

# **FINANCIAL PERFORMANCE OF THE GOVERNMENT-OWNED TRANSPORT SECTOR AND ITS IMPACT ON THE OVERALL FISCAL BALANCE**

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## **INTRODUCTION**

The government-owned transport sector should be able to operate without the need for subsidies. Government support will usually be confined to supporting unremunerative transport services which the agencies would otherwise withdraw. Apart from these payments, the sector should require no further subsidies. Instead it should be a net contributor to public revenues. Indeed, it is often argued that infrastructure pricing policies should be specifically designed to make a positive contribution to general government revenues (Anderson, 1989).

Transport sector reviews nevertheless show that the sector often imposes a large drain on the government's overall fiscal revenues. This raises a number of important questions. First, how should financial performance be explored to quantify the impact of the sector on the government's overall fiscal balance? Second, are there generic issues affecting financial performance which need to be addressed through sector policy reforms? Third, is it possible to develop an analytical framework to explore policy options and quantify their impact on the flow of funds between the sector and the government? The following paper examines these issues by looking at case studies in Tanzania and Zambia.

## **1. CASE STUDIES**

### **1.1. Objectives**

The first case study was carried out in Tanzania during 1988 (World Bank, 1988). It was designed to address the seriously run-down state of the transport sector and the poor condition of the road network. In 1987, over 60 percent of the paved main road network and 75 percent of the unpaved network were in "poor" condition. This not only increased transport costs, but was hampering the movement of agricultural products in the countryside. The government's response was to adopt a policy to: (i) improve cost recovery and general financial performance; and (ii) increase financial allocations for road maintenance and rehabilitation.

The second case study was carried out in Zambia during late 1991 (World Bank, 1992) and focussed on: (i) reviewing expenditures by each transport mode; (ii) identifying the net impact of sector deficits on the government's overall fiscal balance; (iii) examining the scope for improving financial performance by increasing private sector involvement; and

(iv) reviewing methods of financing roads and considering the feasibility of commercializing them. The study furthermore took for granted that government-owned transport agencies should operate commercially, regulation should be confined to matters of safety and reliability, and that agencies should be fully compensated for the costs of social service obligations.

The main questions posed were: (i) what was the current financial state of the publicly-owned transport sector; (ii) how serious were the financial problems they faced; and (iii) what could be done to improve financial performance and, in particular, to mobilize sufficient revenues to maintain the main road network in a stable long-term condition.

## 1.2. Methodological Framework

The first task was to assemble and summarize the sector's financial performance. This was not an easy task, since the transport sector includes some agencies operated as government departments, some operated as free-standing public enterprises and others operated as public enterprises under a state holding company. The task was accomplished by preparing annual statements of revenues and expenditures for government departments and collecting annual financial statements for the agencies operated as public enterprises (Heggie and Quick, 1990). Figures were generally assembled for at least five years and converted into a standard framework for analysis.

The second task was to compress this information into annual summary tables to illustrate the sector's overall financial performance and to show what impact it had on the government's overall fiscal balance. The framework used in the Tanzanian case study is illustrated in Table 1 (the table refers to 1986/87 after the rate of exchange had fallen from TSh 19 = \$1.00 to TSh 52 = \$1.00). The table thus shows what happened to the sector after a major currency devaluation. The framework was designed to illustrate the following financial features:

- (i) The last item in the Profit & Loss summary, "Shortfall of Regular Maintenance", represents de-capitalization of assets: the shortfall between the amount which should have been spent to maintain these assets in a stable long-term condition and the amount actually spent.
- (ii) The shortfall is only shown for roads and airports. Is not shown for public enterprises, although it was estimated that their overall deficit would have increased by roughly 13 percent in 1986/87, had an estimate for "shortfall of maintenance" been included.
- (iii) The upper half of the table shows Profit and Loss statements and the ensuing aggregate net profit/(loss). The lower part of the table then shows how the deficits were financed. The changes in working capital — caused mainly by a fall in current assets and/or an increase in current liabilities — shows how the overall size of the profit/(loss) can be reduced by forcing suppliers to finance part of the enterprise's current operations. The financing statement also shows how much of the deficit was financed by government in the form of equity and loans.
- (iv) The final line in the table shows the link between sector performance and the

governments' overall fiscal balance. It consists of the net surplus of government departments, plus taxes paid, less subsidies and the shortfall of regular maintenance, less government grants and loans.

