Karachi and Hyderabad	WB	300
3	Sindh Coastal Resilience Project	ADB	125
4	Preparing Urban and Water Project in Sindh- Project Readiness Financing	ADB	15
5	Preparing Sustainable Transport Sector Project (Readiness Financing through Small Expenditure Financing Facility)	ADB	30
6	Additional Financing for BRT Redline Project	ADB	150
7	Sindh Flood Emergency Rehabilitation Project (Additional Financing)	WB/IDA	150
8	Sindh Flood Emergency Housing Reconstruction Project	EIB	100
9	Karachi Water & Sewerage Service Improvement Project PHASE-II	WB/IBRD	480
10	Sindh Coastal Resilience Project	IFAD	100
	Total		1,850

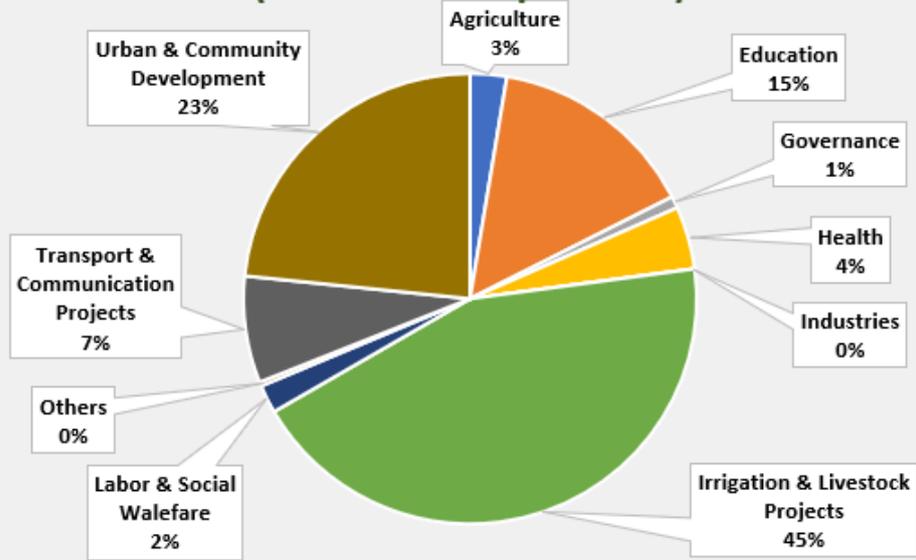
6.0 Liability by Sector (External Debt Portfolio)

(Rs. In Million)

**TABLE - 6:
LIABILITY BY
SECTOR**

S. No	Sectors	Amount in PKR	%
1	Agriculture	33,913	2.54%
2	Education	194,085	14.51%
3	Governance	11,005	0.82%
4	Health	58,403	4.37%
5	Industries	235	0.02%
6	Irrigation & Livestock	606,098	45.31%
7	Labor & Social Welfare	26,388	1.97%
8	Others	3,807	0.28%
9	Transport & Communication	99,684	7.45%
10	Urban & Community	304,073	22.73%
	Total	1,337,691	100%

Sector wise outstanding Jun 30, 2025 (External debt portfolio)



**FIGURE - 2:
LIABILITY BY
SECTOR**

7.0 Composition by Lender

The loan amount has increased by a total of **Rs. 284,951 million** during July–June 2025. For the year, total loan disbursements and principal repayments were recorded at **Rs. 279,004 million** and **Rs. 42,787 million**, respectively, while the impact of currency depreciation amounted to **Rs. 48,734 million**.

