

NATIONAL ASSEMBLY SECRETARIAT**“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”**

to be asked at a sitting of the National Assembly to be held on

Monday, the 5th April, 2021

38. ***Syed Agha Rafiullah:**
(Deferred during 26th Session)

Will the Minister for Finance and Revenue be pleased to state:

- (a) whether all the Advisors and Special Assistants to the Prime Minister have filed the tax return; if so, the names of such Advisors and Special Assistants, who have filed tax return alongwith the detail of each tax financial year for which, each one filed the first and the last tax return;*
- (b) name of those Advisors and Special Assistants, who did not file tax return; if so, the reasons thereof; and*
- (c) what corrective measures being taken by the Government in this regard?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar):

(a) List of Advisors / Special Assistants to Prime Minister along with CNIC # were obtained from Cabinet Division (**Annex-A**) to ascertain filer / non-filer status from FBR database. Details of Advisors and Special Assistants who have filed Income Tax return are attached as **Annex-B**.

(b) Details of Special Assistants to the Prime Minister of Pakistan who have filed their tax return for Tax Year 2019 but did not file Income Tax return for Tax Year 2020 are attached as **Annex-C**. However all three Special Assistants to Prime Minister have filed applications for grant of extension within due date.

(c) Legal Proceedings u/s 114 of Income Tax Ordinance, 2001 where applicable will be initiated.

(Annexures have been placed in the National Assembly Library)

63. ***Sheikh Rohale Asghar:**
(Deferred during 29th Session)

Will the Minister for Commerce be pleased to state the year-wise total percentage of increase in domestic exports during the tenure of incumbent Government, till date?

Minister for Commerce: The data pertaining to year-wise total percentage of increase in domestic exports during the tenure of incumbent Government, till date is at **Annex-A**.

(Annexure has been placed in the National Assembly Library)

64. ***Mr. Muhammad Hashim Notezai:**
(Deferred during 29th Session)

Will the Minister for Commerce be pleased to state:

(a) the items or products exported/imported to/from Iran during the previous five years alongwith the value thereof; and

(b) the volume of exports/imports through Taftan border till date alongwith the detail thereof?

Minister for Commerce: (a) The items or products exported to Iran in previous five years along with value are placed as **Annex-I**.

The items or products Imported from Iran in previous five years along with value are placed as **Annex-II**.

(b) The volume of Imports from Iran through Taftan Border are placed at **Annex-III**.

The volume of Imports from other countries through Taftan Border are placed at **Annex-IV**.

The volume of exports through Taftan Border are placed at **Annex-V**.

(Annexures have been placed in the National Assembly Library)

68. ***Mr. Muhammad Afzal Khokhar:**
(Deferred during 29th Session)

Will the Minister for Finance and Revenue be pleased to state:

- (a) whether it is a fact that Government is re-negotiating on the basis of already agreed terms and conditions with IMF at present; if so;*
- (b) the details of such terms and conditions, upon which such negotiation is based;*
- (c) whether it is a fact that the peoples were affected in past due to already agreed terms and conditions with IMF; if so; and*
- (d) what will be the impact on the people, if the aforesaid negotiation is made successfully and the same is executed practically?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar): (a) The Government entered into an IMF program in July 2019 and the first review was conducted successfully in December 2019. Thereafter, although the Government remained engaged with the IMF, periodic reviews could not take place because of the pandemic. Negotiations on the pending reviews, second to fifth, were completed on 16th February, 2021 with conclusion of a staff-level agreement to take the program forward;

(b) The economic reform agenda adopted by the Government in July 2019, with the technical and financial support of the IMF, remains on track as it aims to address structural imbalances in the economy for sustainable and inclusive growth in the future. The reform measures aim to improve (i) fiscal discipline (ii) debt sustainability (iii) tax base and revenue generation (iv) cost recovery in energy sector through timely tariff adjustments and rationalization of subsidies (v) performance of state owned enterprises (SOEs), and (vi) the effectiveness of AML/CFT regime;

(c) The Government is fully cognizant of the impact of the program on the vulnerable segments of the society. The reforms, therefore, have a strong social protection and inclusion element. The annual allocation for BISP in the current financial year is Rs. 180 billion as compared to last year's Rs. 118 billion. This has been supplemented by an additional Rs. 70 billion under

the Prime Minister's Covid-19 relief package. Additionally, in April 2020 the Prime Minister launched the Ehsaas Emergency Cash (EEC) program to provide immediate one-time cash assistance (Rs. 12,000 per beneficiary) to potentially over 14 million families. Furthermore, the program also covers increased spending by the federal and provincial governments on health and education.

(d) The program strikes an appropriate balance between economic reforms and social protection. As stated above, social sector spending has been considerably enhanced by the Government. Similarly, the reforms being introduced by the Government in the energy sector will ensure that subsidies are better targeted to protect the smallest consumers.

74. ***Mr. Muhammad Aslam Khan:**
(Deferred during 29th Session)

Will the Minister for Commerce be pleased to state:

- (a) *the details of items, machinery, material etc. purchased from abroad by the Commerce Division, its attached departments, corporations, authorities and other entities under its administrative control since July, 2013 indicating also the names of countries and companies from which the same were purchased;*
- (b) *whether it is a fact that the said items were being manufactured or were available in Pakistan; if so, the reasons for purchasing the same from abroad;*
- (c) *whether it is also a fact that a number of officers visited those countries, in connection with the said purchases, on the expenses of companies/firms from which those items were purchased;*
- (d) *if so, the names and designations of such officers indicating also the duration of their stay in those countries; and*
- (e) *the authority which granted permission for the said visits?*

Minister for Commerce: (a), (b), (c), (d) & (e) Reply in respect of following departments under administrative control of Ministry of Commerce are as under:—

- i. State Life Insurance Corporation Ltd. (**Annex-A**)
- ii. Pak-Expo Centers Ltd. (**Annex-B**)

(Annexures have been placed in the National Assembly Library)

75. ***Ms. Mehnaz Akber Aziz:**
(Deferred during 29th Session)

Will the Minister for Finance and Revenue be pleased to state the details of Pakistan's Covid fund collected by the Federal Government, break-up of expenditures made thereof?

Transferred to Poverty Alleviation and Social Safety Division for answer on Next Rota Day.

- @49. ***Ms. Shagufta Jumani:**

Will the Minister for Commerce be pleased to state:

- (a) the present ranking of the country in Economic Complexity Index;*
- (b) whether such ranking has gone up or down during the tenure of the incumbent Government; if so, the details thereof;*
- (c) whether it is also a fact that Pakistan needs to diversify its exports industries in order to explore new markets;*
- (d) if so, what steps are being taken in this regard?*

Minister for Commerce: (a) According to the latest available ranking for Economic Complexity Index (ECI) released and maintained by the Observatory of Economic Complexity (OEC), Pakistan has ranked 106 out of 157 countries in 2019 with a score of -0.559.

(b) Pakistan has shown an improvement in the ranking by 2 points to 106 in 2019 from 108 in 2018.

@ Transferred from Industries and Production Division.

(c) The fact is that to diversify exports Pakistan needs to enter in to the market of non-traditional products and countries. To this end, market access agreements such as PTAs/FTA and DLT scheme are being utilized. The economy of Pakistan is slowly but steadily picking up the pace to achieve the economic diversity. Pakistan has exported 110 new products worth USD 3.5 Million in last eight months of this fiscal year compared to 2015-19 (5Y). The following table shows number of news products exported in last 3 years compared to the number of products exported in 2015-17.

Year	Export Value USD Million	No. of New Products
2018-19	14.2	313
2019-20	64.5	367
2020-21	60	289
Total	139	672

Moreover, Pakistan has also increased its exports in non-traditional markets in last five years from USD 600 Million to 1076 Million (**Annex-I**).

