

Towel Manufacturers' Association of Pakistan

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BUSINESS RECORDER

A constrained budget under the long shadow of IMF stipulations

ISLAMABAD: Prime Minister Shehbaz Sharif-led coalition government's Finance Minister Muhammad Aurangzeb has unveiled a Rs8.5 trillion or 6.9 percent deficit federal budget for the next fiscal year and called for the need to shift to a market-driven economy.

Property transactions: Progressive tax rates announced

ISLAMABAD: The government has announced progressive tax rates on purchases and sales of properties, categorised into three categories: filers, late-filers, and non-filers.

Exemptions withdrawn: Rs1.8trn new taxation measures unveiled

The government has announced new taxation/enforcement measures of nearly Rs 1,800 billion through withdrawal of exemptions and increase in withholding tax rates on buying/selling of properties, increased tax rates on late-filers, higher tax on salaried/non-salaried classes and retailers and 18 percent sales tax on mobile phones, dairy products (milk) and 5 percent Federal Excise Duty (FED) on commercial properties to meet target of Rs 12,970 billion for 2024-25.

Anatomizing budget

The budget 2024-25 exercise is akin to a five-legged kangaroo - one leg manacled by the International Monetary Fund (IMF), another by an elite refusing to accept a wage or procurement freeze, the third shackled by political allies and the fourth by an increasingly restive public refusing to be appeased by doctored lower inflation and unemployment figures.

A whopping 103.7pc raise in power subsidy

ISLAMABAD: The federal government has increased subsidy for power sector by a whopping 103.7 percent - from the revised estimates of 584 billion for 2023-24 to Rs 1.190 trillion for FY 2024-25. Total subsidies increased by 28 percent - from the revised estimates of 1,071,000 billion rupees to 1,363, 412 billion in FY 2024-25.

Govt proposes increase in PL rate

ISLAMABAD: The federal government has proposed an increase in petroleum levy to Rs 80 per litre on petrol and diesel (HSD) in the Finance Bill, as opposed to the current maximum limit of Rs 60 per litre, to generate Rs 1,281 billion for the next fiscal year 2024-25.

Fiscal deficit target of 6.9pc of GDP?set

ISLAMABAD: The government has budgeted overall fiscal deficit at an unsustainable 6.9 percent of GDP for 2024-25 against the revised -7.4 percent for 2023-24 which was higher by 0.9 percent than the actual budgeted -6.5 percent.

RD imposed/ raised on wide range of items

ISLAMABAD: The government has imposed/raised regulatory duty on the import of a wide range of items to encourage local manufacturing.

A budget that at once seems overambitious

Overambition is the call of the day. Concrete measures to support high taxation growth—something the country direly needs and the Budget FY2025 itself has astoundingly targeted—are entirely missing.

Most of budget targets in line with IMF guidelines: analysts

KARACHI: The federal budget will continue the fiscal consolidation seen last year and most of the targets are in line with IMF guidelines which will help in getting long-term financing facility, analyst said. Though no major reforms were seen on the exports, energy and other sectors but many tax exemptions have been removed, they added.

Business community says 'it's an IMF-friendly budget'

KARACHI: The federal budget 2024-25 has drawn sharp criticism from the business community, that termed it an 'IMF-friendly' and not a business-unfriendly budget. Speaking at a press conference after the federal finance minister's budget 2024-25 at the KCCI on Wednesday, Zubair Motiwala, Chairman of the BMG Group, expressed grave concerns over the proposed 38% increase in the FBR's revenue target to a staggering Rs. 12 trillion.

No relief for industry in budget, claims PBF

KARACHI: Pakistan Business Forum (PBF) says despite the fragile economic position of the country the business community were expecting some relief for the industry, but unfortunately no concrete measure were proposed in the budget speech before National Assembly by the finance minister.

Budget: FPCCI gives a mixed reaction

KARACHI: The FPCCI Wednesday expressed a mixed reaction to the recently announced budget. During a press conference in Karachi, FPCCI President Atif Ikram Sheikh commented that the reduction of the interest rate by one and a half percent would have a little impact.

Budget has failed to live up to our expectations: PBC

KARACHI: Pakistan Business Council (PBC) here Wednesday said that expecting a single year's budget to cure all the deep-rooted economic ills is unrealistic. This year, another challenge is to win PPP's support and meet IMF's conditions.

Prepaid internet, phone cards: Govt increases IT rate for non-filers

ISLAMABAD: The government has increased the income tax rate for non-filers purchasing prepaid internet and phone cards, as well as, units for electronic mediums to a hefty 75 percent of the bill or sale price. In order to broaden the tax base, the government has incorporated major changes for non-filers of income tax returns.

LCCI says concerned at some taxation measures

LAHORE: While appreciating some of the pro-business measures in federal budget, the Lahore Chamber of Commerce and Industry (LCCI) on Wednesday showed concerns to some of the taxation measures that are bound to jack up cost of doing business besides decelerating economic activity.