(Rs. In Million)

Composition by creditor			
Agency	Frequency	Outstanding (million PKR)	% of total
IDA	61	880,344	65.21%
ADB	34	295,189	21.87%
IFAD	2	236	0.02%
IBRD	4	87,045	6.45%
Japan	1	9,685	0.72%
Korea	1	10,194	0.76%
AIIB	2	13,112	0.97%
AFD	1	3,836	0.28%
IsDB	2	38,050	2.82%
Federal Govt.	19	12,245	0.91%
Total	127	1,349,936	100%

**TABLE - 7:
COMPOSITION
BY LENDER**

8.0 Exposure by Currency

The US Dollar dominates the debt portfolio with a share of 71.73%. However, Sindh has managed to diversify its exposure by maintaining 22.16% of the portfolio in Special Drawing Rights (SDR), which comprise a basket of five currencies.

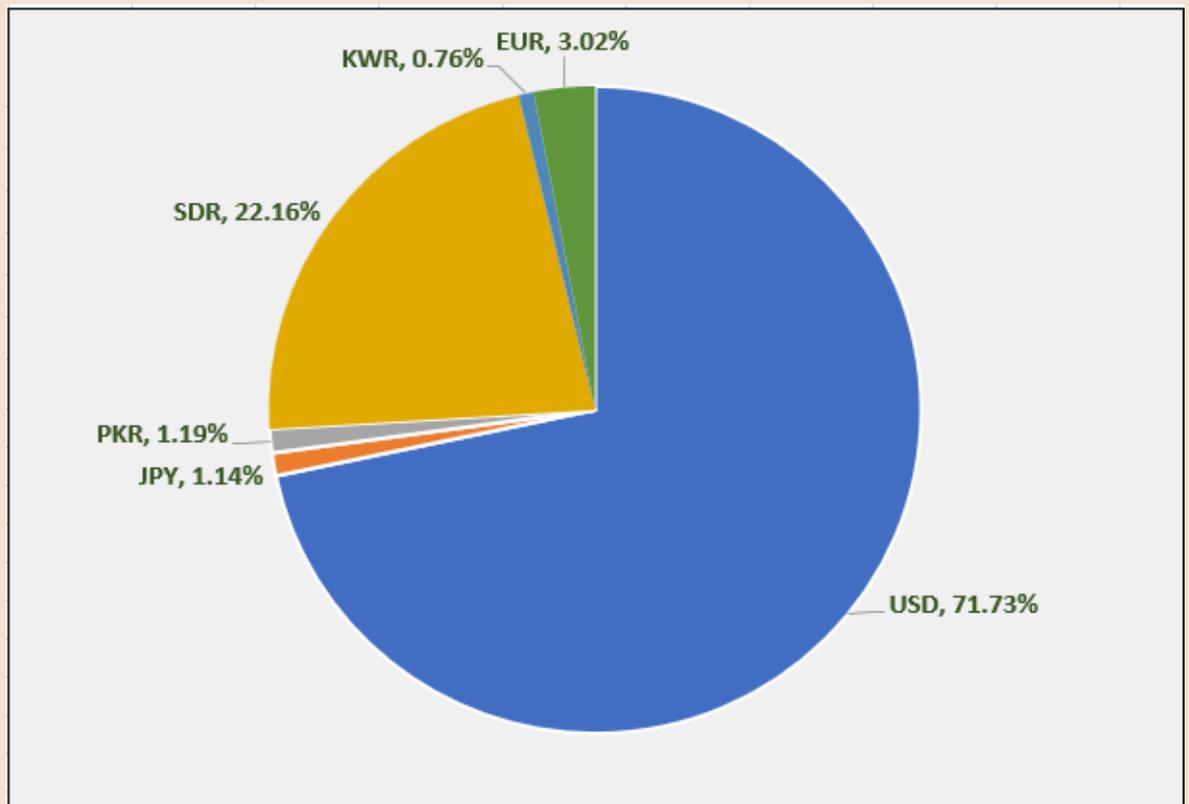
TABLE - 8: EXPOSURE BY CURRENCY

(Rs. In Million)

Currency Wise Exposure Sindh Debt Portfolio Jun 30, 2025			
Currency	Frequency	Outstanding (million PKR)	% of total
USD	88	968,303	71.73%
JPY	2	15,415	1.14%
PKR	20	16,051	1.19%
SDR	14	299,200	22.16%
KWR	1	10,194	0.76%
EUR	2	40,772	3.02%
Total	127	1,349,936	100%

The Pakistani Rupee accounts for 1.19% of the total portfolio, while the remaining currencies hold negligible shares.