The tables thus summarize the overall financial performance of the sector and links it -- via the cash flow To/(From) Government -- to the government's overall fiscal balance.

The case study in Zambia, extended the framework developed in Tanzania and translated it into a current and three-year forward program of public sector expenditures. This is illustrated in Table 2. The table summarizes the *bottom line* of table 1 and also incorporates two added features: (i) it distinguishes between recurrent and development expenditures; and (ii) illustrates the difference between *the Business As Usual* (BAU) scenario and the proposed financial reforms.

### 1.3. Using the Framework For Diagnostic Purposes

The frameworks can now be used to examine the sector's financial performance:

#### 1.3.1. Performance of Government Departments

The performance of the roads and civil aviation departments in both Tanzania and Zambia are as follows:

	Tanzania, 1985/86 (TSh, millions)		Zambia, FY91 (Kw, millions)	
	Roads	Airports	Roads	Airports
Revenue of which User Charge a/	1,997	93	1,910	3
Expenditure	<u>1,337</u>	166	<u>967</u>	<u>91</u>
Surplus/(Deficit)	(1,101)	(73)	(862)	(88)
Maintenance Shortfall	(950)	(30)	(1,690)	?
Overall Revenue Needs in \$s, millions b/	2,501	103	2,552	88
	108	5	<u>65</u>	<u>2</u>

Notes: a/ The element remaining after all general taxes have been netted out.

b/ Exchange rates: TSh19=\$1.00, Kw50=\$1.00

Although road users pay taxes in both countries, most of these taxes are general revenue taxes and are not levied to support spending on roads (this was specifically confirmed in Zambia through discussions with staff responsible for setting the tax rates). The specific user charges -- mainly license and international transit fees -- generate very little revenue. Road spending is mainly being financed from general tax revenues. It is not surprising that both countries consequently spend too little on road maintenance and have large backlogs of deferred maintenance. The overall annual revenue needs in Tanzania are

over TSh2,000 million (over \$100 million) and are over K2,500 million (over \$50 million) in Zambia.

The financial performance of the respective civil aviation departments was equally unsatisfactory. In Tanzania, the problem was largely one of revenue leakage and absence of a commercial outlook. In Zambia, the main problem was outdated tariffs; a Cessna 206 light aircraft (2 tons) was charged a mere \$0.15 to land and take-off and the operator was expected to remit this amount to the civil aviation department in Lusaka! The surprising thing was that operators did remit these payments, even though the costs of administering the fees was much higher than the payments themselves.

### 1.3.2. Performance of Transport Enterprises

The corresponding performance of transport enterprises in Tanzania can be summarized as follows (in TSh, million):

	<u>1985/86</u>	<u>1986/87</u>
Net Profit/(Loss)	(2,752)	(1,889)
Net Taxes/(Current Subsidies) paid to government	37	867
Working Capital	(2,653)	1,653
Government Capital grants/Loans	<u>164</u>	<u>4,820</u>

In 1985/86, these enterprises incurred a net loss of TSh 2,752 million (equivalent to about \$145 million) which reduced significantly in 1986/87 to a loss of TSh 1,889 million (about \$37 million). The substantial loss in 1985/86 nevertheless had little impact on the government's overall fiscal balance. The government received TSh 37 million in taxes and paid out TSh 164 million in capital grants/loans. The net outflow from government was thus TSh 127 million (less than \$7 million). The enterprises financed these deficits by not paying their bills and running down working capital to the extent of TSh 2,653 million (nearly \$140 million). This has a serious impact on the financial performance of other enterprises.