E-invoices of ST proposed for registered persons

ISLAMABAD: The Federal Board of Revenue (FBR) has introduced a new provision of issuance of electronic sales tax invoices by registered persons under the Finance Bill 2024. Explaining the significant procedural amendments through Finance Bill 2024,

Tajir Dost Scheme: Traders failing to register could face imprisonment

ISLAMABAD: The government has announced a set of new revenue measures for the budget 2024-25, with a special focus on strict enforcement including imprisonment for traders, who would fail to register with the Tajir Dost Scheme.

THE RUPEE PKR: marginal decline

KARACHI: The Pakistani rupee depreciated marginally against the US dollar, falling 0.04% in the inter-bank market on Wednesday. At close, the local unit settled at 278.61, a decline of Re0.11 against the greenback.

Gold prices gain

KARACHI: The local gold market on Wednesday gained some momentum but silver stood firm, traders said. Prices of the precious metal grew by Rs600 and Rs514 to reach Rs241900 per tola and Rs207390 per 10 grams, respectively.

Cotton market: Spot rate firm amid low business activity

LAHORE: The local cotton market on Wednesday remained steady and the trading volume remained low. According to Cotton Analyst Naseem Usman said that the rate of new cotton in Sindh is in between 20,400 to Rs 20,500 per maund.

2024-25, Budget at a glance

Current Expenditure Comparison

Current Expenditure Breakup 2024-25

DAWN NEWSPAPER

BUDGET 2024-25: Aggressive taxation proposed to unlock IMF programme

ISLAMABAD: Finance Minister Muhammad Aurangzeb presented his inaugural budget on Wednesday with clearly another “longer and larger” IMF bailout package in mind, unveiling aggressive taxation measures, including higher taxes on personal incomes and petroleum products, new taxes on real estate, and the withdrawal of several tax exemptions.

Bigger revenue targets but no cost-cutting

THE BUDGET for FY2024-25 brings Pakistan closer to clinching a new larger bailout from the International Monetary Fund (IMF). But does it have a broader long-term plan — or is it ‘disruptive’ enough — to put the flagging economy on a sustainable and inclusive growth trajectory? Most analysts remain skeptical.

Sweeping tax measures target salaried class, real estate and other assets

ISLAMABAD: The government has announced a stunning Rs1.761 trillion in new revenue measures for the next fiscal year, which, a deeper examination reveals, may contribute to another bout of inflation in the country.

Making life much harder for non-filers

KARACHI: The government has proposed a series of punitive measures in the annual budget for FY2024-25 to punish individuals and businesses who do not file income tax returns, including the possibility of being barred from foreign travel.

Budget 2024-25: Tax breaks on hybrid, luxury EVs ended 'to boost local industry'

KARACHI: In a bid to appease the local assemblers, the government has abolished customs duty on the import of hybrid cars and luxury electric vehicles (EVs). The decision has irked used car importers, who said that it would benefit the assembler of these vehicles rather than consumers.

Power sector major beneficiary of Rs1.36tr in subsidies

ISLAMABAD: The government has decided to enhance the subsidies to merged districts of former Fata in Khyber Pakhtunkhwa, mainly in the power sector, while increasing the food subsidies to the Gilgit-Baltistan region.

BUDGET 2024-25: Traders and industry call it a 'more IMF-friendly budget'

KARACHI/ISLAMABAD/LAHORE: Businessmen and industrialists initially on Wednesday appeared unsatisfied with the budgetary measures proposed for 2024-25, which appear anti-industry and more IMF-friendly.

Pensions raised by 15pc, Rs37,000 minimum wage

ISLAMABAD: The government has increased the pensions of retired officials by 15 per cent in the new budget, whereas the minimum wage has been raised to Rs37,000 per month.

Concessions on import, solar panel making welcomed

LAHORE: Stakeholders involved in renewable energy-related businesses have welcomed concessions announced in the federal budget on the import and local manufacture of solar panels, urging the government to immediately issue details in this regard.

Karachi gets only 50pc of its water needs, minister tells PA

KARACHI: Almost half of Karachi's population is forced to purchase water for their daily use from different sources as "the gap in water supply and demand in the city is 50 per cent", it emerged during the Sindh Assembly session on Wednesday.

THE NEWS INTERNATIONAL

BUDGET 2024-25: Loaded with taxes, budget to rake in additional Rs3.8tr under IMF diktat

ISLAMABAD: The government has heavily raised both direct and indirect taxes to a historic high in the budget, showing that loan deal with the IMF to bail out Pakistan's economy outweighs the relief direly needed by the inflation-broken masses, whose incomes have hit rock-bottom in recent years.

Rs18.877tr budget with record deficit presented

ISLAMABAD: Federal Finance Minister Muhammad Aurangzeb unveiled an expansionary budget proposal of Rs18.8776 trillion for FY24-25 on Wednesday, featuring a record-high deficit of Rs8.5 trillion, which is broadly perceived to align with the International Monetary Fund (IMF) guidelines.

Maximum tax rate for non-salaried class hiked to 45pc

ISLAMABAD: The government has hiked rates of higher income earners slabs of both salaried and non-salaried classes to fetch additional revenues of Rs250 billion in the budget 2024-25. Finance Bill 2024-25 tabled in parliament showed that for the salaried class, where the taxable income does not exceed Rs600,000, there will be zero tax.