**FIGURE - 3:
CURRENCY
WISE
EXPOSURE**



9.0 Debt Risk Indicators

Foreign Exchange / FX Risk

The share of foreign currency-denominated loans constitute 99.09% of the total Sindh debt portfolio, indicating a high exposure to currency/exchange rate risk.

Interest Rate Risk

Debt re-fixing in one year as a percentage of the total is 22.48%, which is on the lower side. It includes debt on fixed-rate maturing within the current year plus seventeen (17) SOFR Based loans, re-fixed after every 06 months.

ATR (Average Time to Re-fixing)

For a complete debt portfolio is 10.36 years which is high and indicates low risk relatively while measuring its vulnerability towards interest rate risk.

Re-financing Risk

Debt maturing in one (01) year is average 3.82% of the total debt portfolio, which is low, considering its exposure to refinancing risk.

ATM (Average Time to Maturity)

For a complete debt portfolio is 12.07 years, which shows the debt portfolio average maturity period is high and indicates low exposure to refinancing risk.

TABLE – 9: DEBT RISK INDICATORS

Risk Indicators		Domestic Debt	External Debt	Total Public Debt	Domestic Debt	External Debt	Total Public Debt
		End- June 2024			End- June 2025		
FX risk	FX debt (% of total debt)	98.32%			99.09%		
Interest rate risk	Debt Re-fixing in 1 year (% of total)	14.82%	22.92%	23.53%	13.25%	21.98%	22.48%
	Fixed rate debt (% of total)	100%	81.27%	81.27%	100%	77.11%	78.02%
	*ATR (years)	5.88	9.36	9.48	5.56	10.22	10.36
Refinancing risk	Debt maturing in 1 year (% of total)	12.45%	3.87%	3.98%	13.25%	3.63%	3.82%
	*ATM (years)	5.88	12.09	12.01	5.56	12.13	12.07

10.0 Interest Composition for External and Domestic loans

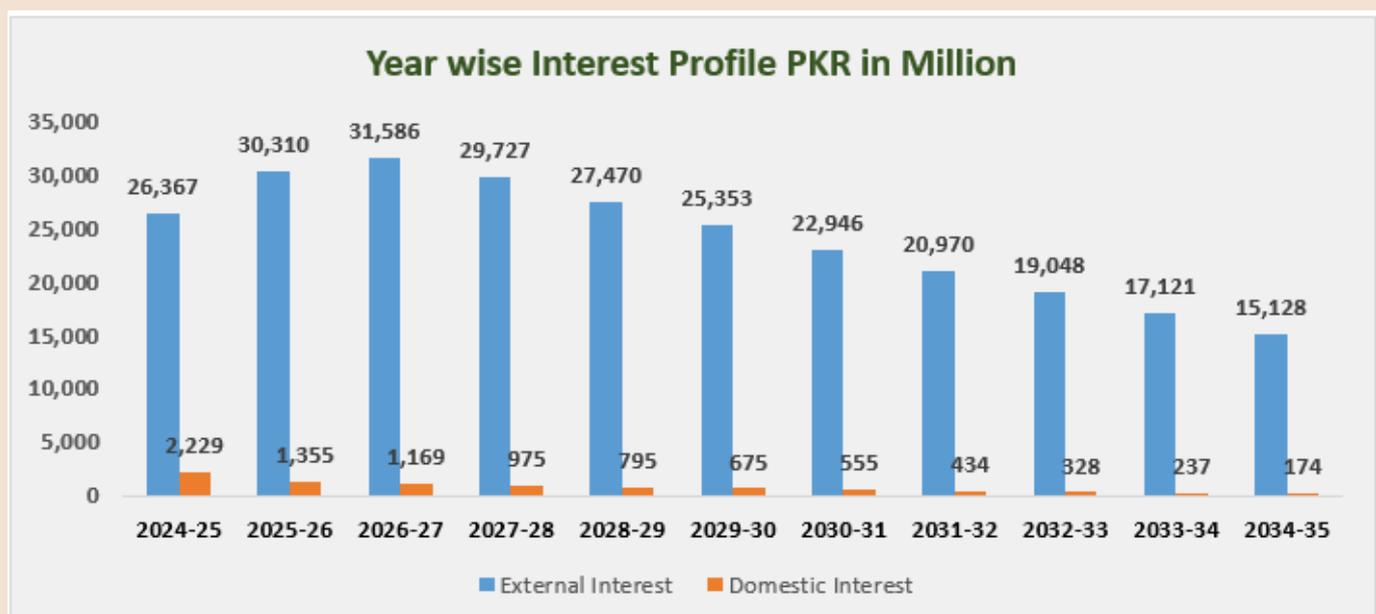
The key impact arises from the gradual increase in the share of foreign loans under the variable-rate category, which now stands at 21.98%. Loans are currently priced at the prevailing 6-month SOFR rate of 4.45%, plus a variable spread ranging between 1.35% and 2.50%.