However, working capital cannot be used to finance current operations indefinitely and in 1986/87 the government had to step in with a major infusion of equity, grants and loans. This shows up clearly in the figures for 1986/87 when the government had to supply TSh 4,820 million (nearly \$100 million) in new capital.

The situation in Zambia was similar. The figures for the main four public enterprises (Contract Haulage, United Bus, Zambia Railways and Zambia Airways) are summarized below (in K, '000):

	<u>1988/89</u>	<u>1989/90</u>
Net Profit/(Loss)	39,263	(591,662)
Net Taxes/(Current Subsidies) paid to government	14,488	29,314
Working Capital	217,191	(1,454,186)
Government Capital grants/Loans	<u>262,959</u>	<u>135,268</u>

These enterprises are clearly in deep financial trouble and have only managed to keep

going by running down their working capital. In 1989/90 this was negative by over \$110 million. The enterprises were technically bankrupt. In spite of their disastrous performance, they nevertheless placed little demand on central government revenues. In 1988/89 the difference between taxes and capital grants/loans was about \$30 million and this fell to \$8 million in 1989/90. However, the enterprises will soon have to rebuild this working capital, or go bankrupt.

The analytical format illustrates the importance of examining how transport enterprises finance their net losses. It also shows how, via changes in working capital, their initial financial difficulties can result in a reduction of working capital and hence in indirect impacts on the financial performance of other enterprises.

### 1.3.3. Overall Financial Balance

The final section of Tables 1 and 2 show the sector's impact on the government's overall fiscal balance. It has been presented "with" and "without" estimated shortfalls in regular road maintenance. When the shortfall is included, the overall drain on the government's fiscal revenues in Tanzania rose from 2.5 percent of government current revenues in 1985/86 to a staggering 17.4 percent in 1986/87 (TSh 5,755 million which is over \$110 million). In Zambia, the drain during FY91 was somewhat smaller and amounted to 15.2 percent of government current revenues (K6,304 million which is about \$126 million). When the maintenance shortfall is excluded (i.e. when the figures relate only to the cash obligations of government), the overall balance in Tanzania still shows a deficit of 7.3 percent in 1986/87 (a cash outflow of TSh 2,405 million, or over \$46 million), while in Zambia it shows a deficit of 11.7 percent (a cash outflow of K4,875, or \$100 million).

The above figures illustrate two important points. First, governments frequently cut maintenance expenditures — particularly road maintenance — to help balance the budget during periods of fiscal stringency. In Tanzania, road maintenance was cut in both nominal terms as well as in real dollar terms and the shortfall in regular road maintenance went up from TSh 950 million (about \$50 million) in 1985/86 to TSh 3,300 million (about \$63 million) in 1986/87. In Zambia, on the other hand, road maintenance has been under pressure for at least five years. Second, the deficits incurred by transport enterprises (airlines and railways being the main culprits) are so large that, even with cuts in road spending, the sector still imposes a net financial drain on the government's overall fiscal balance.

## **1.4. Identifying Specific Problems**

The above framework focussed attention on the issues which were adversely affecting financial performance. Although many were specific to both Tanzania and Zambia, a number were of a generic nature and appeared likely to affect financial performance in other African countries as well. The general issues included the following:

### 1.4.1. Government Departments

- (i) Revenue administration in Tanzania was weak and, at least for roads, was

problematical in Zambia. The civil aviation department and the Treasury in Tanzania were only collecting about half the airport user fees payable during 1985/86. The balance was being avoided, evaded, or was simply *disappearing*. The same applied to road user charges. Apart from fuel taxes (collected as an excise tax by the oil companies), collections rarely exceeded 50 percent of the amounts payable. Evasion was less of a problem in Zambia. However, since a large number of cars appeared to be unregistered, unlicensed and uninsured, the presumption was that evasion of license fees was also a problem.