(d) The following steps have been taken to diversity exports:

1. **PM PACKAGE OF INCENTIVE FOR EXPORTERS:** In 2017, the Government announced an Export Package of Rs. 180 billion to facilitate the business community and arrest the declining trend in exports. During Phase-I of the PM Package (from 16th January 2017 to 30th June 2017), the exporters of gloves, footballs and other sports goods, leather garments, footwear, surgical and cutlery sectors were provided cash support at specific percentage of FOB value of exports. During Phase-II (from 1st July, 2017 to 30th June 2018), the Package was extended with certain modifications by allowing 50% of the incentive to all eligible sectors and the remaining 50% of incentive was linked to at least 10% enhancement in exports as compared to the corresponding period of the last year. During Phase III, the Package was further extended for the next three years (2018-21) on the same terms and conditions as was approved in the second phase with the addition of more non-textile sectors *viz*, electric fans, transport equipment, auto part accessories, machinery including electric machinery, furniture, stationary, fruits

& vegetables and meat and meat preparation including poultry. Moreover, to encourage market diversification, 2% incentive of FOB value was allowed for exports to the non-traditional markets.

2. **TARIFF RATIONALIZATION THROUGH NATIONAL TARIFF POLICY:** The Custom Duties and Regulatory Duties on 236 Tariff Lines (TLs) of raw materials and intermediate products were reduced in budget 2018-19. In supplementary budgets I and II, the duties on 40 TLs and 106 TLs respectively were reduced. Moreover, Customs Duties on 1639 TLs were reduced to zero in the budget 2019-20. In budget 2020-2021, additional Customs Duty of 2% on 1623 Tariff Lines, consisting of basic raw materials used by the industry, have been removed. Moreover, in order to discourage smuggling in the country and keeping in view the vision of the Prime Minister to facilitate the legitimate trade, duties on 135 smuggling prone items have also been reduced. Similarly, to facilitate the industry especially Engineering Sector in the country, duties on 36 Tariff Lines of flat Iron and Steel products, *i.e.* Hot Rolled Coils (HRC) have been reduced. In order to implement the “Make in Pakistan Initiative” duties have been reduced on 112 Tariff Lines, consisting of inputs/ intermediate goods, used by the exporters in the domestic production. Duties on 90 items have also been reduced from 11% to 3% & 0% on intermediate goods which were not manufactured locally.
3. **E-COMMERCE POLICY:** Introduced in October, 2019, the policy covers and provides guidelines on key components for promotion of e-Commerce including regulatory environment, financial inclusion and digitization through payment infrastructure, empowering youth and SMEs, consumer protection, taxation, ICT infrastructure, logistics and engagement in multilateral negotiations.
4. **IMPROVE EFFICIENCY OF TRANSIT THROUGH PAKISTAN:** New border points opened for trade with Afghanistan and Iran Ghulam Khan BCP opened for ATT, Kharlachi notified as rebatable BCP to enhance exports, Customs & banking facilities being established at all BCPs, APTTA 2010 being revised to improve efficiency of transit thru Pakistan, TIR

Rules being rationalized, ATT bulk shipments allowed thru Gwadar port, Joint Check Posts of all agencies established at BCPs to reduce clearance time, Scanning regime rationalized and removal of transshipment restrictions.

5. **MARKET ACCESS INITIATIVES:** To have better market access for Pakistani products, the Government has taken the following initiatives:
- i. **Pak China FTA Phase-II:** Pakistan has signed the second phase of Pak-China FTA, effective from 1st January, 2020, under which duty on 313 Tariff Lines will be reduced to zero by China. The enhanced market access will further diversify Pakistan's export in these Tariff Lines.
 - ii. **Market Access by China on Yarn, Rice and Sugar:** The Chinese Government has granted one-time duty-free buying arrangement of US\$ 01 billion access to Pakistan in yarn, sugar and rice.
 - iii. **Enhanced Market Access offered by Indonesia:** As a result of concerted negotiations, Ministry of Commerce has been able to get market access from Indonesia on additional 20 tariff lines. Exports in these 20 tariff lines will further diversify Pakistan's exports to Indonesia, for Pakistan's global export in these lines amount to US\$ 4 billion.
 - iv. **Enhanced Market Access offered by Sri Lanka:** In Dec, 2019, three new varieties namely, PK 385 and or Super Kernel grade, 1121 Kianat Rice, PK 198/D 98 Basmati. Rice have been added to the list of Rice having duty free access to Sri Lankan market.
 - v. **New Markets:** To further diversify Pakistan's exports to non-traditional markets, the Ministry of Commerce has launched the "*Look Africa*" policy to promote and facilitate exports to the untapped markets of African region, which hold immense potential for Pakistan to enhance its market share.

vi. **Enhanced engagement with top 10 African Economies:**

The Ministry of Commerce has enhanced interaction with African Ambassadors/High Commissioners based in Pakistan, and directed the trade officers posted in African countries to intensify engagement with respective Governments and business leaders.

- a. 6 new commercial sections in Egypt, Tanzania, Ethiopia, Sudan, Algeria, and Senegal have been opened. Moreover, accreditation has been granted to four existing Trade Officers as follows:
 - Commercial Councilor Kenya (Uganda, Rwanda, Burundi, Eretria)
 - Commercial Secretary South Africa (Botswana, Lesotho, Namibia, Swaziland)
 - Commercial Councilor Morocco (Tunisia, Mauritania)
 - Commercial Secretary Nigeria (Niger, Chad, Cameroon, Ghana, Benin)
- b. **Arrangement of Look Africa Trade Forums in Major Cities:** “Look Africa Trade Forum” was organized on the sidelines of EXPO Pakistan-2017 at Karachi, attended by hundreds of businessmen from 18 African countries, all African Ambassadors/ High Commissioners in Pakistan, diplomats, government officials and over two hundred Pakistani businessmen. Trade Forums were also arranged in Karachi, Lahore, Peshawar and Islamabad, with the help of the chambers of commerce.
- c. **Negotiations on Bilateral/Multilateral Trade Agreements:** Trade Negotiation Committees have been formed/reactivated with major African countries. Joint Working Groups (JWGs)/JTC with Tunisia and Kenya have been established, while Egypt has agreed to the establishment of a JWG between the two countries. Bilateral Trade Agreements (BTAs) are in process with Nigeria, Rwanda and Ethiopia. Under these BTAs, JWGs will also be established. Engagement with SACU, ECOWAS and EAC is being initiated.

- d. **Enhanced Subsidy for Africa:** TDAP provides special subsidy (80-90%) to companies/ delegations to encourage their participation in exhibitions in Africa. After the launch of "Look Africa Policy Initiative", 12 exhibitions in Egypt, Morocco, South Africa, Nigeria, Kenya, Tanzania and Ethiopia etc. and 1 delegation of Surgical, Pharma and Sports Goods to Algeria and Tunisia have been sponsored by TDAP under the policy.
- e. **Pakistan-Africa Trade Development Conference:** The event was held in Nairobi, Kenya, on 30-31 January, 2019, with an aim to promote trade and to further strengthen existing trade linkages with the African region.

(Annexure has been placed in the National Assembly Library)

81. ***Syed Hussain Tariq:**

Will the Minister for Commerce be pleased to state:

- (a) whether Government has assessed its policies which compelled to import huge quantity of wheat during the year 2020 and this trend continued during the years 2020 and 2021;*
- (b) if so, whether Government has assessed or intends to assess the reasons, which compelled the Government to import wheat during the said periods; if so, the details thereof and if not, the reasons thereof; and*
- (c) what corrective measures or the steps are being taken by the Government to make the country self-sufficient for making increase in the national production of wheat?*

Transferred to National Food Security and Research Division for answer on Next Rota Day.

