

Indirect taxes to be cut further, says Hammad

ISLAMABAD: Minister of State for Revenue Hammad Azhar has said the government is working towards implementing a direct taxation regime while gradually curtailing indirect taxes.

He said this while speaking at a seminar on “Economic Reforms: Way forward”, organised by the Sustainable Development Policy Institute (SDPI) on Friday.

The state minister highlighted that the supplementary budget, which was presented in the National Assembly on Wednesday, did not target fiscal and monetary measures but was an economic reforms package to revive and facilitate growth and investment.

He said that Pakistan is a consumption-based economy and inefficient fiscal and monetary policies during the last decade have failed to revive growth and spur investment.

Meanwhile, he said that the government will announce a medium-term economic framework in the coming week to introduce measures that will boost exports and investments.

Board of Investment (BoI) Chairman Haroon Sharif speaking at the seminar remarked that the prime minister during his visits to the region in last six months reached out to potential investors to get the economy out of the crisis.

Sharif said that first phase of China-Pakistan Economic Corridor has already matured and in the second phase, the government has received proposals from China, Saudi Arabia, United Arab Emirates, Malaysia and South Korea in several sectors including oil industry, renewable energy, hospitality and tourism.

The BoI chairman said investors and the business community have demanded of the government to reform tax regime which is not only regressive but lacks consistency and capacity.

He mentioned that the government has already reduced the total number of taxes to 16 from 47 and intends to further bring it down to single tax.

He claimed that these corrective measures have set the direction of the economy and will build confidence among investors.

SDPI Executive Director Dr Abid Qaiyum Suleri said that it was for the first time that any government has engaged with the Gulf States in an institutional manner which is a positive step.

Kalbe Ali