- (ii) The review of user charges showed that their structure was unduly complicated and that there were numerous ambiguities and inconsistencies in the published tariffs. This clearly contributed to avoidance, evasion and leakage. In Zambia, fees had likewise not been raised for several years, in spite of widespread inflation. For cars, annual license fees were about \$5.00 and annual insurance premiums \$0.50.
- (iii) Expenditures on roads were not well controlled. Maintenance of 10,000 km of trunk roads in 20 separate regions in Tanzania (costing roughly \$30 million p.a.) was controlled by four Controllers with access to one part-time inspection vehicle. They exerted little control over these funds. In Zambia, the situation was even less satisfactory. The roads department has no formal control system and funds are largely disbursed *on trust*.
- (iv) Fuel prices in Tanzania were significantly out of line with those in adjoining countries and this was causing inefficient use of fuel and encouraging smuggling. Fuel prices in Zambia, particularly for diesel fuel, were also notably lower than they were in several adjoining countries.

#### 1.4.2. Transport Enterprises

The commercial climate in Tanzania was quite different from that in Zambia and this had a major impact on enterprise performance. In Tanzania, the enterprises suffered from poor record keeping, shortage of accountants, poor expenditure controls and large *ex post* adjustments to the accounts. These had almost become facts of life in Tanzania and the Government was working actively with the local accounting community to try and improve matters. In Zambia, on the other hand, most transport agencies kept accurate accounts and employed well-trained accounting staff.

Two other factors also weakened financial performance in Tanzania. First, the Boards of Directors of most enterprises contained few people with a commercial background, while second, the enterprises lacked clear financial objectives and were being supervised by the ministry of works. This was a construction agency and lacked the expertise to effectively supervise the financial performance of these enterprises. Zambia was not affected to the same extent. Many of the chief executive officers were competent — some with an accounting background — and had clear ideas on how to improve financial performance. However, like Tanzania, they suffered from vague and conflicting financial objectives (all enterprises being owned by a state holding company).

Another persistent problem in Zambia was that routine overhaul and maintenance of equipment and infrastructure had practically ceased in favor of periodic rehabilitation and replacement of assets under donor financed programs. Donors had become part of the

problem, rather than part of the solution. This had created a number of serious problems. The main ones were that it had: (i) encouraged agencies to lower allocations for maintenance and had reduced the need to generate internal funds from operations; (ii) created a misleading *bottom line* by not revaluing assets and setting aside insufficient depreciation provisions; and (iii) reduced (even destroyed) the technical capacity to undertake major overhauls and routine maintenance.

### 1.5. Developing Potential Solutions

Having identified the major problem areas, the next step was to develop potential solutions and to use the analytical framework to explore their impact on the government's overall fiscal balance. The main suggestions emerging from this analysis were as follows:

#### 1.5.1. Government Departments

- (i) It was suggested that revenue administration by the civil aviation department in Tanzania might be improved by collecting the passenger service departure fees through the airlines and by requiring airports to account for their activities along regular commercial lines. In the longer term, it was also suggested that airports might be reconstituted as a free-standing public enterprise.
- (ii) In Zambia, the four main international airports were already operated on a commercial basis, although there was a need to reduce their arrears position and to strengthen incentives. The same was not true of the airports operated by the department of civil aviation. It was therefore suggested that the main airports be treated as a separate business center within the ministry and that they be required to keep regular commercial accounts.
- (iii) In Tanzania, the collection of road user charges suffered from widespread evasion and avoidance. To improve matters, it was suggested that the tax structure be simplified, unenforceable taxes abolished (e.g., on the sale of second hand vehicles) and marginal tax rates lowered (to improve overall collection rates). Since fuel prices were significantly lower than in adjoining countries, it was also suggested that fuel prices be equalized with those in Kenya to strengthen domestic revenue mobilization.
- (iv) The recommendations in Zambia went well beyond those in Tanzania. The analysis noted that the replacement costs of the road network was over \$2.3 billion (for comparison the capital value of the country's railways was a mere \$400 million). Roads are therefore one of the country's main national assets, but about \$500 million has already been eroded through lack of maintenance. The study therefore argued in favor of commercializing the roads department and turning it into an autonomous Roads Board. The intention was to establish a specific price for roads, to introduce commercial accounting systems (including cost accounts) and strengthen expenditure controls. It was also proposed to sub-contract most routine and periodic maintenance.

