

Rs three trillion assets declared by 137,000 people

Advisor to Prime Minister on Finance Dr Abdul Hafeez Shaikh has said that assets worth Rs 3 trillion have been declared by 137,000 people under the Asset Declaration Scheme 2019 with tax payments of Rs 70 billion, and most of the declarants are new taxpayers.

At a hurriedly convened press conference on Thursday, the advisor said that good news is that not a single member of the IMF Board opposed the programme for Pakistan. Shaikh said he was thankful to the International Monetary Fund (IMF) leadership who by approving EFF programme for Pakistan reposed confidence in it to emerge as a good partner.

The advisor said that primary objective of the Asset Declaration Scheme 2019 was to increase number of taxpayers and 137,000 people have been registered while Rs 70 billion tax payments were made under the scheme. The good thing is that a large number of declarants out of 137,000 are new taxpayers who were, earlier, non-filers and not in tax system. He said that now the government's priority is to bring about reforms in the FBR system to achieve Rs 5.5 trillion revenue collection target for the current fiscal year.

Chairman Federal Board of Revenue (FBR) Syed Shabbar Zaidi said that notices would be issued to non-filer industrial consumers and those having one kanal house, to become filers. He said that every car owner is required to file returns irrespective of his or her income. The advisor said that the IMF will disburse \$1 billion to Pakistan on July 8, 2019 as the first instalment of \$6 bailout package. He said that one positive development after the approval of the IMF programme is that other partners have also started releasing funds to Pakistan.

The advisor maintained that Asian Development Bank (ADB) will disburse \$3.4 billion additional funds to Pakistan with \$2.1 billion in the current fiscal year and more important is that these additional funds would be provided for budgetary support. The advisor said that the World Bank (WB) will also provide additional funds for budgetary support.

He said that IMF programme is important for Pakistan because it would satisfy other international institutions that Pakistan is supported by an institution whose basic objective is to help the member countries in need. Pakistan also wants to send a message to the international community that the government wants to control its expenditure and mobilise taxes from the rich to cater for the needs of its people. The advisor said that the government will take difficult decisions but at the same time it will also protect the weak and increased allocations have been earmarked under various accounts as subsidy for them.

The government has also provided incentives to businesses class on account of electricity, gas and loans, and has withdrawn taxes on raw material to reduce the production cost because the government wants to reduce the cost of doing business to help industry increase its exports.

Shaikh said that as the country is going under the IMF programme, many good things are going to happen and "we want a platform from where sustainable growth and increase in income could be ensured."

The EFF is a long-term repayment period spread over 10 years and Pakistan will be disbursed \$2 billion annually from the IMF with mark-up below 3 percent. To a question, he said that the government has estimated \$11.8 billion outflow for the current fiscal year against \$9.5 billion for the last fiscal year and breakdown of \$38 billion estimated from other sources during three years IMF programme included; \$8.7 billion project loans, 4.2 billion programme loans, \$14 billion rollover of previous borrowing and commercial loans can be between \$0-\$8 billion.

He said that there is no condition of privatisation for Pakistan but an understanding has been reached out with the IMF that the government would prepare a programme about those state-owned enterprises (SOEs) that are to be made operational by the government and those are to be run by the private sector before September 2020. Power sector losses, circular debt, are targeted to be reduced to Rs 8 billion monthly from Rs 26 billion, said the advisor adding that the IMF would also hold a press conference and share details of the programme.

Skaikh said that present government inherited Rs 31 trillion debt and efforts were afoot with the help of friendly countries Saudi Arabia, the UAE and China, for its repayment and oil facility on deferred payment was arranged in this regard.

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