

### **PM Imran Khan directs economic team to present balanced budget**

ISLAMABAD: The economic team on Friday apprised the Prime Minister Imran Khan about the challenges being faced by Pakistan's economy in post COVID-19 scenario and the premier directed them to present a balanced budget with the focus to stimulate the economic activities from next fiscal year.

It has been decided that the premier would chair meetings on overall growth trajectory, fiscal situation including FBR's performance and curtailing expenditures, piling up of debt situation, power sector and others before the budget so the next budget could reflect the thinking of the incumbent regime.

"In Friday's meeting the Adviser to PM on Finance presented his viewpoint related to pre-COVID-19 and post COVID-19 scenarios and challenges before the premier with the aim to apprise him where the economy stands at the moment" top official sources confirmed to The News here on Friday.

Another official said that it was the wish of the government to convince the IMF for reduction into FBR target from Rs5,103 billion to Rs4,900 billion for the next budget but the sources claimed that nothing in this regard so far finalised.

The business community is lobbying for convincing the government to dole out more incentive package in the next budget but the government is conscious that the future package must be linked with their contribution into growth trajectory.

Pakistan Business Council (PBC) stated in a tweet on Friday stating that "the forthcoming 'COVID Budget' needs to generate demand and support supply to minimize unemployment and impact on poverty. If the government can't cut its size, it should revert to borrowing from the SBP. Raising taxes will bleed the economy," the PBC stated.

The official sources said that the specific budget proposals did not come under discussions but after the initial remarks of Advisor to PM on Finance about overall prevailing economic situation it triggered debate among the participants on different aspects.

The Advisor to PM on Finance was of the view that the economy was on path of stabilization in pre-COVID-19 situation where the GDP growth projection was over 3 percent but it nosedived to negative 0.38 percent in post COVID-19 situation in the outgoing fiscal year. The inflation that peaked to double digit in pre-COVID-19 scenario had started receding before Coronavirus and it was projected to further decline.

The fiscal deficit was under control and the primary deficit had also over performed but the fiscal slippages occurred after outbreak of COVID-19 and now efforts were underway to restrict it in the range of 9.6 percent of GDP.