TABLE – 10: INTEREST COMPOSITION FOR EXTERNAL AND DOMESTIC LOANS

(Rs. In Million)

FY	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
External Interest	26,367	30,310	31,586	29,727	27,470	25,353	22,946	20,970	19,048	17,121	15,128
Domestic Interest	2,229	1,355	1,169	975	795	675	555	434	328	237	174
Total Interest	28,596	31,665	32,755	30,702	28,265	26,028	23,501	21,405	19,376	17,358	15,303

FIGURE – 04: INTEREST COMPOSITION FOR EXTERNAL AND DOMESTIC LOANS



11.0 Principal Composition for External and Domestic Loans

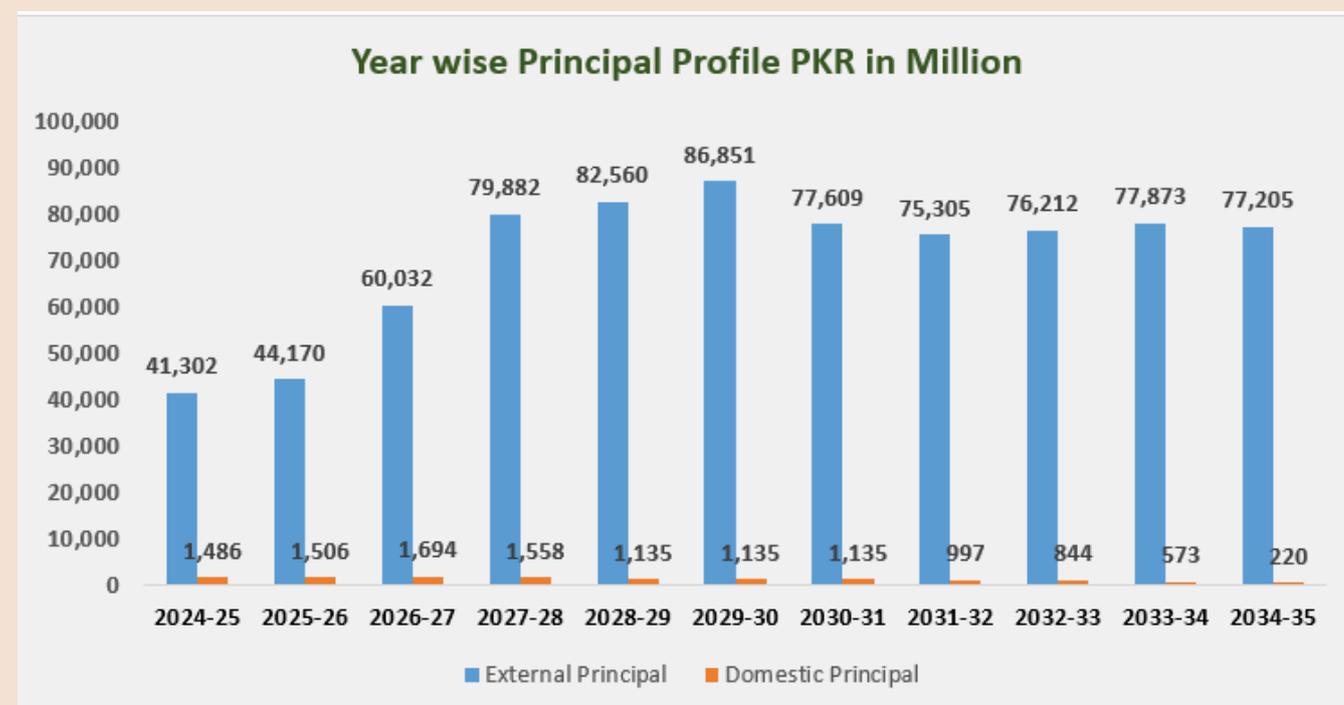
The principal redemption profile reflects an increasing trend in principal repayments, driven by the inclusion of new loans with scheduled principal payments falling due within the specified period.