The potential impacts of these, and other suggestions, were summarized in a series of financing plans. The financing plan for roads in Zambia, which adopted a multi-year format, is included as Table 3.

### 1.5.2. Transport Enterprises

The solutions for transport enterprises were more complex. In Tanzania, it was suggested that the government should issue a White Paper: (i) clearly setting out government policy towards these enterprises; (ii) defining financial objectives; (iii) setting agreed financial targets; and (iv) establishing procedures for strengthening financial discipline and monitoring performance. In Zambia, on the other hand, specific solutions were suggested for most transport enterprises:

- (i) The trucking and long-distance bus companies were in reasonable financial health and there was neither the need, nor the justification, for further infusions of public money. It was therefore recommended that the corporation be given clear commercial objectives and prepared for diversification of ownership (possibly in the form of a management and/or staff buy-out).
- (ii) The National Airports Corporation was also in reasonable financial health, although their assets needed rehabilitation. Since they inherited the assets in a run-down condition, it was suggested that public funds be used to rehabilitate the assets and that the agency thereafter be required to operate on a wholly commercial basis.
- (iii) The financial performance of Zambia Railways was poor and getting worse. They were not maintaining their track and rolling stock and were becoming involved in too many peripheral activities. It was therefore recommended that they be restructured to focus more sharply on their core business as a freight railway. It was also suggested that they close down the main railway workshops and lease locomotives and rolling stock from an outside organization.
- (iv) Zambia Airways faced the most serious financial problems. In 1989/90 they lost about \$22 million and this rose to \$73 million in 1990/91. The airline was technically bankrupt. The study therefore recommended an emergency rescue plan which focussed on reshaping air freight operations, improving utilization of aircraft, revising route structures and reorganizing the corporation's marketing organization.

It was hoped that these measures would cut the financial losses and that no further investment would be undertaken by either the railways or airlines until appropriate restructuring plans had been agreed.

## **2. CONCLUSIONS FOR PUBLIC EXPENDITURE ANALYSIS**

The above case studies developed a useful analytical framework for examining public expenditure issues. The framework summarized overall financial performance and: (i) showed the size of the financial problems affecting government-owned transport agencies; (ii) focussed attention on the causes of poor financial performance; (iii) provided a framework within which to examine options for restructuring selected agencies; (iv) exposed the important linkage between the recurrent and capital budgets; and (v) showed the linkage



between sector level expenditure decisions and the government's overall fiscal balance. The case studies also illustrated the practical problems associated with public expenditure analysis: the importance of *creative* accounting and the need to develop financial systems which present a true picture of an agency's underlying financial health, the macro-economic importance of the road, railway and airline deficits, and the important problem caused by high levels of arrears. The single most important message was that transport, which should be a net contributor to fiscal revenues, is often a major cause of the financial hemorrhage affecting African countries. Therefore, financial restructuring of the transport sector, often needs to be an intimate part of macro-economic stabilization plans.

