

Agencies

Rs644 bn taxes against Rs580 bn target collected, says Hafeez Shaikh

ISLAMABAD: Adviser to Prime Minister on Finance and Revenue Dr Hafeez Shaikh said on Wednesday that the government has succeeded in collecting Rs644 billion taxes against the envisaged target of Rs580 billion.

He said that the government is confident to surpass the growth target of 2.4 percent set for the current fiscal year (2019-20) as after gaining stability on external front during the past year, the economy has been currently moving on positive direction.

Addressing a press conference, the adviser said there had been considerable growth in exports, which grew from \$2.01 billion during first two months of last year to Rs2.23 billion this year, while imports have declined from \$5 billion to \$4.1 billion, reducing overall current account deficit of the country by 7.3 percent.

The adviser was accompanied by Federal Minister for Planning and Reforms Khusro Bakhtyar, Federal Minister for Energy Omar Ayub, Federal Minister for Economic Affairs Hammad Azhar, Adviser to Prime Minister on Commerce and Textile, Investment and Industries Razak Dawood, Special Assistant to Prime Minister Nadeem Babar and Chairman Federal Board of Revenue (FBR) Shabbar Zaidi.

On the other hand, the overall revenue has also increased from Rs509 billion during the first two months of the last year to Rs580 billion during the current year, showing 25 percent growth.

He was of the view that keeping in view the decline in imports, there has been decrease in revenues adding that the non imports revenues surged by 40 percent during the period. Hafeez Shaikh said that the government would clear all the verified sales tax refund claims, filed till 2015, which would benefit around 10,000 people adding that business community of the country had lauded this initiative.

He said that Income tax refunds of up to Rs100,000 since 2015 would also be cleared to benefit middle income people. He said that the government had introduced a system with no human intervention to ensure immediate refunds to exporters, adding that the system, which was being labeled as 'Faster', has already been implemented and operational since August 23. It would clear refund claims of previous month up to 16th of the next months, he added.

He said that the government also expects around Rs800 billion non-tax revenues, out of which Rs200 billion would come from renewal of licencing of cellular companies, Rs300 billion from LNG terminal privatization and Rs300 billion from the interest of State Bank of Pakistan. The adviser said that the private sector credit has also increased from Rs70 billion last year to Rs120 billion, providing additional Rs50 billion. Talking about power sector reforms, he said that the circular debt has been reduced from Rs38 billion per month to just

Rs10 billion per month, which he said would further be reduced to zero by December next year. He said that the government by overcoming power thefts and other losses saved around Rs120 billion.

On issue of GIDC, he said that the government had decided to refer the matter to Supreme Court for guidance and cleared that the government decision would be taken on the basis of three basic principles i.e. decision is in accordance with the law, for the public interest and through transparent process.

Talking about the stability phase, the adviser said that after assuming the power, the government focused on external sector and had an agreement with the International Monetary Fund, which had been widely appreciated. It also engaged with World Bank and Asian Development Bank, he added. He said that private sector, vulnerable segments of society and ignored regions of the country were given special attention in the budget. In addition, the government also took austerity measures and reduced government expenditures by Rs50 billion, besides freezing expenditure of military and pay of high officials.

To a question, the adviser said in order to control prices in the country, the federal government was increasing coordination with the provincial governments.

With respect to floating of bonds in the international market, he said in few weeks, the people will get concrete news. To another query regarding recovery of \$800 million stuck up since 2006 during privatisation of PTCL, Hafeez Shaikh said that the government was initiating renewed efforts in this regard.