TABLE – 11: PRINCIPAL COMPOSITION FOR EXTERNAL AND DOMESTIC LOANS

(Rs. In Million)

FY	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
External Principal	41,302	44,170	60,032	79,882	82,560	86,851	77,609	75,305	76,212	77,873	77,205
Domestic Principal	1,486	1,506	1,694	1,558	1,135	1,135	1,135	997	844	573	220
Total Principal	42,787	45,676	61,727	81,439	83,696	87,986	78,744	76,301	77,056	78,447	77,424

FIGURE – 05: PRINCIPAL COMPOSITION FOR EXTERNAL AND DOMESTIC LOANS



12.0 Government Guarantees

A government guarantee is a formal assurance issued by the Government for the repayment of debt and related expenditures in the event of default by the primary obligor. The provincial borrowing limit, which includes guarantees of up to **Rs. 60.8 billion**, was authorized by the National Economic Council (NEC) on 17th August, 2017. As of the end of June 2025, the Government of Sindh has extended guarantees amounting to only **Rs. 27 billion** approximately.

13.0 Glossary

ATM

Average Time to Maturity measures the weighted average period remaining until the full repayment of principal across all loans in the portfolio.

ATR

Average Time to Re-fixing measures the weighted average time until all principal in the debt portfolio becomes subject to a new interest rate.

FOREIGN EXCHANGE RISK

(Also known as FX risk, exchange rate risk or currency risk) is a financial risk that arises when a financial transaction is denominated in a currency other than the local currency of the country.

TRR

Means all tax and non-tax receipts of the Government, including federal grants to the province, but excluding loans or grants received from other entities.

CRE

Means the expenditure on goods and services for consumption or utilization within a financial year, and may include employee-related expenses, retirement benefits, operating expenses, repair and maintenance, subsidies, transfer payments, and grants.

INTEREST RATE RISK

Indicates the exposure of debt portfolio to any variation in interest rates.

RE- FINANCING RISK

Is the risk to measure its vulnerability against rolling over the debt on higher interest rates.

SBP

The State Bank of Pakistan (SBP) is incorporated under the State Bank of Pakistan Act, 1956, which gives the Bank the authority to function as the central bank of the country.

WAIR

(Weighted average interest rate) is the aggregate rate of interest paid on all debt.

SOFR

Secured Overnight Financing Rate (SOFR) is a secured interbank overnight interest rate and reference rate established as an alternative to LIBOR.



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