

CNIC restriction withdrawn on shopping less than Rs50,000

ISLAMABAD: Minister of State for Revenue Hammad Azhar on Tuesday dispelled an impression that new taxes have been imposed on essential commodities including edible oil, ghee, meat and flour except sugar.

Winding up debate on the federal budget, Hammad Azhar who also announced budget on June 11, said the country's economy would be taken from the phase of stabilisation to growth in coming year through measures of attracting investment, productivity, increase in exports and increase in foreign reserves instead fake measures.

He further said following demands from different circles, it was also decided to withdraw restriction on production of Computerised National Identity Card (CNIC) for customers on shopping of less than Rs50,000.

The minister, while admitting Rs3.5 per kilogram has been imposed on sugar said the measures had no impact in increase in price of sugar. He said the price of sugar in the last few months increased due to raise in support price of sugarcane per 40 kilograms for farmers from Rs150 to Rs180. He informed the House that new tax had been imposed on flour or meat rather processed food and corn flour have been brought in the tax regime.

The minister of State also announced to withdraw powers of income tax officers to raid houses for recovery of dollars and gold to take care of 'Chaddar and Char Diwari'. "We have received suggestions from both opposition and treasury benches" he said.

The minister also announced to reduce per kilogram tax on tobacco from Rs300 to Rs10 in order to maintain relief for the farmers. "The revenue collected from tax on tobacco will be spent on health sector," he said.

Not agreeing with criticism of the opposition that the revenue collection target of Rs5500 was not realistic, the minister said the country's economic volume was meant to revenue collection of Rs8000 but for this year, target was being kept much less. "We need to keep ambitious revenue target to give a boost to economy," he said.

He told the House that the FBR has been able in integrating data on its website in a record time whereas the past governments were not able to collect data of even one million people.

Talking about other measures, the minister said the government rates of property have also been raised near to the market prices whereas 'Benami Laws' were also being implemented strictly while misuse of subsidies was also being minimised.

Speaking about issue of doing away with zero-rated regime for exporters, he said during a meeting with the prime minister, the FBR chairman had assured to take responsibility of for early refunds of exporters.

The minister said that zero-rated regime was introduced when the exporters had not more than Rs5 billion share in the market which now had increased to over Rs40 billion. He went on to say that custom duty on 1650 inputs of industry had been brought to zero whereas Federal Excise Duty on imported cars had also been imposed.

He also dispelled an impression about increase in expenses of the Prime Minister House, saying that instead expenses had been reduced by 32% from Rs980 million. He said the primary deficit would be reduced from 2% to 0.6% whereas it would be zero in two-year time.

He said that contrary to claims of the opposition, the allocations for the health sector would increase from Rs8 billion to Rs13 where there is also considerable increase in education budget is allocations for higher education and knowledge economy are included in it. He further said that there would be no cut on the PSDP of Rs 950 billion which also result in creation of more job opportunities whereas Rs217 billion subsidy would be given to consumers using electricity upto 300 units.

He pointed that inflation rate during first nine months of PPP and PML-N was 24.5% and 11% respectively whereas it is 9% in the corresponding period. He pointed out that there has been 29% and 20% increase in exports of garments and fruits and vegetable respectively in the last 10 months while it has also been decided no loan would be taken from the State Bank from now.

The minister said due to measures taken by the present government, the balance payment would increase while bank interest rate would also be brought down gradually. The minister said the last two governments put country's economy at stake for the sake of their political interests or through criminal negligence as the Forex Reserves in the last one and half years of the PML-N government came down from 19 billion dollars to 9 billion dollars.

Talking about debt repayment situation of Pakistan and state of economy in March 2018, he said the IMF was worried whether the country would be able return loans in coming year. "Then it was view than finance managers in the country that next government will have to approach IMF for the loans programme," he said.

He told the House that the PTI government had received assurances of 9 billion dollars loans from friendly countries while Qatar would also make investments of 3 billion payment and 3 billion dollars oil from Saudi Arabia in deferred payments.

Hammad Azhar said in the previous two years the stability of economy was put on stake due to political interests, adding the gas sector was facing Rs150 billion loss, while circular debt reached Rs453 billion, ballooning to over Rs1100 billion. He said cumulative losses of State Owned Enterprises reached Rs423.5 billion.

Hammad Azhar said when the PTI government came to power there were only 6 billion dollar foreign exchange reserves. He said the previous government increased current account deficit and crippled the economy leaving a deficit of Rs2300 billion in the last budget.

On austerity, he said five percent reduction has been made in civil government expenses while military budget has been frozen and ten percent deduction has been made in the salaries of members of Parliament.

On circular debt, he said it will be brought down gradually while revenue in power sector has increased by Rs82 billion. He said Rs152 billion have been earmarked for former Fata for upcoming year and Rs1000 billion will be provided in the next 10 years. He said Rs45 billion have been allocated for nine projects in Karachi.

He said the federal government will spend Rs280 billion in cooperation with provinces on agriculture sector in five years. Hammad Azhar said the exports volume has increased in first ten months of this government. He said the work on housing project is ongoing and it will create millions of jobs. The minister said Kamyab Jawan Programme will give loans of Rs100 billion to youth to help them start their own businesses.

Muhammad Anis