82. ***Ms. Shagufta Jumani:**

Will the Minister for Finance and Revenue be pleased to state:

- (a) the performance of country's economy in South Asian region as compare to other countries of the region, since August, 2018;*

- (b) *the details of different targets, which were set out for achieving the same on the economic front during the last three years, including the current fiscal year;*
- (c) *whether Government has successfully achieved such targets; if so, the details thereof and; if not, the reasons thereof; and*
- (d) *whether is there any plan under consideration of the Government to achieve the targets which are set out for the current fiscal year without putting extra burden to common man?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar):

(a) Economic performance of key economic indicators of Pakistan and other countries of South Asia Region are given below:

Real GDP Growth (%)			
	2018	2019	2020
Pakistan*	5.5	1.9	-0.4
Afghanistan	2.7	3	-5
Bangladesh	7.9	8.2	5.2
Bhutan	3.8	4.4	2.4
India	6.1	4.2	-8.0
Maldives	6.9	5.9	-20.5
Nepal	6.7	7.0	2.3
Sri Lanka	3.3	2.3	-5.5

Current Account Balance % of GDP			
	2018	2019	2020
Pakistan*	-6.1	-4.8	-1.1
Afghanistan	13	8.6	4
Bangladesh	-3.5	-1.7	-1.5
Bhutan	-19.1	-22.6	-14.6
India	-2.1	-0.8	-0.3
Maldives	-28.2	-26.3	-17
Nepal	-8.1	-7.7	-0.9
Sri Lanka	-3.2	-2.2	-2.4

Inflation (%)			
	2018	2019	2020
Pakistan*	4.69	6.8	10.7
Afghanistan	0.6	2.3	5
Bangladesh	5.8	5.5	5.7
Bhutan	3.6	2.8	3
India	3.4	4.8	5.8
Maldives	-0.1	0.2	0.5
Nepal	4.2	4.6	6.2
Sri Lanka	4.3	4.3	4.5

Fiscal balance % of GDP			
	2018	2019	2020
Pakistan*	-6.5	-9.1	-8.1
Bangladesh	-4.8	-5.5	N.A
Bhutan	-0.31	-1.9	-3.04
India	-5.8	-5.4	-6.5
Nepal	-10.1	-5.4	-7.3
Sri Lanka	-5.3	-6.8	-8.5

*: Pakistan Economic Survey FY2020

Other data Asian Development Outlook 2020 update, December 2020

(b) Targets of key economic indicators since 2018:

Pakistan				
Indicator	2018	2019	2020	2021
Real GDP Growth	6.0	6.2	2.4	2.1
Inflation (%)	6.0	6.0	11-13	6.5
Export (\$ billion)	23.1	28.0	26.2	22.7
Import (\$ billion)	48.8	56.9	53.7	42.4
Current Account	2.6	4.0	3.0	1.6
Deficit (% of GDP)				
Fiscal Deficit (% of GDP)	4.1	4.9	7.1	7.0

Source: Annual, Plan, Various issues, Planning Commission.

- (c) * At the end of FY-2018, economy was facing severe macroeconomic vulnerabilities. Consumption-led higher growth was adopted that was financed by borrowed money which stimulated the aggregate demand.
- * Such import-led growth leads to stagnant investment and low domestic resource mobilization. The unplanned and unproductive expenditures widened the fiscal deficit as well as current account deficit.
 - * In wake of such highest ever macroeconomics imbalances, present government has started structural reforms.
 - * The economy experienced marked adjustments such as monetary tightening, exchange rate adjustment, expenditure control and enhancement of regulatory duties on non-essential imports.
 - * The policy actions helped contain demand pressures and contributed to import compression, which led to a significant reduction in the current account deficit and subsequently all macro-economic indicators moved towards stabilization.
 - * The impact of macroeconomic adjustment and demand management policies muted the growth in FY2019 to 1.9 percent.
 - * During first half of FY2020, Pakistan's economy was moving progressively along the adjustment path and economic recovery was expected.
 - * The outbreak of COVID-19 during the second half of FY2020 brought multifaceted challenges to the economy. Similar to all over world, COVID-19 has changed the whole scenario in Pakistan as well, economic growth contract by 0.4 percent in 2020.
 - * The Government has acted in a timely manner to mitigate the adverse effects of the pandemic, to preserve the socio-economic gains and announced the largest ever Fiscal Stimulus package of Rs. 1,240 billion that covers Emergency Response (Rs. 190 billion), Support to Business (Rs. 480 billion) and Relief to Citizens (Rs. 570 billion).

(d) To put the economy on the fast recovery and to create employment opportunities, the government has also initiated various programs it including:

- National Agriculture Emergency Program: 13 mega projects at the cost of Rs. 277 billion are under execution.
- Rabi Package of Rs. 5.4 billion to reduce the input cost for the farmers.
- Minimum Support Price of wheat increased to Rs. 1,800 per 40 kg from (Rs. 1,400 per 40 kg).
- To uplift the industrial sector duty withdrawals, tax refunds, electricity tariff reduction, Long-term Trade Financing and Export Finance Scheme (EFS) at subsidized rate (LTFF 5%, EFS 3%) have been provided.
- Special package for construction sector which includes amnesty scheme, tax exemptions and Rs. 33 billion subsidies (for 10 years) for Naya-Pakistan. Government has extended tax amnesty till June 2021, while fixed tax regime till Dec 2021. Banks have also been directed by SBP to increase their construction sector loans to 5% of their total loan book by December 2021.
- Relief has been given to export oriented industries through tax refunds.
- “ChotaKaroobar-o-Sannat Imdadi Package” of Rs. 50.7 billion to provide indirect cash flow support to the Small and Medium Enterprises (SMEs).
- Ease of Doing Business Reform Action Plan
- Investment Promotion Strategy 2020-23
- Second phase of the Pak-China Free Trade Agreement
- National Tariff policy (NTP)
- E-Commerce policy
- Incentives under Pakistan Remittance Initiative Program to make the inflow of foreign currencies faster, cheaper and more convenient under the PRI.

- Prudent fiscal strategy to improve revenues through comprehensive tax measures and administrative reforms along with expenditure rationalization.
- Enacted Public Finance Management Act, 2019 for a more disciplined budgeting and financial management.

Government is committed to correct fundamentals of the economy through effective policy making/implementing and targeted reforms with an aim to achieve sustainable and inclusive growth trajectory.

83. ***Syed Abrar Ali Shah:**

Will the Minister for Finance and Revenue be pleased to state the names of countries whose banks/financial institutions are working in the country at present?

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar): The names of the countries, whose Banks/Financial Institutions are working in Pakistan are as under:—

S. No.	Institution	Type of Institution	Country of Incorporation
1.	Citibank N.A.	Commercial Bank	USA
2.	Deutsche Bank AG	Commercial Bank	Germany
3.	Industrial & Commercial Bank of China.	Commercial Bank	China
4.	Bank of China Limited	Commercial Bank	China

84. ***Mr. Abdul Qadir Patel:**

Will the Minister In-charge of the Prime Minister's Office be pleased to state:

- (a) *the nature of complaint, which was launched through Pakistan Citizen Portal on May 10, 2019 vide Code No. IS100519-2635213 alongwith latest status thereof; and*
- (b) *time by which such complaint will be finalized and appropriate action will be taken against responsible?*

Minister In-charge of the Prime Minister’s Office: (a) The matter in complaint bearing ID number IS100519-2635213 dated May 10th 2019 is reproduced as submitted by the citizen “*chairman nab is harrasing me-n-my family he is making fake cases against me n my husbnd just because I didnt make any relation wid him.Nab is threatning me i am a law student. How he disrespect a woman like this. He is a morally ill person I have all vdos and audio recordings against him I am attaching some screenshots of vdos*”. The complaint was examined and found unfit for further processing in the light of User’s **Guideline Manual for Complaints and Suggestions Handling**. Hence, it was dropped from the system on 02-07-2019 being beyond jurisdiction of the Portal. The complainant was accordingly informed in the matter through the system.

(b) As mentioned above, the instant complaint does not qualify to be processed through Pakistan Citizen Portal (PCP).

85. ***Syed Abrar Ali Shah:**

Will the Minister for Finance and Revenue be pleased to state:

- (a) *the details of total amount of internal and external loans during the current regime till date alongwith the reason thereof; and*
- (b) *the details interest calculated on the said loans?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar):

(a) Total public debt increased by Rs. 12.5 trillion during the 30 months period (Jun. 2018 till Dec. 2020), out of which domestic and external debt contributed Rs. 7.9 trillion and Rs. 4.6 trillion respectively. The analysis of increase in public debt reveals the following information:

- The present government had to pay Rs. 6.2 trillion (50% of the increase) as interest on debts borrowed predominantly by the previous governments;
- Public debt increased by Rs. 3.0 trillion (24% of the increase) due to currency devaluation. This increase was not due to borrowing but due to revaluation of external debt stock in terms of rupees after currency devaluation;

- Rs. 2.4 trillion (19% of the increase) was borrowed for financing of primary deficit;
- Rs. 0.6 trillion (5% of the increase) was on account of increased cash balances of the Government to meet emergency requirements, this increase in debt was offset by corresponding increase in the Government's liquid cash balances;
- Rs. 0.3 trillion (approx. 2% of the increase) was due to difference between the face value and the realized value of government bonds issued during this period.

