

Finance Bill 2019-20: Budget passed despite opposition resistance

ISLAMABAD: The National Assembly (NA) on Friday passed the Finance Bill 2019, giving legal effect to the budgetary proposals for the next fiscal year 2019-2020 amid voices of 'No No' and protest from the opposition benches upon rejection of all their amendments. Treasury and the opposition members shouted slogans against each other during the proceedings.

Following a brief discussion on the Finance Bill, 2019 by members mostly from the opposition in the morning, the House completed the reading of the bill, passing the same by the sunset. Prime Minister Imran Khan, and the whole leadership of the opposition parties including Muhammad Shahbaz Sharif, Asif Ali Zardari and Bilawal Bhutto Zardari, were present when the Finance Bill was taken up by Minister of State for Finance and Revenue Hammad Azhar in the House.

The opposition members attended the proceedings wearing black ribbons around their shoulders against non issuance of production orders of two parliamentarians from Waziristan.

The maximum number of members present on the treasury benches was 179 against 148 members from the opposition benches at the time of voting. The NA, while rejecting all amendments moved by opposition members including Maulana Abdul Akbar Chitrali, Shahida Akhtar Ali, Shazia Marri, Shahida Rehmani, Abdul Qadar Patel, Mohsin Nawaz Ranjha, and others, passed 18 clauses of the Finance Bill. The opposition members moved 33 amendments and three insertions in the Finance Bill, which were rejected by the House.

A new clause with enactment of the Public Finance Management Act, 2019 was also inserted in the Finance Bill which is aimed at strengthening management of public finances with a view to improve the definition and fiscal policy for better macroeconomic management and to strengthen budgetary management.

The House again echoed with the word 'Selected' when former Prime Minister Shahid Khaqan Abbasi said Pakistan was the only country where ban had been imposed on a word, which was being used by every Pakistani. He said the government is selected and the Prime Minister is selected. "I will not call the budget selected as the chair has imposed ban on using this word," he said.

Abbasi regretted that the present government had set a new tradition that every minister gives wrong statements on floor of the NA. He referred to some facts and figures given by Minister of State for Revenue Hammad Azhar while speaking at different occasions in the assembly.

The PML-N parliamentarian said that Pakistan's debt burden stood at Rs25,000 billion in 2018 when debt servicing was Rs1500 but the present government had increased it to over Rs2900. "Increase in debt servicing due to devaluation of rupee and incompetency of the present government has resulted in increase in debt servicing by over Rs1400 billion which is more than Rs1150 defence budget," he said.

Former minister Hina Rabbani Khar said only agenda and mandate of the PTI government was to defame the opposition instead of delivering to the masses. She said the government's documents reveal that Rs3.9 trillion loans were taken only during its first eight month.

She said devaluation of Pak currency, increase in discount rate and debt servicing were three major issues facing the country. Former Prime Minister Raja Pervaiz Ashraf said there was nothing in the federal budget which could provide relief to the masses.

The PPP parliamentarian said the government was undermining supremacy of the Parliament by announcing a Commission of Inquiry on Loans. Earlier, responding to speeches from the opposition members, Minister of State for Finance Hammad Azhar said opposition leaders were speaking half truth. He claimed that it is also stated in the Holy Quran that speaking half truth amounted to telling lies.

He said last two governments were responsible for the current economic situation of the country and the incompetent government is taking the economy towards stability. He said the PML-N Government put economic stability of the country at stake during its last two years in power as the Foreign Exchange Reserves declined by 10 billion dollars in the last one and half year tenure of PML-N government.

He said the current account deficit also soared to 20 billion dollars from 2.5 billion dollars during that tenure. He said the present government has reduced the current account deficit by 20 percent and trade deficit by 4 billion dollars.

He said the previous government left behind the circular debt of 1140 billion rupees out of which Rs450 billion was generated in the last one year of the PML-N government while the PTI government has enhanced the revenue of both power and gas sectors by launching successful drive against their pilferage.

Hammad Azhar said tax to GDP ratio witnessed a growth of two percent over the last ten months and the PTI government will enhance the tax to GDP ratio by four percent in the next three years.

He said the government has also given a five-year economic plan in the budget and they will also reduce debt to GDP ratio. He rejected the impression that the government has imposed taxes on essential commodities including meat, ghee, vegetables and fruits.

He said, “We have only imposed tax on the exotic vegetables and fruits.” He clarified that inflation rate in currently is 9 percent which was 24 percent in the era of PPP. He said no new tax has been imposed on laptops while those on mobiles have been cut substantially.

He said a new mechanism will be evolved to ensure timely refunds to the exporters which will help address their liquidity issue. Hammad Azhar said it is for the first time that the House held threadbare discussion on the Finance Bill adding 224 members participated in the general discussion on the budget while the opposition members were given 25% more time, which reflects the democratic posture of the PTI government and impartiality of the Speaker.

The total outlay of the federal budget 2019-20 is Rs7,022 billion and FBR tax collection target has been set at Rs5.5 trillion, which was termed the opposition as unrealistic one. The new budget envisages total development outlay of Rs 1,863 billion. The size of federal Public Sector Development Program has been set at Rs 951 billion. Besides, an amount of Rs 912 billion has been allocated for provincial Annual Development Plans.

The budget envisages allocation of Rs 63.5 billion for special areas including merged districts of Khyber Pakhtunkhwa, Azad Jammu and Kashmir and Gilgit Baltistan. The budget also contains relief for the salaried class and pensioners with 10 percent ad hoc relief has been given to government employees from scales one to 16 while five percent increase has been given to the employees of 17 to 20 grades. The pensioners have been given 10 percent raise.

However, the tax slab for the salaried class had been revised bringing those earning over Rs 600,000 in the tax net. The budget also includes a new ration card scheme for one million people to provide nutritious food to children and pregnant women. Five hundred Kifalat Marakiz will be set up and disabled persons will be provided with assistive aids. Ehsaas homes will be constructed for elderly people.

The quarterly stipend of Rs 5000 for BISP has also been increased to Rs 5500. As per the new budget, Sehat Sahulat Cards will be provided to 3.2 million people in 42 districts, while in the second phase 15 million people will be provided with these cards across the country including the tribal districts and Tharparkar.

An amount of over Rs 516 million has been allocated for digitization of production and transmission infrastructure of Pakistan Television and Radio Pakistan with thrust on reaching out to far-flung areas of the country. The services of Radio Pakistan will be expanded to the uncovered areas.

Muhammad Anis