Value of vehicle, not its engine capacity, to determine tax

ISLAMABAD: The FBR has brought changes in taxation for vehicles and slapped taxes on the basis of the value of vehicles instead of engine capacity. According to the Finance Bill 2024-25, up to 800cc, there will be tax of 0.5 per cent of the total value of the vehicle. From 851cc to 1000cc, tax will be 1% of the value of the vehicle.

GST imposed on milk, milk products, LPG, stationery, newsprint, PCs, laptops

ISLAMABAD: The FBR has abolished exemptions and imposed GST on milk and milk products, stationery items, LPG, poultry feeds, tractors, supplies of electricity to all residential and commercial consumers in tribal areas, newsprint and books and mobile phones in the budget.

Foreign travel curbs planned for non-filers

ISLAMABAD: The Federal Board of Revenue (FBR) has proposed stringent measures against non-filers including barring their foreign travel in the budget.

Salaries of govt employees raised by up to 25pc

ISLAMABAD: The government in the budget for the next fiscal year has proposed an increase of 25 percent in the salaries for employees of Grade-1 to 16 on ad-hoc basis, while the increase is 20 percent for employees of Grade-17 to 22.

Debt servicing to eat more than half of budget

ISLAMABAD: Pakistan faces a significant challenge in its fiscal landscape as debt servicing looms large, poised to consume over half of the country's revenues in the coming fiscal year, severely straining the economy.

Rs1.19tr subsidy to contain power circular debt at Rs2.3tr

ISLAMABAD: The government has announced Rs1.19 trillion subsidy for the power sector for the next budgetary year. But the release of the monthly subsidies would determine if the government will be able to contain the circular debt to Rs2.3 trillion — a figure that has been promised to the IMF.

Withdrawal of exemptions disappoints exporters

LAHORE: Exporters and businesses have criticized the withdrawal of tax exemptions in the FY25 budget, The News has learnt. Leading textile goods exporter MI Khurram who operates two spinning and two knitwear composite units was disappointed after listening to the budget speech.

Anti-growth, IMF-friendly: business community slams Budget FY25

KARACHI: The business community has termed Budget FY25 a "tough one" for the business community, saying it will not boost much-needed growth in the economy.

LCCI gives mixed reaction to federal budget

LAHORE: While appreciating some of the pro-business measures in federal budget, the Lahore Chamber of Commerce and Industry (LCCI) on Wednesday showed concerns over some of the taxation measures that are bound to jack up cost of doing business besides decelerating economic activity.

Traders' feedback vital for Tajir Dost scheme: FPCCI

LAHORE: Regional Chairperson and Vice President of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Zaki Aijaz emphasized that a strong and transparent tax system is needed for the growth and stability of the country's economy on Tuesday.

TRIBUNE NEWSPAPER

Govt unleashes tax tsunami

The government on Wednesday unveiled an unrealistic Rs18.9 trillion highly inflationary budget, aiming to keep political allies sweet with lavish spending promises while trying to appease the International Monetary Fund (IMF) with an unprecedented slew of new taxes.

Salaried, non-salaried taxpayers to cough up Rs225b

ISLAMABAD: The federal government increased the tax rate for both salaried and non-salaried taxpayers in the federal budget for the next financial year, placing a cumulative burden of Rs75 billion on the salaried person, Rs150 billion on the non-salaried individuals.

Govt unveils record Rs1.5tr tax plan

ISLAMABAD: The government on Wednesday proposed imposing a record Rs1.5 trillion in additional taxes to achieve an ambitious Rs13 trillion target for the new fiscal year, which is expected to unleash an inflationary storm in Pakistan due to heavy indirect taxation and further reductions in individual incomes.

\$23b in foreign borrowing planned

ISLAMABAD: Pakistan has planned to borrow a minimum of \$23 billion in the next fiscal year, including the rollover of a bilateral debt of \$12 billion, to finance its swelling development plan and meet the nation's external financing requirement.

Govt targets Rs1,281b from petroleum levy

ISLAMABAD: The federal government has set an ambitious target of Rs1,281 billion on account of Petroleum Levy (PL) on petroleum products for the upcoming fiscal year 2024-25. This projection marks an increase of Rs321 billion over the revised estimate of Rs960 billion for the current fiscal year 2023-24.

Hybrid vehicle concessions withdrawn

While presenting the budget for fiscal year 2024-2025, Finance Minister Muhammad Aurangzeb announced several reforms and initiatives, including the withdrawal of concessions on the custom duty for importing hybrid vehicles and other measures to promote the local auto industry.

EXPRESS NEWSPAPER

Budget of 18887 Billion presented; Salaries, Pension raised by 25 percent, Cement, mobile phone, Cigarette expensive

Non-filers bars to travel abroad, 75% tax on mobile phone load

Petroleum levy raised from Rs. 60 to 80, tax collection target fixed 1281 Billion

Budget is IMF dictation; Inflation Tsunami will come – Traders / Industrialists

Property Sales / Purchase; Tax of 15% on filers; 45% on non-filers

Value added textile sector declared budget as enemy of export

Boom revived after many days in stock market