(b) Out of total interest payment of Rs. 6.2 trillion, amount of approximately Rs. 1.3 trillion was paid towards new loans obtained (mainly to pay interest on past loans) by the current Government.

86. ***Syed Imran Ahmad Shah:**

Will the Minister for Privatization be pleased to state:

- (a) *the details of national institutions have been privatized by the present Government so far; and*
- (b) *the details of income earned therefrom?*

Minister for Privatization (Mr. Muhammadmian Soomro): (a) No national institution has been privatized by the present government, so far. However, ten (10) properties (land and building, apartment, flat and shops) of five Ministries / organizations have been auctioned during the tenure of present government. Details of which are at **Annex-A**.

(b) An amount of Rs. 920.8 million has been earned through the sale of above properties. Additionally, Rs. 12.9 million has been earned on account of forfeiture of earnest money from defaulted bidders of other auctioned properties. All aggregating to Rs. 933.75 million.

(Annexure has been placed in the National Assembly Library)

87. ***Mr. Abdul Qadir Patel:**

Will the Minister for Finance and Revenue be pleased to state:

- (a) *whether it is a fact that the consumers of cellular phone companies are paying 12.5% advance income tax and 17% Federal Excise Duty on Telecom Services;*
- (b) *if so, whether the withholding tax on telecom services is significantly higher in comparison to some of Pakistan's other sectors;*
- (c) *whether further the 5% WHT is charged on airline tickets and 1% WHT is levied on property transfer;*
- (d) *whether it is also a fact that income of majority of the population of the country is below to the minimum taxable threshold, consequently, the deducted amount of WHT is neither claim nor adjusted against a consumer's tax liability for a year, as they do not file tax returns;*
- (e) *if so, what steps are being taken by the Government to abolish such advance tax on cellular phone consumers at an earliest?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar): (a) It is clarified that cellular phone companies (CMOs) charge Federal Excise Duty @ 17% in the Islamabad Capital territory under S.No.6 of Table-II of the First Schedule to the Federal Excise Act, 2005:

S. No.	Description of Goods	Heading/Sub heading number	Rate of Duty
6	Telecommunication services, excluding such services in the area of a Province where such Province has imposed Provincial sales tax and has started collecting the same through its own Board or Authority, as the case may be.	98.12 (All sub-headings)	Seventeen percent of charges

However, sales tax on telecom sector in provinces is collected by Provincial Revenue Authorities as per the rates specified in the respective sales tax on services laws.

(b) Income Tax is collected under section 236 of the Income Tax Ordinance, 2001 by telecom companies on mobile phone services at the rate of 12.5% of the gross amount of bill. FBR collected about **Rs. 54 Billion** under section 236 of the Ordinance during tax year 2020. This advance tax is borne by consumers and not by the telecom operators. Moreover, the Honorable Supreme Court of Pakistan has also upheld this tax collection. The telecom services are high profit margin compared to other services, therefore subjected to higher taxes.

(c) Advance income tax u/s 236 is collected @ 5% on the gross amount of air ticket. The same is adjustable against tax liability of the taxpayer when return is filed. It can be refunded if the tax is paid in excess of tax which the taxpayer is required to pay on his income.

Same is the case with advance tax payable at the time of transfer of immovable property. Which is not collected if the property is held for period exceeding four years. It is also adjustable against tax liability of the taxpayer when returns is filled.

(d) Under the Income Tax Ordinance, 2001 tax collected on Telecom Service can be adjusted on filing of return by the taxpayer. Even if the income is Below Taxable Limit (BTL), this amount can be refunded to the taxpayers, on filing of return. Mostly the amount is not substantial therefore the taxpayers do not file return. In case of substantial amount, returns are filed and refund obtained.

(e) Currently, FBR is collecting Rs. 54 Billion under the head. Sudden withdrawal is not possible. Taken into consideration, this aspect, the ECC has directed to gradually reduce it to 10% in tax year 2022 and 8% in tax year 2023.

88. ***Jam Abdul Karim Bijar:**

Will the Minister for Finance and Revenue be pleased to state:

(a) *the details of exact amount of each tax, duty and any other charge of any nomenclature, being levied on the actual manufacturing cost of each kind of vehicle, which is assembled in the country;*

- (b) *whether relevant authorities has assessed the actual number of every kind of vehicles sold out, the brand-wise amount of aforesaid taxes, duties and any other charges, collected from buyers and deposited to national exchequer during the last 8 years;*
- (c) *whether any discrepancy has been found in collection of aforesaid taxes, duties and other charges, and have deposited the such amount to national exchequer; if so, the details thereof; and*
- (d) *what corrective measures are being taken by the Government in this regard?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar):

(a) Inland Revenue

Following duty and taxes are levied on local supply of cars:-

Tax	Rate
Sales Tax	17%
FED (upto 1000cc)	2.5%
FED (From 1001cc to 2000cc)	5%
FED (Above 2000cc)	7.5%

Customs

In order to boost the local vehicles assembling industry, Government has introduced a concessionary regime of customs duty for import of components for assembly of different types of vehicles in Completely-knocked-down (CKD) form. This duty structure has been implemented *vide* SRO 656(I)/2006 dated 22-06-2006 wherein concessionary rates of duty have been mentioned against all types of CKD kits irrespective of the brand, make and model. This duty is levied on the value assessed for the CKD Kits under Section 25 of the Customs Act, 1969. Summary of the structure of this levy is given in the Table below:

S. #	Description of Vehicles	Description of imported input goods	Rate of CD
1	Agriculture Tractors of heading 87.01.	Components for assembly/ manufacture in any form	1%
2	Road tractors for semi-trailers and trailers (prime movers) of 280 HP and above falling under PCT heading 87.01.	Components for assembly/manufacture in any form	5%
3.	Road tractors for semi-trailers (prime movers) of 280 HP and above of PCT heading 87.01	Components for assembly/ manufacture in any form	5%
4.	Buses of PCT heading 87.02 (other than mentioned at S.No. 5 below)	Components for assembly/manufacture in any form	5%
5.	Buses (dedicated LNG/LPG or CNG) of PCT heading 87.02	Components for assembly/ manufacture in any form	1%
6.	Vehicles of PCT heading 87.03 (excluding specially designed twin cabin type taxi of PCT heading 8703.3227 and 4-stroke Auto Rickshaw of PCT heading 8703.2115)	Components for assembly/manufacture in any form	30%
7.	4-stroke Auto Rickshaw of PCT heading 8703.2115	Components for assembly/manufacture in any form	15%
8.	Vehicles of g.v.w not exceeding 5 tons (LCVs) falling under PCT heading 87.04 (except 3-wheeler cargo loader of PCT heading 8704.3150)	Components for assembly/ manufacture in any form	20%
9.	3-wheeler cargo loader of PCT heading 8704.3150	Components for assembly/manufacture in any form	15%
10	Vehicles of g.v.w exceeding 5 tons (HCVs) falling under PCT heading 87.04	Components for assembly/manufacture in any form	10%
11.	Vehicles of PCT heading 87.11 (except motorcycle rickshaw of PCT heading 87.11.3020)	Components for assembly/manufacture in any form	15%
12.	Motorcycle rickshaw of PCT heading 8711.3020	Components for assembly/ manufacture in any form	15%
13.	Trailer of PCT heading 87.16	Components for assembly/ manufacture in any form	5%

In addition to the Customs Duty, government has also levied Additional Customs Duty (ACD) on such goods from time to time, detail of which is as under:—

SRO	Year	Rate of ACD
1178(I)/2015	30-11-2015	1%
630(I)/2018	24-05-2018	2%
670(I)/2019	28-06-2019	7%
572(I)/2020	30-06-2020	7%

The OEM/ auto assemblers include these levies on CKD kits in their cost structure at the time of sales of the assembled vehicles to buyers and thus pass on the incidence of these duty/taxes to the end users.

