

## **Govt optimistic about FY21 tax collection target**

ISLAMABAD: Unfazed by severe criticism coming from opposition, Federal Minister for Industries and Production Hammad Azhar on Friday expressed his optimism to achieve Rs4,960 billion tax collection target set for the next fiscal year.

Winding up debate on different demands for grants pertaining to several federal ministries and divisions, he said the current account deficit has always remained 'Achilles heel' of the country's economy.

"If you take a look at country's economy over the last twenty years or so, the current account deficit has remained persistent," he said in response to PPP MNA Naveed Qamar's speech who spoke about the issue of current account deficit confronting Pakistan's economy.

Due current account deficit, the previous governments had to go into stabilization, he said, adding, "when you go into stabilization, the GDP growth rate is affected, devaluing the currency which increases inflationary pressure."

"They [opposition] know the battle better than me as their governments also faced the issue of current account deficit," he added.

According to him, the pace of growth rate went down even from 1pc and was recorded at 0.4 percent in the first year of PPP's government, and it happened due to current account deficit.

"When we have some growth rate in the country, the current account deficit piles up and this is the reason we give a lot of importance to current accounts deficit," he said.

The minister said the volume of debt increases due to current account deficit. When PML-N left the government in 2018, he added, the GDP was 5.4pc but Moody's still rang alarm bells.

He pointed out that the present government inherited a weak economy, but due to its concerted efforts, the government succeeded in stabilising it.

"There was a growth rate of 17 percent in first three quarters of the year. We were hopeful to achieve tax collection target of Rs4700 billion, but it could not be achieved due to Covid-19," he added.

He said that all the international financial institutions are praising Pakistan government's performance on economic front, adding two international rating agencies have declared that PML-N left Pakistan's economy on the verge of disaster.

According to him, the exports of the country will improve remarkably once the pandemic is over, as a lot has been done at the government level to boost the industrial sector.

He said that "we need to come together for the reform of the sugar industry."

To a question raised by PML-N MNA Khurram Dastgir Khan who about a purportedly secret report on economy, the minister said: "no such report was ever presented to the PM."

Azhar said that presenting a tax free budget while enhancing allocations for development shows the true leadership of Prime Minister Imran Khan. He said the government is trying to minimize the impact of Covid-19 on the economy by pursuing a prudent strategy.

The minister categorically stated that the federal government has not withheld any funds of the provinces under the National Finance Commission (NFC) award. He said that the recommendations of the Senate for the Finance Bill 2020 would be given due consideration.

Responding to opposition's criticism, he said that there was no coronavirus in the past, but revenue collections targets could not be achieved by the respective governments.

He said that International Monetary Fund (IMF) predicts that economies of 200 countries of the world would see deterioration of 4-6 percent, what to talk of growth and stability.

Earlier, PPP MNA Naveed Qamar called upon the government to consult the opposition in crucial matters of national economic interests instead of overwhelmingly relying on 'the baboos sitting in the Q Block of Pak Secretariat'.

He said that circular debt is a very big issue, which is increasing day by day and the government did not make any effort to address the issue. He said that no funding was allocated for worship places of non-Muslims.

He said that Rs1 trillion extra tax collection is not a joke, "and it would not be wrong if we call it a cruel joke with poor masses. These numbers are not neutral, and it will ultimately destroy the budgets of the provinces."

Qamar questioned whether the government is going to raise the salaries of government employees or not as the opposition needed a definite answer to this question.

He demanded a 'constitutionally correct' NFC right-away, saying the provinces must not be deprived if their due share in NFC award due to stubbornness of the Centre.

Khurram Dastgir Khan of PML-N said: "if the current account deficit is under control, why has the rupee devalued. He added that despite all the forensic audits, not a single rupee reduction in sugar prices had been witnessed.

"Debt management is also flawed. The misery index of Pakistan is increasing with each passing day. Total debt and liability till March 30, 2020 stood at Rs 12940.9 billion, and there also should be an inquiry commission. Inflation is higher compared to June 2018," he added.

He said that Pakistan's Economic policy is being manipulated by a 'mafia'.

Hina Rabbani Khar of PPP said that it is quite ironic that Hammad Azhar has nothing to do with budget-making process but the whole process of budget-making revolves around him.

Ayesha Ghous Pasha of PML-N said that there are numerous anomalies in the budget, adding that the withdrawal of power subsidy means there is huge tariff hike in the pipeline.

"Revenues have been overestimated while expenditures are underestimated and the budget deficit is going to slip," she added.