<b>Table 1. Tanzania: Overall Financial Performance of the Transport Sector: 1985/86</b>											
(T.Sh. million)											
	Government Departments			Transport Enterprises							
	Roads	DCA	Total Roads & DCA	THA	ATC	TRC	RETCOs	TACOSHILI	UDA	KAMATA	TOTAL Transport Enterprises
	1985/86	1985/86		1985/86	1986	1986	1985/86	1985/86	1985/86	1985/86	
<b>Profit and Loss:</b>											
Total Revenue	1,997	83	2,080	1,067	860	1,539	251	87	261	74	4,179
of which Govt. subsidies	-	-	-	-	-	80	-	-	-	-	-
Working Expenses	1,337	188		1,039	1,037	1,148	213	114	172	78	3,799
Depreciation					73	87	22	2	19	8	211
For. Exch. & Other Provisions				473	204	841	-	-	-	-	1,518
Interest Paid (net)					58	1,240	2	2	2	-	1,305
Corporate Taxes				54	0	0	8	0	34	0	98
Total Expenses	1,337	188	1,504	1,566	1,372	3,315	248	119	227	86	6,831
Net Profit/(Loss)	660	(73)	588	(489)	(512)	(1,778)	5	(21)	34	(12)	(2,752)
Net Taxes/(Subsidies)	-	-	-	54	0	(80)	8	0	34	0	37
Shortfall of Regular Maintenance (a)	(850)	(30)	(880)	-	-	-	-	-	-	-	-
Net Surplus	(290)	(103)	(394)								
<b>Balance Sheet Movements:</b>											
Increase/(Decrease) in											
Fixed Assets & Investments				288	145	3,741	(9)	2	11	(5)	4,172
Working Capital				24	(503)	(2,209)	(5)	20	24	(5)	(2,653)
Total Assets				312	(358)	1,532	(14)	22	34	(10)	1,519
Financed by Net Increase/(Decrease) in											
Share Capital & Grants				38	(65)	71	2	38	(1)	0	83
Retained Earnings/Reserves				(456)	(479)	(1,781)	5	(21)	34	(12)	(2,710)
Debt Instruments				729	182	3,233 (b)	(20)	8	-	3	4,112
Revaluation Surplus/Other				-	24	8	-	-	1	-	34
Total Financing				312	(357)	1,532	(14)	22	34	(10)	1,520
Of which Govt. Grants/(Loans)				38	(65)	189	2	0	0	0	184
<b>Cash Flow To/(From) Government: (c)</b>											
including shortfall of regular maintenance as percent of government current revenue (1985/86)											(521)
											(2.5)
excluding shortfall of regular maintenance as percent of government current revenue (1985/86)											429
											2.1

Notes: (a) This represents the shortfall of regular routine and periodic maintenance.

(b) Mostly represented by an increase in long term foreign loans underwritten by government.

(c) Net revenue of government departments, plus taxes paid, less subsidies and the shortfall of regular maintenance, less government grants and loans to transport enterprises.

Table 2. Zambia: Consolidated Public Expenditure Program for Transport (a)														
(Kwacha, million)														
	Recurrent Budget					Development Budget								
	FY91 Est	FY92 BAU	FY92	FY93	FY94	FY91 Est	FY92 BAU	Local		FX		Local		FX
Ministry of C & T.H.Q. (b)	380	892	892	892	892	24	170	25	55	25	55	25	55	
<b>ROADS:</b>														
Roads Department	442	911	(194)	-	-	420	791	295	498	538	4,531	434	5,148	
Shortfall of Rd Maint	1,428	3,575	3,575	2,787	1,918									
Zambia Police	-	-	-	(100)	(104)									
<b>Road Transport:</b>														
Contract Haulage	0	0	0	0	0	0	0	0	0	0	0	0	0	
United Bus	0	0	0	0	0	0	0	0	0	0	0	0	0	
Urban Transport (c)	0	0	120	120	120									
<b>Civil Aviation:</b>														
National Airports	0	0	0	0	0	80	384	48	336	48	336	48	338	
Meteorological Charge (d)	-	-	(24)	(24)	(24)	-	-	-	-	-	-	-	-	
Airport Police Costs	-	-	(34)	(34)	(34)	-	-	-	-	-	-	-	-	
Dept. Civil Aviation	187	321	289	289	289	26	85	15	50	15	50	25	240	
Zambia Airways (e)	2,328	2,000	2,000	1,500	0	0	0	0	0	0	0	0	0	
Railways: (f)	1,500	2,000	1,500	1,000	0	110	3,751	60	240	240	1,200	240	1,200	
<b>Other Transport:</b>														
Engng. Services	80	120	120	0	0	10	?	?	?	0	0	0	0	
Mupulungu Harbor	0	0	0	0	0	0	0	0	0	0	0	0	0	
National Shipping	?	?	?	0	0	0	0	0	0	0	0	0	0	
<b>Total Requirements:</b>														
Inc Maint Shortfall	6,304	9,818	6,224	6,380	3,035	652	5,161	443	1,177	686	6,172	772	6,979	
% of Gov Current Revs	15.2	12.8	10.7	6.8	2.7	-	-	-	-	-	-	-	-	
Excl Maint Shortfall	4,875	6,243	4,648	3,623	1,118	652	5,161	443	1,177	686	6,172	772	6,979	
% of Gov Current Revs	11.7	8.1	6.0	3.7	1.0	-	-	-	-	-	-	-	-	