(b) The detail of amount of aforesaid taxes and duties collected from top three local car manufacturers during last eight years is as under:-

(Rs. in Millions)

Name of Taxpayer	Income Tax	Sales Tax	FED	Total
Indus Motor Company	34,852	112,645	10,200	157,697
Pak Suzuki Motor Company Limited	12,539	91,431	3,647	107,618
Honda Atlas Cars Limited	13,036	70,813	5,460	89,309

(c) The monitoring of withholding income tax as well as sales tax and FED is done on monthly / quarterly basis and as a result discrepancies found are dealt in accordance with relevant provisions of law. In various situations the observations / discrepancies pointed are settled on explanations or provision of supportive documents. In case the taxpayer is not able to explain his position, orders are passed and such orders are subject to test of law at various appellate stages.

(d) Enforcement measures as provided by law are taken regularly to recover tax amounts.

89. ***Mr. Raza Rabani Khar:**

Will the Minister for Commerce be pleased to state:

- (a) the details of value and volume of wheat which was exported during the year 2019;*
- (b) the details of value and volume of wheat imported in the year 2020;*
- (c) the details of per 40 KG rate of wheat upon which it was exported, and the rate of same volume which had been or presently being imported in the country;*
- (d) the details of names of companies and individuals, which exported the wheat; and*
- (e) the names of the individuals which had either imported the wheat or will be involved as per available data in the import of the wheat in the coming days?*

Minister for Commerce: (a) A quantity of 270,295 MT of wheat was exported during the Calendar Year 2019 with a value of US\$ 67.47 million.

(b) A quantity of 2,489,416 MT has been imported with a value of US\$ 661.148 million during the year 2020.

(c) The Federal Cabinet has approved import of 1.76 MMT of Wheat by TCP on recommendation of Ministry of National Food Security & Research to meet the demand of the country. TCP has so far imported 1,698,676 MT wheat at 45,859 PMT.

The average rate of per 40 kg wheat that has been exported in 2019 is PKR. 1497.6 on FoB basis. However, the average rate of per 40 kg wheat that has been imported in 2020 is 1834.4 on CFR basis.

(d) The details of names of companies and individual who exported the wheat is at **Annex-I**.

(e) The details of names of companies and individual who imported the wheat is at **Annex-II**.

(Annexures have been placed in the National Assembly Library)

90. ***Dr. Nafisa Shah:**

Will the Minister for Finance and Revenue be pleased to state what is the growth rate in the Manufacturing Sector during the year 2020-21 and the reasons for increase/decrease?

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar): (a) * Manufacturing sector has three sub-sectors: Large Scale Manufacturing (78%), Small Scale Manufacturing (15%) and Slaughtering (7%).

* Pakistan Bureau of Statistics releases data of these sectors on annual basis except LSM which is released on monthly basis. The growth rate in the LSM during Jul-Jan FY 2020-21 is as follows:

Large Scale Manufacturers (LSM) % Growth

	FY2020-21	FY2019-20
Jul-Jan	7.8	-3.2
Jan	9.1	-5.7

Source: PBS

The Government has taken the following initiatives/ programs to uplift manufacturing sector:

- * Out of Rs. 1.24 trillion Fiscal Stimulus package, Rs. 480 billion have been reserved to support business.
- * Special package for construction.
- * Government has slashed FED on cement from Rs. 2/kg to Rs. 1.5/kg w.e.f 1st July, 2020.
- * Relief to export oriented industries.
- * Electricity and gas subsidy for the export industries.
- * Tax exemptions for Electric vehicle manufacturers.
- * China-Pak Free Trade Agreement-II.
- * Removal of regulatory duty (5%) on import of cotton yarn till 30th June 2021 which is supporting textile sector.

- Import duties on selected textile raw material (fibers, yarns and fabrics of nylon, silk, wool and vegetable based fibers etc. have been withdrawn.
- Chota Karobar-o-Sannat Imdadi Package.

91. ***Mr. Saad Waseem:**

Will the Minister for Finance and Revenue be pleased to state:

- (a) *whether is it a fact that as per reports allegedly discrepancies have been emerged in tax refunds during the recent financial years;*
- (b) *if so, whether the Government has conducted third party independent audit of tax returns, which have been made by FBR, during the last three years; if so, the details thereof and if not, the reasons thereof;*
- (c) *if such audit has been conducted, whether is there any discrepancy has been found; if so, the details thereof;*
- (d) *what action has been taken against each responsible alongwith details of alleged amount of refund; and*
- (e) *whether such amount has been recovered; if so, the details thereof?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar): (a) FBR has very focused Internal Audit Wing headed by Director General who is responsible to conduct audit of tax receipts as well as issuance of refunds on regular basis.

In addition to Internal Audit mechanism the office of Director General Audit Inland Revenue & Customs under the aegis of Auditor General of Pakistan also conducts audit of almost all the aspects of levy, collection and payments of taxes, which includes audit of amounts refunded to taxpayers.

Direct Taxes:

Processing and sanction of Refund of Direct Tax is done by the field offices of FBR after following a detailed procedure of payment of tax to be refunded and admissibility of refund claim.

The observations raised by the Audit officers of Directorate General of Revenue & Receipt Audit (DGRRA) are usually contested by field offices and in majority Cases, they are settled on discussions.

The DGRRA has pointed out certain discrepancies and the same have been communicated to respective field offices. Apparently, the objections are liable to settlement after explanations, discussions by the field officers with DGRRA.

(b) The office of Auditor General of Pakistan conducts audit of Tax Refunds as third party to ensure that the refund is determined correctly, the Refund case is sanctioned after proper verification and Refund issued is genuinely paid.

(c) On the basis of discrepancies pointed out time to time through observation statements, Draft Audit Reports are prepared by the audit officers of Directorate General of Revenue Receipt Audit (DGRRA) incorporating FBR's field formations response. The audit observations are contested and settled accordingly in the Departmental Accounts Committee under the law.

(d) Audit Observations are conveyed to relevant field formations to submit their explanations. In case, any observation attains finality, the same is converted into Audit Para which are then marked for the consideration of the PAC and are accordingly disposed in light of necessary directives issued to the executives/PAOs by the Public Accounts Committee.

(e) Audit Observations are under process for settlement with DGRRA.

@92. ***Mr. Muhammad Afzal Khokhar:**

Will the Minister for Planning, Development and Special Initiatives be pleased to state:

- (a) *whether, the Government has assessed the impact of Covid-19 on livelihoods and economic activity as a whole and also in rural areas including the non-farm sectors, in particular; if so, the details thereof;*
- (b) *whether it is a fact that many analysts are arguing Covid-19 has worsened inequality and added 100 to 150 million more to the ranks of the poor;*

- (c) *if so, what steps are being taken by the Government to lessen the impact of Covid-19 on livelihoods for common man and reduce the inequality amongst the rich and poor?*

Minister for Planning, Development and Special Initiatives

(Mr. Asad Umar): (a) Yes, The government conducted Special Survey for Evaluating Socio-Economic Impact of Covid-19 on Wellbeing of People through Pakistan Bureau of Statistics (PBS) covering both Urban and Rural areas all over Pakistan. The results were released in December 2020 and indicates, that the effects of the pandemic are extensive in terms of magnitude and intensity.

(b) Regarding poverty incidence, the official statistics suggests that 19.9 percent of population or 39.5 million were in the category of vulnerable group who were more prone to slip below the poverty line in case of any adverse income or consumption shock. Of the majority likely affected 74% belonged to informal sector and proved to be the most vulnerable group. The daily wagers (mostly construction workers), casual workers, street vendors, taxi drivers were affected the most and required immediate bail out as emerged in the “Special Survey for Evaluating Socio-economic Impact of Covid-19 on well-being of People” conducted by the PBS.

(c) In order to mitigate the severe impact of COVID-19 on the livelihoods, the Government of Pakistan has taken following steps:

- Announced the largest ever Fiscal Stimulus package of Rs. 1,240 billion that covers Emergency Response, Support to Business and Relief to Citizens.
- The government has extended outreach of its cash transfers to 12 million households from existing 5 million. This means the government has extended its support to 78 million people which is 37% of population. This is the largest cash transfer in this region in terms of coverage.
- Rs. 50 billion is allocated for utility stores corporations to subsidize the essential items;
- Rs. 200 billion is allocated by Ministry of Finance for targeted payments to daily wage workers working in formal industries who have been laid off.

