

The Newspaper's Staff Reporter

### **Govt rules out any mini-budget in near future**

ISLAMABAD: Amid criticism from both government and opposition members of the National Assembly over price hike and other monetary and fiscal policies, the government on Wednesday ruled out any mini-budget in the near future, saying the improvement in revenue collection would be made through technological and administrative measures.

This was the crux of a meeting of the National Assembly's Standing Committee on Finance and Revenue presided over by Asad Umar, who wished the PM's adviser on finance and governor of the State Bank of Pakistan (SBP) to attend such sessions in the interest of the government.

The committee was informed that change in base year from 2007-08 to 2015-16 reduced the inflation measured by Consumer Price Index from 11.6 per cent in August to 10.5pc. Asad Umar wondered which inflation rate might be considered by the SBP for policy rate. He said the CPI was showing rising trend for the last few months and the government should take steps to find reasons and address them.

He said the Competition Commission of Pakistan had reported apparent collusion in sugar and wheat flour rates, while the prices of onions, chicken and sugar increased by 66pc, 65pc and 7pc, respectively.

The national price control committee went into session months ago instead of meeting every month, NA panel told

Pakistan Peoples Party's Hina Rabbani Khar said inflation was now affecting majority of the people and regretted that fiscal and monetary policies were contracting salaries and incomes and increasing inflation.

Ramesh Kumar of the Pakistan Tehreek-i-Insaf said he had alerted the government six months ago about looming increase in wheat prices. He said the factories in Sindh were filled with wheat and large quantities were being exported. He criticised the government for banning import of medicines from India in the wake of recent tensions and said it was unrealistic and would have to be changed.

PTI's member Faizulla, former chairman of the committee, said Ramazan and Sasta bazaars established under the current government had become a source of corruption instead of benefiting the common man and subsidy being given by the government was going into a few pockets. "The people did not get the relief through these bazaars during our government that we and our party had promised," he said.

Dr Aysha Ghous Pasha of the Pakistan Muslim League-Nawaz said government's steps to address problems of the poor were ineffective.

PPP's Naveed Qamar said the SBP's monetary policy was resulting in closure of factories but not impacting the prices because increase in interest rates was leading to industrial and economic contraction.

Finance Secretary Naveed Kamran Baloch conceded that he and his team could not arrange adequate briefing on prices and promised to come up in the next meeting with a strategy to counter inflation. He regretted that the national price control committee headed by the adviser to the PM on finance had held its meeting a few months ago instead of every month.

Asad Umar said the economic team should be ready to explain macro policy steps through fiscal and monetary policy on inflation and agreed with the members that no issue was bigger than inflation at present. "The adviser and governor [SBP] should take out time [for the finance committee] as it will be helpful to them and the government," he observed.

He also questioned the surge in fiscal deficit and expenditure overrun last year even though the budget was announced on June 10 and asked how Rs800 billion expenditure could exceed revised estimates in the last 20 days. "Somebody has goofed up the system somewhere. It is a big item. Somebody should be held accountable," he said, adding that increase in fiscal deficit was another thing but how budget estimates could go wrong in such a short period.

He said the basic idea behind discount to the industry when he was finance minister was to reduce fertiliser prices in the wake of increase in gas prices, but he was unaware about the latest ordinance. He said the government believed the act passed by the PML-N in 2015 on the Gas Infrastructure Development Cess (GIDC) would stand ground in court scrutiny, though the earlier attempt by the PPP in 2012 could not survive.

Ramesh Kumar demanded that the matter of the GIDC amendment ordinance be referred to the National Accountability Bureau.