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### **SBP profits to drive non-tax revenues in FY21**

KARACHI: The government is expecting to collect the highest revenue from the State Bank of Pakistan under the head of non-tax revenues, according to the Federal Budget 2020-21.

It has set a Rs620bn target for profits from the SBP in FY21, which is lower than the amount received in FY20.

The government had projected the SBP profits at Rs406bn for FY20 but ended up receiving Rs785bn — greater by Rs379bn or 93pc.

This massive increase boosted the non-tax revenue collection and came out to be the single largest source.

It also helped meet the overall non-tax revenue target for FY20 of Rs894.4bn, which the government surpassed with the collection of Rs1,296bn, mainly driven by a remarkable performance by the SBP.

The data provided in the budget document shows that the government could not expand its network for higher non-tax revenue collection this year.

It expects to receive 55pc of total non-revenue collection through profits from the SBP in FY21.

Another entity under non-tax revenue that managed to cross the FY20 target was the Pakistan Telecom Authority as it bagged the government Rs125bn, compared to the projected amount of Rs52.7bn.

The revenue increased due to the sale of 3/4G licence. However, for FY21, the target for PTA has been lowered to Rs27bn.

Meanwhile, the mark-up from provinces would be almost the same with Rs26.8bn expected to be received in 2020-21, from this FY20 amount of Rs26.1bn.

On the other hand, mark-up from Public Sector Enterprises and others fell well short of the FY20 target of Rs124.5bn, with the government only managing to receive Rs36.9bn. For 2020-21, it projects that amount to reach Rs93.3bn.

The government also projects an inflow of Rs53bn as royalty on natural gas in FY21, compared to Rs54bn received in 2019-20.

Similarly, royalty on crude oil has been targeted as Rs23bn while it received Rs25bn in FY20. Another Rs17bn would come from discounts retained on local crude prices in 2020-21 while the achieved amount in FY20 came in at Rs16bn. It received Rs7bn as windfall levy against crude oil while target for FY21 is Rs8bn.

The target for petroleum levy on LPG has been increased to Rs5.5bn for FY21, as against the revised amount of Rs3.6bn in FY20.

Pakistan also bagged Rs27.5bn of foreign grants, as opposed to the target level of Rs18.8bn which for FY21 has been set at Rs22.5bn.