- Special Cash Assistance by Ehsaas Program.
- Relief for electricity consumers for three months by not adjusting Fuel price.
- Waiving off taxes and duties on unit of electricity for six months by Rs. 4.
- Reduction in tariff rate by Rs. 2 per units and by Rs. 4 per unit on average incremental consumption for industries till June 2020.
- Electricity bill was billed in 3 installments for domestic consumers consuming units up to 300 units. Flexible installment plan for bills payment by domestic consumers already introduced. Projected impact on cash flow Rs. 14 billion during March through June billing cycle.

93. ***Mr. Murtaza Javed Abbasi:**

Will the Minister for Planning, Development and Special Initiatives be pleased to state:

- (a) *whether it is a fact that the Pakistan Bureau of Statistics does not regularly publishes data regarding use of National Highways and Motorways, by the motor vehicles in Pakistan; if so, the reasons thereof; and*
- (b) *what steps are being taken by the Government to publish such data of motor vehicles an earliest?*

Minister for Planning, Development and Special Initiatives (Mr. Asad Umar): (a) Pakistan Bureau of Statistics does not compile statistics regarding use of National Highways and Motorways, by the motor vehicles. However, Data on number of motor vehicles registered in Pakistan are compiled on annual basis.

(b) Pakistan Bureau of Statistics (PBS) is planning to collect and publish data regarding use of National Highways and Motor ways from the concerned sources from the next financial year *i.e.* July, 2021.

94. ***Shazia Marri:**

Will the Minister for Planning, Development and Special Initiatives be pleased to state:

- (a) the exact number of jobs out of 10 million jobs, which have been provided to unemployed persons, since the August, 2018, which were announced by the Prime Minister on numerous occasions alongwith details of public and private departments, where the such jobs are provided; and*
- (b) the details of authority/department, which maintained the record of such jobs?*

Minister for Planning, Development and Special Initiatives

(Mr. Asad Umar): (a) Provision of employment to jobless people is a big challenge, but stands on high priority on the agenda of present government. The Government has taken various steps for reviving the economy and accelerating the pace of economic growth which lead to creation of employment opportunities in the country.

However, the COVID-19 pandemic which initially emerged as health crises soon converted into labour market and economic crisis. According to a Special Survey conducted by Pakistan Bureau of Statistics (PBS) on COVID-19 impact, 27.3 million people were affected due to COVID-19 in Pakistan, out of which 20.6 million lost their jobs or could not find work, while 6.7 million people received lower income. Due to the Government's policy to have only limited/ smart lockdown, a speedy recovery was observed and 18.4 million recovered their jobs by November, 2020.

(b) Pakistan Bureau of Statistics (PBS) and Provincial Statistics Departments (PSD) collect, compile and maintain data on labour force, manpower and employment etc. Further, Establishment Division maintains data regarding employment / employees in the Ministries/organizations and autonomous bodies etc.

Currently, the PBS is in the process of collecting Labour Force Survey (LFS) data for the year 2020-21. In the past, the LFS data used to be collected at the provincial level. It is for the first time that the PBS is collecting LFS data for 2020-21 at the District-level. Upon finalization, the LFS data will be shared with this Honorable House.

95. ***Ms. Shaista Pervaiz:**

Will the Minister for Finance and Revenue be pleased to state:

- (a) *considering the big claims of various Government officials over the months that the economy is on the right track, foreign exchange reserves are improving and the current account is in surplus there, what is the need to re-enter with the IMF program; and*
- (b) *what will be the impact of the measures implemented in the light of this program on the common man?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar): (a) The Government is implementing a homegrown reforms agenda to address deep seated structural imbalances in the economy. These reforms, implemented with the technical and financial support of the IMF under the Extended Fund Facility (EFF) 2019-22, are important to achieve macroeconomic stability. The economic turnaround and stabilization has been acknowledged by leading international development organizations and credit rating agencies including the World Bank, Bloomberg, Standard & Poor's and Moody's. It is, therefore, important that the reform agenda is followed through to completion to ensure that economic gains achieved so far are not lost and the country is put on a sustained and inclusive growth path.

(b) The Government is fully cognizant of the impact of the program on the vulnerable segments of the society. The reforms, therefore, have a strong social protection and inclusion element. The annual allocation for BISP in the current financial year is Rs. 180 billion as compared to last year's Rs. 118 billion. This has been supplemented by an additional Rs. 70 billion under the Prime Minister's Covid-19 relief package. Additionally, in April 2020 the Prime Minister launched the Ehsaas Emergency Cash (EEC) program to provide immediate one-time cash assistance (Rs. 12,000 per beneficiary) to potentially over 14 million families. Furthermore, the program also covers increased spending by the federal and provincial governments on health and education.

96. ***Ch. Muhammad Hamid Hameed:**

Will the Minister for Commerce be pleased to state:

- (a) *the name P. R. No. Present Designation, Department Station, date of posting, date of birth date of appointment, date of*

entering in current grade, qualification at time of appointment, qualification achieved during service experience at time of appointment date of retirement of the Chairmen, Executive Directors deputationists officers staffs actuary trainees, trainee executives and FLMI trainees working in the State Life Insurance Corporation of Pakistan, as on 31-01-2021;

- (b) *details of the following categories containing above particulars for the last 5 years (i) appointed, (ii) promoted, (iii) retired, (iv) resigned, (v) alleged to be corrupt and (vi) terminated and the reasons of such terminations thereof; and*
- (c) *whether it is a fact that all other departments have granted and paid full pay and pensionary benefits to the sacked employees, which were reinstated in the year 2009, for the tenure of sacked period of 12 years, who retired soon after reinstatement, But State Life Insurance Corporation, have neither paid the full pay for the 12 years nor full pensionary benefits are given those who have retired soon after their reinstatement alongwith the reasons thereof?*

Minister for Commerce: (a) The details of Chairman, Executive Directors, Deputationist Officers Staff, Trainee Officers Actuarial and FLMI Trainees working in the State Life Insurance Corporation of Pakistan as on 31-01-2021, is placed at **Annexure-A**.

(b) Details of Retirements, Resignations, Appointments, and Promotions are placed at **Annexure-B**.

(c) State Life Insurance Corporation of Pakistan paid to sacked employees as per provisions under Sacked Employees' (Re-instatement) Ordinance, 2009 and Sacked Employees' (Re-instatement) Act, 2010.

The sacked reinstated employees upon retirement on superannuation, they were paid retirements proceeds as per State Life Employees (Pension) Regulations, 1986 in line with Sacked Employees (Re-instatement) Act, 2010, Sacked Employees' (Re-instatement) Ordinance, 2009 and as per case to case basis on court orders.

(Annexures have been placed in the National Assembly Library)

97. ***Syed Agha Rafiullah:**

Will the Minister for Finance and Revenue be pleased to state:

- (a) *the year-wise volume of revenue which has been generated through different kinds of taxes and duties from Chamman and Torkham borders separately by the Federal Government during the last three years including in the current financial year;*
- (b) *details of money has been spent on the welfare of people living alongside the aforesaid borderly areas;*
- (c) *whether is there any plan of the Government to compensate the people those who are living alongside the aforesaid borders whose properties and businesses were badly affected due to different law and order situation?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar): (a) The revenue realized from imports carried out from Torkham and Chamman Borders for the last 3 years as reported by FBR, is as follows:

	(Rs. in million)	
FY	Torkham	Chaman
2017-18	7,264.76	2,570.47
2018-19	7,250.90	2,148.78
2019-20	7,866.34	1,641.13
2020-21 (upto 18-03-2021 & Feb.-2021)	7,013.12	2,122.35

(b) All revenue collected by FBR form part of Federal Consolidated Fund. Specific grants are released by Finance Division out of Federal Consolidated Fund to the Government of Khyber Pakhtunkhwa for development of erstwhile FATA. On this account an amount of Rs.97,948.00 million was released during FY 2019-20 and an amount of Rs.129,000.00 million has been allocated for FY 2020-21.

Government of Balochistan has conveyed the details of expenditure over the last 3 years incurred on the development of the said territory *i.e.* District Killa Abdullah:

(Rs. in million)

FY	Allocation	Expenditures
2017-18	2479.829	2455.335
2018-19	743.224	668.971
2019-20	2444.115	2437.590

(c) Government of Khyber Pakhtunkhwa has informed that the Law & Order situation at Torkham Border Commonly remained normal during the last 3 years and there is no report showing damage to property or business of the people living alongside the Torkham Border. If such incident occurs in future, the effected persons will be compensated as per policy in vogue.

