

Budget proposals, UBG chief for fixed 'Covid-19 tax' on undocumented economy

KARACHI: United Business Group Chairman Iftikhar Ali Malik Tuesday proposed steps for the next fiscal budget 2020-21 to develop the national economy and help the industries grow.

In his budget proposals, Iftikhar Ali Malik, who is also the Senior Vice President & In-charge Headquarters SAARC CCI Pakistan, urged the federal government to place a fixed 'Covid-19 tax' on undocumented economy.

He said that the government should appreciate the rupee value with a view to help reduce cost of raw material imports to make the national industries' output competitive. Besides, he asked the government to ban all imports of the luxuries goods. "Import substitution industry be encouraged," he added.

"Value added engineering products industry, value added agricultural products agro-based industry, value added chemicals & pharmaceutical industry, electric & electronic industry, textile & textile products industry, all vendor industries, auto & auto part manufacturing and assembling including tractor industry should be promoted with low cost inputs like cheap electricity and gas, zero duties on raw materials and exemption from sales tax at least for two years," he proposed.

In a bid to make exports competitive inputs and utilities should be made cheaper with waiving duties on import of raw materials, he said that the cost of utilities should be brought down as low as possible. In addition, banks rate of interest on credit should not be more than 10 percent at least for 2 years.

"Our present strategy should be changed a little. Commercial secretaries should be asked to survey the countries where they are posted and should collect information about goods these nations acquire and Pakistan could supply. As among the present pandemic, they do not need carpets & sports goods urgently, these could be food items, textile goods, leather goods, pharmaceuticals etc.," Iftikhar said.

Nation contribute to the exchequer by paying due taxes without evasions, he advised, saying that revenue collectors should also learn lessons from the pandemic and collect the taxes fairly. He said that the government should decrease the Income Tax and Sales Tax rates to a realistic level for the documented economy.

Austerity, he said, should be observed by the government and should reduce the number of advisers and ministers, freeze their emoluments and those of parliamentarians at least for two years. New development plan should be kept at modest level so that tax incentives could be given, he maintained.

“Our first priority should be restoration of economy with emphasis on those sectors which have the potential to provide necessities of life. Moreover, we should keep eye on the strategies being adopted by other affected countries to revise their economy,” he said.

He said that the Covid-19 will totally change the budget priorities, as Social Welfare, Agriculture and Health Care will take the top position in the economic development.

“Those economic sectors which could create or provide immediate employment will have to be focused for development rehabilitation,” Chairman United Business Group said.