

NA approves second mini-budget

ISLAMABAD: The National Assembly Wednesday passed the Finance Supplementary (Second Amendment) Bill, 2019 amid strong protest by the opposition parties' members.

Prior to staging a walkout during the passage of mini-budget, the opposition members tore copies of the bill and raised slogans in the House.

Speaker Asad Qaiser had to suspend proceedings when the opposition members, led by Maulana Asad Mehmood of JUI-F, started offering Maghrib prayers in front of his dais. After resumption of proceedings, the House completed reading of the bill and passed the budget in the absence of opposition members.

The speaker also disallowed Asad Mehmood to move a resolution to condemn Federal Minister Faisal Vawda for his objectionable remarks on a television channel.

The Muttahida Majlis-e-Amal (MMA) members along with other opposition members surrounded the speaker's dais but the chair continued the legislation process. Through an amendment to the Income Tax Ordinance, 2001, the non-filers have been allowed to purchase locally manufactured vehicles irrespective of engine capacity.

According to the Finance Minister Asad Umar, the Finance Supplementary (Second Amendment) Bill envisaged revolutionary incentives and measures to encourage investment, exports and strength different sectors of the national economy. Asad expressed the resolve that the government would make every decision in the best national interest to ensure peace and development.

Winding up debate on the mini-budget, the minister assured the House that the government would accept the IMF programme only if its conditions were in interest of the country and its people.

Contradicting statistics given by the opposition leader in his speech, the finance minister said the Foreign Direct Investment (FDI) had reduced by 17% and not by 77% as Shahbaz Sharif had claimed.

He told the PML-N leaders that the PTI government had to seek loans in order to pay interest on loans obtained during the last over five years. He said the Finance Supplementary (Second Amendment Bill, 2019 was not revenue bill it was meant to give boost to investment, export and trade. Responding to the speech of Ahsan Iqbal, the minister said the GDP Growth during the PML-N tenure was 4.5% and not 5.8%.

Asad said the confidence of foreign investors had increased due to the prudent economic policies of the PTI government which, he said, would revamp economic outlook of the country.

He said measures were introduced through the Finance Supplementary (Second Amendment) Bill, 2019 and in furthering the policy of encouraging investment, various measures were intensively discussed with stakeholders after presentation of the Finance Supplementary (Second Amendment) Bill, 2019 in the House.

The House adopted an amendment to the Customs Act, 1969. In order to provide further incentives to the industrial undertakings set up in the Special Economic Zones, exemptions from customs duty and advance income tax on import of firefighting equipment have also been proposed.

He said in order to facilitate exporters and other businesses, the outstanding sales tax refunds shall be liquidated through issuance of Promissory Notes or bonds by FBR. It has now been decided that the proposed bonds shall be issued by FBR Refund Settlement Company (Pvt) Limited, a fully owned company of FBR.

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As an additional tax incentive to encourage investment in the green field projects, an amendment was also allowed to exempt business income of the green field industrial undertaking for a period of five years. It was also decided to exempt such industrial underlings from minimum tax on their turnover.

As an additional measure, it has been proposed to exempt advance tax on profit paid on Pakistan Banao Certificate, SARMAYA-E-PAKISTAN LIMITED and Duty Drawback Bonds.

Incentives have also been introduced through Finance Supplementary (Second Amendment) Bill, 2019 for banks on advancing loans for agriculture, low cost housing and micro, small and medium enterprises. It has been proposed to further streamline these incentives.

Through Finance Supplementary (Second Amendment) Bill, 2019 reduction in tax liability for inter-corporate dividend was proposed. It is proposed to exempt such dividend derived by a company if the company avails group relief according to the proportion of shareholding of the company.

The minister said in the Finance Supplementary (Second Amendment) Bill, 2019 10% federal excise duty was proposed for locally manufactured motor vehicles of engine capacity of 1800 cc and above. However, in order to address the concerns of local manufacturers of motor vehicles, the proposed engine capacity is proposed to be revised to 1700cc.

The opposition accused the government of passage of bill in haste. “The government has set a new precedent of not allowing the opposition to speak on amendments to Finance Bill and passed it in haste by turning off the mikes of the opposition members,” said PML-N senior leader Ahsan Iqbal while speaking to the media.

He said the opposition wanted to highlight the government’s economic failures but was not allowed to speak. “We had to raise voice on price hike and inflated utility bills as well as the burden of inflation on people,” he said.

He said the government had increased drug prices and made the health facilities expensive for the poor people. “Those who invested on the PTI during election were given rewards in billions and we have to tell the people how they were being robbed,” he said, adding that if this kind of budget continued to be present then it would be negation of democracy.

Ahsan Iqbal said the production cost had increased the cost of business in Pakistan. Maulana Asad Mehmood said the government did not allow them to move a resolution against Minister for Water Resources Faisal Vawda for his contempt remarks which had hurt the sentiments of Muslims.

He said Fiazul Hasan Chohan was removed from the post for his anti-Hindu remarks but Faisal Vawda who hurt the sentiments of Muslims was still in the office. “We now took the matter to the people,” he warned.

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