The Government of Balochistan provides compensation to the people whose properties & business were badly affected directly or fallen victims by the law & order situation/terrorism activities in light of recommendation of District Compensation Committee concerned under Balochistan Civilian Victims of Terrorism Relief and Rehabilitation Act, 2014.

98. ***Dr. Nafisa Shah:**

Will the Minister for Finance and Revenue be pleased to state:

- (a) *the details of total credit disbursement in the Microfinance Sector; and*
- (b) *the details of interest rates and the regulatory framework of this sector?*

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar): (a) Details of Total Credit Disbursed in Microfinance Sector

As of December 2020, the microfinance industry reported an aggregate microcredit portfolio of Rs. 324.2 billion disbursed to over 7 million borrowers as of December 2020.

(b) Microfinance Interest Rates

According to the latest ‘Pakistan Microfinance Review’ published in September 2020, microfinance industry’s yield on portfolio (nominal) stood at 35 percent in 2019, where as in real term it was recorded at 30 percent. Following points are noteworthy which contribute to loan pricing practices of MFBs;

- (a) MFBs are private sector owned financial intermediaries that extend loans to microcredit borrowers mainly from deposits mobilized from the general public on a cost-covering basis.
- (b) MFBs primarily extend loans for financing livelihood activities in the low-income segments after extensive field operations that aim to mobilize customers, conduct handholding to build demand side capacities, evaluate customers’ requirements and cash flow to gauge repayment capacities.
- (c) Lending rates are market-driven and set independently by MFBs to ensure their sustainable operations. To operate at a breakeven rate, a typical MFB has to generate enough revenue to cover its cost of operations, cost of financing (funds) and costs of provisions for bad loans (loan loss expense). Owing to the peculiar dynamics of microfinance banking, these costs become relatively higher when compared with commercial banks and a significant share of MFBs’ revenue is consumed to meet these costs. Details on factors that contribute towards interest rates charged to customers are placed at Annexure-A.

Regulatory Framework of the Sector

In Pakistan, microfinance providers are broadly categorized as Microfinance Banks (MFBs) that are deposit taking financial intermediaries regulated by the State Bank of Pakistan (SBP) and the Non-Bank Microfinance Companies (NB-MFCs) which fall under the regulatory ambit of the Securities & Exchange Commission of Pakistan (SECP).

It is apprised that MFBs have been established under the Microfinance Institutions Ordinance, 2001 (LV of 2001) as private sector owned financial intermediaries to serve the low-income segments. State Bank of Pakistan issues licenses and regulates MFBs to ensure the soundness and protection of rights of

their customers particularly the interests of depositors that include general public whereas NB-MFCs are regulated by SECP in line with ‘Non-Banking Finance Companies and Notified Entities Regulations, 2008.’ The relevant law and regulations applicable on MFBs and NB-MFCs are as under:

- Microfinance Institutions Ordinance 2001
[https://www.sbp.org.pk/I frame/MF Inst Ord 2001.pdf](https://www.sbp.org.pk/I%20frame/MF%20Inst%20Ord%202001.pdf)
- Revised Prudential Regulations for MFBs
<https://www.sbp.org.pk/acd/2014/C3.htm>
- Revision In Prudential Regulations; R-5: Maximum Loan Size and Eligibility of Borrowers & R-6: Maximum Exposure of A Borrower From MFBs/MFIs/Other Financial Institutions
<https://www.sbp.org.pk/acd/2020/C2.htm>
- Companies Act 2017
<https://www.secp.gov.pk/companies-act-2017/>
- Non-Banking Finance Companies and Notified Entities Regulations, 2008
<https://www.secp.gov.pk/licensing/nbfcs/investment-finance-services/>

Annexure - A

FACTORS THAT CONTRIBUTE TOWARDS OF INTEREST RATES CHARGED BY MFBs

The interest to be charged to the customers comprises of the following components;

- i. Cost of Operation is proportionately high primarily to due to small loan sizes and significant operational costs to administer credit predominantly in rural and remote areas. It is noteworthy that, since MFBs have significant field operations to administer loans their cost of operations consumes around 56% of their revenue.
- ii. Cost of Funds includes returns paid to depositors (up to 16 percent) and interest paid OR KIBOR based wholesale borrowings, which currently prevails around 7-8 percent¹ besides an additional margin. As a result, the overall funding costs go as high as 35% of MFBs’ revenue.

- iii. Cost of Provisioning for a MFB may escalate up to 9% of a MFB's revenue. As microfinance loans are extended primarily to underprivileged segments where borrowers usually lack collateral and credit history. The MFBs have to earn enough so that they can provide for loan defaults that arise in their lending portfolio.

99. ***Shazia Marri:**

Will the Minister In-charge of the Prime Minister's Office be pleased to state:

- (a) *whether it is a fact that Foreign Direct Investment inflows to Pakistan have substantially shrunk during the recent months; if so, the reasons thereof;*
- (b) *whether it is also a fact that FDI inflows are crucial for technology transfer improvement in business management practices, competition, exports, employment and deeper integration with the world economy;*
- (c) *if so what corrective measures are being taken by Government to tackle with challenges including a burdensome investment, environment policy inconsistency, an unskilled labour force, as well as the lack of developed industrial infrastructure to foreign investors for sustainable and rapid growth and a more stable external?*

Minister In-charge of the Prime Minister's Office: (a) Foreign Direct Investment (FDI) has declined 29.9% during July-February (2020-21) and stood at \$1300.4 million for the last eight months of the current financial year as compared to \$ 1854.5 of the corresponding period July-February (2019-20). The reasons are following:

- * There is 34.7% increase of FDI outflows amount of \$683.6 million as compared to \$507.4 million in the same period. Furthermore, overall inflows during the said period also declined from \$2361.9 million to \$1984.0 million, thus net FDI decreased.
- * Covid have affected the global FDI inflows. During the last year the global FDI shrunk by 42%, which has an effect on all the economies.

- It is hoped that with the improvement in COVID 19 pandemic, the FDI inflows would also improve substantially.

(b) Yes, it is true that FDI inflows play a significant role in the mentioned areas. Besides these, FDI also brings resources into host country such as, management know-how, access of skilled labour to international production networks, and establishing brand names. FDI also improves foreign exchange reserves, and improves quality production.

(c) BOI has initiated several reforms / initiatives for ease of doing businesses, facilitation of investors, promotion of investment opportunities, regulatory' reforms etc. Details are at **Annex-I**.

(Annexure has been placed in the National Assembly Library)

100. Admissibility is being re-considered.

ISLAMABAD:
The 4th April, 2021

TAHIR HUSSAIN,
Secretary.

NATIONAL ASSEMBLY SECRETARIAT

“UNSTARRED QUESTIONS AND THEIR REPLIES”**For Monday, the 5th April, 2021**

22. **Mr. Sher Akbar Khan:**
(Deferred during 29th Session)

Will the Minister for Finance and Revenue be pleased to state:

- (a) *the Ministries/Divisions/Departments in the Federal Government Islamabad whose employees have been getting rental ceiling/hiring of residential accommodation in cash with monthly salary;*
- (b) *is there any proposal under consideration of the Government to give the said facility to those Ministries/Divisions/Departments/ constitutional or autonomous bodies whose employees are not availing the said facility with monthly salary;*
- (c) *if answer to part (b) above is in affirmative, the time by which the same will be done/implemented;*
- (d) *if answer to part (b) above is in negative, then reasons thereof?*

Deferred for answer on Next Rota Day.

26. **Mr. James Iqbal:**
(Deferred during 29th Session)

Will the Minister for Commerce be pleased to state the year-wise total value of our imports/exports with Bahrain during the last three years?

Minister for Commerce: The trade figures for bilateral trade between Pakistan and Bahrain are as follows:—

Bilateral Trade between Pakistan and Bahrain (US \$ million)

Years	Exports	Imports	Total Trade	Trade Balance
2017-18	51.38	95.61	147.00	-44.23
2018-19	61.25	46.20	107.45	15.05
2019-20	70.15	47.08	117.23	23.07
July-Jan 2019-20	38.79	24.3	63.09	14.49
July-Jan 2020-21	35.16	22.4	57.56	12.76

Source: FBR

The top exports from Pakistan to Bahrain and top imports from Bahrain to Pakistan are placed at **Annex-I**.

