

**It's going to be a relief budget, advisor assures KCCI**

KARACHI: The Karachi Chamber of Commerce & Industry (KCCI) was given an assurance by Advisor to Prime Minister on Finance and Revenue Dr. Hafeez Shaikh that the upcoming budget for FY2020-21 would be a relief budget.

The assurance was given during a meeting held on Monday via a video link between a KCCI team, led by former president of KCCI and chairman of the Businessmen Group, Siraj Kassam Teli, and the Advisor to Prime Minister on Finance and Revenue, Dr. Hafeez Shaikh, to deliberate on the proposals of KCCI for the federal budget 2020-21. Officials of the Finance Ministry and the Chairperson of the Federal Board of Revenue, Nausheen Jawed, were also present at the meeting which lasted for more than 40 minutes.

In his response to the proposals and suggestions submitted by the KCCI team, Dr. Hafeez Shaikh said that despite the limitations of fiscal space, the Ministry of Finance had approved and adopted a significant number of KCCI proposals on the recommendation of the Federal Board of Revenue.

He emphasized that the government was keen to stand by the business community in these difficult times, and maximum relief would be provided in the budget of FY2020-21.

On the question of income tax refunds, Dr. Hafeez Shaikh stated that the Ministry of Finance was looking to enhance the amount of refund from Rs5 million to Rs50 million, depending on the available fiscal space.

In her comments, Nausheen Jawed, chairperson of the FBR, informed the KCCI team that their proposals were duly considered, and a number of important proposals had been accepted for inclusion in the budgetary measures for FY2020-21.

Dr. Hafeez Shaikh thanked Siraj Kassam Teli and Agha Shahab Ahmed Khan for a productive meeting and KCCI's participation in it.

He further assured the KCCI team that he would be available to discuss any issue or anomaly after the budget had been presented in the parliament.

In his opening remarks, KCCI President Agha Shahab Ahmed Khan stated that the budget for the year 2020-21 was being prepared at a time when the country had been facing an unprecedented crisis due to the Covid-19 pandemic, and every business and industry had been badly affected.

In these extraordinary circumstances, the people of Pakistan in general and the business community in particular were looking forward to a budget which provided substantial relief measures to rescue the economy from the brink of disaster.

Siraj Teli highlighted major macroeconomic issues during the meeting and elaborated on the measures the KCCI had recommended to rescue trade and industry from the devastating impact of the global economic meltdown caused by the Covid-19 pandemic.

He reiterated that today the name of the game was survival of trade and industry which should be the top priority in the budget rather than revenue. Revenue could be recovered later only if trade and industry survived hence the budget should focus on relief through these macroeconomic measures.

He said that the domestic economy, which contributed 92 percent to the GDP and provided the bulk of employment and revenue, had not received the much needed relief and financial assistance.

He appreciated reduction in prices of petroleum products which was earlier proposed by the KCCI and also the financial assistance given to the poor segment of the population through the Ehsaas program.

Siraj Teli proposed that an across-the-board reduction of 50 percent in the rate of all taxes, including the income tax, the sales tax, the FED and Customs duties on capital goods and raw materials should be announced in the budget for one year.