

Plan in place to shield low-income group from price hike: FM

KARACHI: The government has chalked out a plan to protect low-income group from inflationary pressure, Adviser to the Prime Minister on Finance Hafeez Shaikh said on Thursday, as a new wave of price hike is anticipated ahead of the IMF loan program.

“A change in power tariffs will not affect the low income people,” Shaikh said addressing a meeting at the Governor House.

The government allocated Rs216 billion for providing subsidy to poor electricity consumers, he said.

Governor Sindh Imran Ismail, Federal Board of Revenue (FBR) Chairman Shabbar Zaidi and traders attended the meeting. The meeting discussed financial matters including negotiations with the International Monetary Fund (IMF) and the new tax amnesty scheme.

The adviser on finance said the government would allocate Rs700 billion in public sector development program in budget for the next fiscal year of 2019/20.

“The budget will be people-friendly and expenses would be decreased.”

On exchange rate, he said the State Bank of Pakistan monitors its fluctuations. “Dollar rate depends on demand and supply in the market,” he added.

Shaikh said the government is getting six billion dollars in loan from the IMF. Pakistan and IMF reached a staff level agreement on an economic assistance program that could be supported by over three years’ \$6 billion loan.

The deal is yet to get a nod from the IMF’s board and linked with prior actions that include energy sector cost recovery, ease in inflation and tax revenue mobilisation.

“We are improving the tax collection system in the country,” he said. “The government is allowing investment on simple terms and conditions.”

On the new assets declaration scheme, Shaikh said people could declare their undisclosed money on four percent while they will have to give six percent to document their assets in foreign countries.

They will have to give only 1.5 percent to whiten their undisclosed property.

The finance adviser said he held detailed meetings with the businessman community on current economic situation, tax amnesty scheme and IMF deal and budget proposals.

The finance adviser said the economic situation was different when the current government came into the power.

FBR chairman said the amnesty scheme received complete support of the traders’ community, which has called it beneficial for the national economy.

Governor Sindh said the meeting was held on instructions of the Prime Minister Imran Khan. The finance ministry’s team has so far held meetings with more than 70 traders and members of stock exchange to take them in confidence over IMF talks.

Shahid Shah