(Annexure has been placed in the National Assembly Library)

20. Ms. Shahida Rehmani:

Will the Minister for Finance and Revenue be pleased to state the details of increase made in International Monetary Fund (IMF) loans from March, 2018 to March, 2021 alongwith the reasons of such increase?

Minister for Finance and Revenue (Mr. Muhammad Hammad Azhar):

During the period from March 2018 to March 2021, the Government has availed the following facilities from the IMF:

- i. Extended Fund Facility (EFF) 2019-22 amounting to SDR 4.268 billion (approx. USD 6 billion) to support the Government's economic reforms agenda; and
- ii. Rapid Financing Instrument (RFI) amounting to SDR 1.015,5 billion (approx. USD 1.38 billion) in April 2020 to cover the economic losses due to the Covid-19 pandemic.

21. Ms. Shahida Rehmani:

Will the Minister for Commerce be pleased to state:

- (a) *the details of facts about the exports of gems and jewels during last three years; and*

(b) *details of the initiatives taken by the present Government to enhance the exports of gems and jewels?*

Minister for Commerce: (a) The details of facts about the exports of gems and jewels during the last three years.

Value: in Million US\$

Description	2017-18	2018-19	2019-20
Gold Jewelry	5.907	4.911	3.243
Gems Stone	4.045	3.567	3.594

Source: PBS

(b) **Details of the initiatives taken by the present Government to enhance the exports of gems and jewels?**

In order to promote the Gems & Jewelry sector, the Government has taken a number of initiatives as given below:

- I. **Strategic Trade Policy Framework (STPF) 2020-25:** Gems and Jewelry has been identified as a priority sector in the Strategic Trade Policy Framework (STPF) 2020-25. The following measures will be taken under the STPF to promote the sector:
 - **Sector Specific Councils (SSCs)** will be established for all the priority sectors (including Gems & Jewelry Sector). The Council will be consisted of private sector representatives and concerned government departments. The Councils will use TDAP as its Secretariat and will be supported by its respective sectoral Division. The Council will advise the Ministry of Commerce on sector specific issues on a bi-monthly basis for consideration in National Export Development Board's Executive Committee meetings.
 - **Export Marketing Strategy:** TDAP will come up with a comprehensive export marketing strategy within three months of the approval of STPF 2020-25.

II. **Trade Promotion:** TDAP carried out the following trade promotion activities during the last three years:

- **“Pakistan Gems & Mineral Show”:** TDAP organized the following local exhibitions in collaboration with All Pakistan Commercial Exporters Association of Rough & Un-polished Precious & Semi Precious stones (APCEA):

S. N.	PGMS (Version)	Year
1.	18th PGMS	2018
2.	19th PGMS	2019
3.	20th PGMS	2020

III. **Trade Delegations:** Following is the details of TDAP’s sponsored trade delegations market exploration:

- TDAP sponsored a 7-member trade delegation from All Pakistan Commercial Exporters Association of Rough Un-Polished Precious & Semi Precious Stones to TUCSON Gem, Mineral and Fossil Show, USA during 2017-18.
- TDAP sponsored a 4-member trade delegation of All Pakistan Commercial Exporters Association of Rough Un-Polished Precious & Semi Precious Stones TUCSON Gem, Mineral and Fossil Show, USA during 2017-18.

IV. **Awareness Campaigns:** TDAP arranged the following local and international webinars for creating awareness and educating the business community regarding the opportunities for export promotion abroad:

- Topic: Gemstones and Jewelry Sector: Obstacles in Export and Way Forward” - December 30, 2020.
- Topic: Gemstone and Jewelry Sector: Opportunities and Challenges in the USA Market” — January 26, 2021

V. **Skill Development Program:** The Gems and Gemological Institute of Pakistan (GGIP), Peshawar, a public sector skill development

institute under the administrative control of the Ministry of Commerce, conducted the following skill development training courses in gemology and gem cutting in the current financial year:

S. No.	Training Course	Number of Participants			
		2018	2019	2020	2021
1.	Prime Minister's Kamyab Jawan Program	-	-	40	-
2.	Gemology	4	-	27	19
3.	Gems cutting	-	-	38	38
Total		4		79	57

VI. **Prime Minister's Task Force for Gems and Jewelry:** The Prime Minister of Pakistan has constituted a Task Force for Gems & Jewelry to identify the inherent issues and challenges in the current institutional arrangements, policies and practices and to come up with appropriate recommendations for development of the sector (**Annex-I**). The following Working Groups with their specific TORs have been established from members of task force, co-opted experts and industry experts with:

- **Policy Working Group:** To review existing policies, practices and institutional arrangement for exploration, mining, valuation, processing for value addition (cutting & polishing etc.), trading and export of gemstones in the country. Propose a formal administrative structure of Gem & Jewelry Sector in accordance with the public sector reforms agenda and international best practices.
- **Performance Review Working Group:** Review the performance of attached departments of Ministry of Petroleum and Natural Resources and Ministry of Industries and Inter provisional coordination and propose measures to bring in efficiency.
- **Gemstone City Working Group:** To develop concept of Gems & Jewelry City in Islamabad.
- **Foreign Direct Investment Working Group:** Exploring potential for investment on infrastructure development

through public-private partnership. Examine potential for development of clusters zones/Special Economic Zones with public-private sector partnership.

- **Ease of Doing Business Working Group:** Propose recommendations on developing customer friendly products/ solutions by banking sector to facilitate foreign investment in Gems and Jewelry sector of Pakistan. Formulation of business framework to ensure ease of doing business in Gems and Jewelry sector. Identification of impediments in trade (including tariff and non-tariff barriers) and optimum exploitation of sector potential. Propose coordination and consultation mechanism with provinces to establish one window facilitation centers for national and international investors.
- **Gemstone & Jewelry Potential Working Group:** Estimation of economic potential of indigenous gemstones industry.
- **Report Compilation Working Group:** Recommendation on way-forward and measures for promotion of gemstone industry and allied infrastructure (including the gemstones trade city establishment etc.) along-with a time-bound action plan for each activity.
- **Gemstone and Jewelry Value Addition Working Group:** Review of policies existing pertaining to jewelry, recommendations on development of Jewelry Value Chain, preparation of concept paper on Gemstone & Jewelry City w.r.t gold and jewelry sector and basic requirements of jewelry sector in Gemstone & Jewelry City.
- **Overall Co-Ordination of Task Force:**

VII. **Facilitation — Amendment in SRO 760(I)/2013:** Ministry of Commerce has constituted a “*Gems & Jewelry Committee*” to hold consultations with the public and private sector stakeholders to make appropriate amendments in the SRO 260 (I)/2013 dated 02-9-2013 to further ease the export of gems and jewelry from Pakistan. The Committee held its first meeting on 15-03-2021. The next meeting of the Committee is schedule for 24-03-2021. The

Committee will finalize its recommendations suggesting appropriate amendment in the SRO 760 for approval of the Government.

- VIII. **Pakistan Gems & Jewelry Development Company (PGJDC):**
As a subsidiary of Pakistan Industrial Development Corporation (PIDC) under Ministry of Industry & Production, aims to uplift the industry and increase the competitiveness of Gems & Jewellery sector of Pakistan. PGJDC conducted the following training in 2018-19:

Gems and Jewelry Training & Manufacturing Centers	Number of Trainings (2018-19)	Number of Trainees (2018-19)
Karachi	12	23
Lahore	11	114
Peshawar	4	31
Gilgit	2	40
Quetta	6	127
Muzaffarabad	2	45
Sargodha	2	15
Total	39	395

- Gem Exchange: Gem Exchanges have been established at Peshawar and Quetta to facilitate linkages between buyers and sellers of gemstones.
- Participated in Rawalpindi Chamber of Commerce & Industry exhibition from 14 to 16 September, 2018.
- Participated in Italy to Pakistan conference & exhibition organized by Italian Trade Commission Karachi held on 12th June, 2019.

(Annexure has been placed in the National Assembly Library)

ISLAMABAD:
The 4th April, 2021.

TAHIR HUSSAIN,
Secretary.