

Minister dubs PML-N's last budget 'unrealistic'

Page NO.01 Col NO.01

ISLAMABAD: Declaring macroeconomic targets for 2018-19 presented by the PML-N regime as unrealistic, Federal Minister for Finance Dr Shamshad Akhtar said on Thursday that the twin deficits – current account and budget deficit– had increased and now the country was facing macroeconomic challenges.

“There is no relationship between the IMF support and CPEC repayments. There is lack of understanding on CPEC mainstreaming as this initiative helped the government to get investments on energy and infrastructure in order to overcome competitive bottlenecks. There is a lot of noise about CPEC. The IMF advises the country facing balance of payment crisis so there is no linkages between IMF and CPEC,” Dr Shamshad Akhtar told reporters after attending a seminar on Sustainable Development Goals (SDGs) and Target Setting organised by the Planning Commission here on Thursday. It is relevant to mention here that the outgoing minister for finance who is going to leave her office in the next few days is talking about SDGs and target setting for the next 12 years up to 2030. Some insiders believe that Dr Shamshad Akhtar is trying to get some important position in the next set-up at the Planning Commission.

On exceeding targets related to twin deficits, the minister was referring to the current account deficit which was envisaged to be at \$9 billion on the eve of budget 2017-18 but it ended up at \$18 billion while the budget deficit also rose and was going to touch 6.9 percent of GDP against the target of 4.1 percent of GDP. The last PML-N government had prepared the budget for 2018-19 on the basis of unrealistic numbers.

The minister said that the preparatory work was underway and the incoming government would be briefed on the economy in terms of seeking the IMF programme or without Fund's programme. She said that Pakistan's foreign currency reserves stood at \$10.3 billion held by the State Bank of Pakistan and there was no immediate difficulty on repayment of foreign loans. “We will have to make repayments in next quarter,” she added.

Regarding the exchange rate, she said that it is determined by the market and no speculation could be made on this matter. In the seminar, Dr Shamshad Akhtar emphasised that significant measures and initiatives are required to ensure receiving cross-verified data through credible mechanism. Furthermore, Pakistan needs to focus on institution building and capacity building of human resource, putting up lots of efforts and diverting necessary resources.

She maintained that it is important to recognise that the underline spirit of SDGs is to “leave no one behind”. Pakistan will also have to adopt strategies to enhance local

participation and use local potential as a means not only for monitoring and accountability of SDGs but also in the implementation of the SDGs agenda 2030.

Dr Shamshad Akhtar highlighted that Pakistan was facing challenges of acute macroeconomic instability and fiscal deficit. The country needs strict financial discipline and consistent policies to overcome this challenge. Zafar ul Hassan, Chief SDGs Section, M Ali Kamal, Economic Policy Adviser, Nadeem Ahmed, Social Policy Adviser, Dr Rashid Bajwa, CEO NRSP also echoed her views.