Notes: (a) FY91 figures at current prices and exchange rates; remainder at FY92 prices and exchange rates.

(b) Excludes spending on Chipata-Mchinji railway line.

(c) Urban transport revenue support for major urban District Councils.

(d) Assumes 20% of meteorological department costs are charged against international airport users from FY92.

This would increase existing landing and departure fees by about 6 percent.

(e) Short-term indebtedness and overdraft to government owned banks. Actuals for FY91, remainder are mission estimates.

(f) Mission estimates with target reductions for FY93 and FY94. Development expenditures substantially reduced.

<b>Table 3. Zambia: Indicative Financing Plan for Trunk, Main and District Roads (a)</b>					
(Kwacha, million, at FY92 prices)					
	FY 92	FY93	FY94	FY95	FY96
<b>Revenues:</b>					
International Transit Fees (b)	344.40	409.34	425.72	442.75	460.46
Annual License Fees (c)	273.60	569.09	887.78	1,231.05	1,600.37
<b>Fuel Charges (d)</b>					
Gasoline	261.53	543.98	848.61	1,176.73	1,529.75
Diesel	228.90	476.11	742.74	1,029.93	1,338.91
Other	15.35	15.96	16.60	17.27	17.96
<b>Total Revenues</b>	<b>1,123.78</b>	<b>2,014.49</b>	<b>2,921.44</b>	<b>3,897.73</b>	<b>4,947.44</b>
<b>Expenditures: (e)</b>					
Administration (f)	55.28	57.49	59.79	62.18	64.67
<b>Maintenance of T &amp; M Roads</b>					
Paved (h)	)	582.71	1,071.25	1,701.05	2,354.40
Gravel	)	479.26	65.34	94.38	123.42
Earth	)		12.96	18.72	24.48
Unclassified	)		8.10	11.70	15.30
<b>Maintenance of District Roads</b>					
Paved	)	321.84	464.88	607.92	715.20
Gravel	)	108.38	56.70	81.90	107.10
Earth	)		118.26	170.82	223.38
Unclassified	)		122.58	177.06	231.54
Contrib to District Roads (h)		108.22	156.31	204.41	240.48
Traffic Police (i)	-	100.37	104.39	108.56	112.91
<b>Total Expenditures</b>	<b>642.92</b>	<b>1,554.57</b>	<b>2,411.20</b>	<b>3,409.35</b>	<b>4,340.85</b>
<b>Profit/(Loss)</b>	<b>480.86</b>	<b>459.91</b>	<b>510.24</b>	<b>488.38</b>	<b>606.59</b>
<b>Percentage of Maintenance Financed</b>					
	-	0.45	0.65	0.85	1.00

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