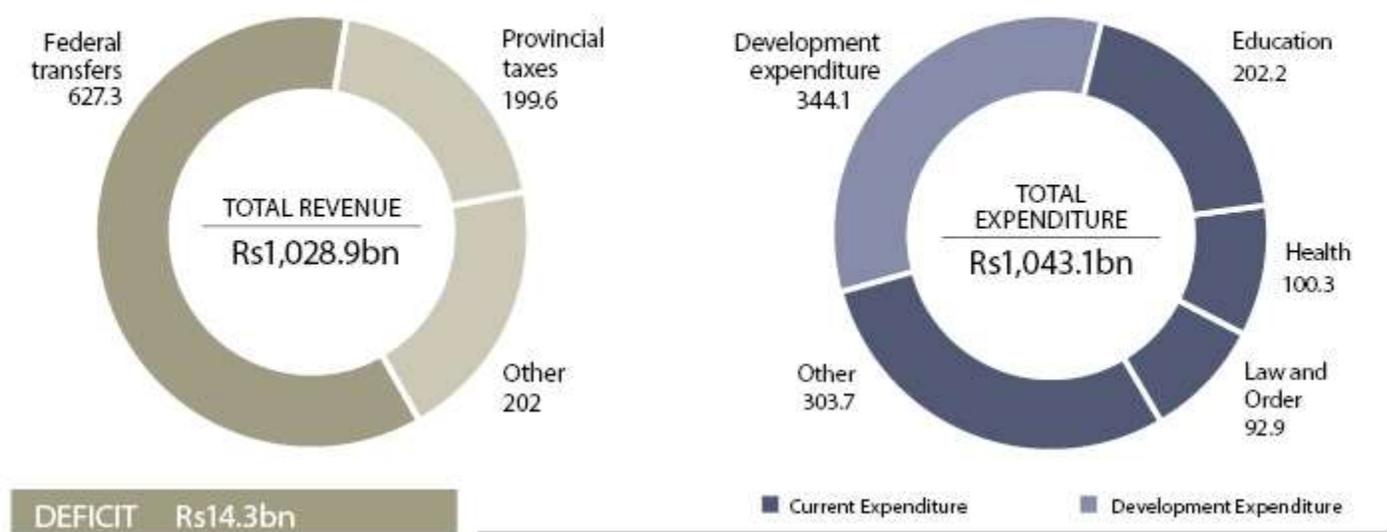


# Sindh Budget 2017-18: CM Murad's first budget to have Rs14bn deficit

In his two-hour-long speech, the chief minister highlighted the achievements of his government. — File

## BUDGET AT A GLANCE

(Rs in Billion)



KARACHI: Sindh Chief Minister Syed Murad Ali Shah on Monday unveiled a Rs1,043.185 billion deficit budget for the financial year 2017-18 in the Sindh Assembly amid protest by opposition lawmakers. The budget showed total receipts of Rs1,028.865bn and estimated expenditures of Rs1,043.185bn, indicating a deficit of Rs14.32bn.

In his two-hour-long speech, the chief minister highlighted the achievements of his government in the social sector and fiscal management.

He said his government had allocated the highest percentage of resources for education in 2017-18. It will see an increase of 24 per cent over allocation of current financial year. For the next financial year, “we propose to enhance the budget for education to Rs202.2bn from Rs163.12bn. Grants for universities and education institutions have been kept at Rs5bn,” he said. He announced a 15pc increase in the basic salary of all employees.

In the health sector an allocation of Rs100.32bn was proposed as against Rs79.88bn of 2016-17. The development programme for the health sector is pitched at Rs15.50bn compared to Rs14bn for the

current financial year. While for law and order budgetary allocation was proposed at Rs92.91bn, reflecting an increase of 10pc over allocation of Rs84.26bn during the current financial year.

The chief minister claimed that this was a tax-free budget with slight amendments in the Stamp Act, Registration Act and Sindh Sales Tax Act with the objective to widen the tax net. For the next financial year, there is a proposal to rationalise rate of Sindh Sales Tax on telecom services, and bring it on a par with other provinces, by increasing it from 19pc to 19.5pc. He said the telecom sector is already charging this amount from consumers. This will allow the government to generate an additional amount of Rs400 million.

The CM said that Sales Tax on travel agents and tour operators was being reduced from 10pc to 8pc. The budget proposed to reduce SST on services provided by specific class of indenters and call centers from 13pc to 3pc and from 8pc to 3pc on the services of renting immovable property services.

Mr Shah told the house that the Sindh Revenue Board would be able to collect Rs78bn during the current financial year. For the next financial year, the target is being enhanced to Rs100bn as per the Sindh Tax Resource Mobilisation Plan.

**AGRICULTURE INCOME TAX:** Mr Shah said at present Agriculture Income Tax collection stands at Rs393m. In consultation with leading agriculturists, farmers and parliamentarians, the target of this tax has been increased to Rs1bn for the next financial year.

He said the federal government is the major contributor to Sindh's finances comprising of 75pc in its entirety. He added that these shares inevitably fall short of the estimates we provide every year. He urged the federal government to ensure that Sindh is given its fair share of resources in a timely and efficient manner.

Giving details of the revised budget, 2016-17, he said that against an estimated budgetary amount of Rs854.5bn, the revised receipts of the province stand at Rs873.9bn. "We are facing a shortfall on account of federal transfers," he said.

**ENERGY:** The chief minister said that during 2016-17 the major achievements in the energy sector include setting up of 100 MW Sindh Nooriabad Power Company established through Public-Private Partnership. He said the plant is fully functional and contributing to mitigate power shortages of Karachi. Sindh Transmission & Dispatch Company has been established. This is the first ever transmission line established by any provincial government. 132KV Double Circuit from Nooriabad to Karachi has been successfully laid for Rs1.95bn to supply 100MW to K-Electric and 477MW of wind power has been added to the national grid. Total installed capacity of wind power projects now stands at 785MW. It will be enhanced to 1,085MW in the next financial year.

The chief minister said that Thar coal project at Block-II is on schedule and the Sindh Engro Coal Mining Company has removed 35pc overburden from the coalmine. The company is now working to expand the coalmine to 22 MTPA and generate 2,600MW by the year 2021.

**ALTERNATIVE ENERGY:** In the alternative energy sector, he said, some important projects, including 35 wind power plants for 2,685MW power generation, 24 solar power plants of 1,500MW under IPP mode and two 24MW run of the river power generation projects, have been approved.

**TRANSPORT:** Mr Shah said that the rehabilitation of Karachi Circular Railway has been included in the CPEC for \$2.4bn. For 2016-17, Rs241m have been allocated for construction of boundary fencing along the existing alignment of the KCR.

He said in 2017-18 for Green Line BRTS Bus operation and fare collection 'integrated intelligent ticketing system' would be outsourced through PPP mode. Orange Line BRTS would be completed by September 2017.

**AGRICULTURE:** The chief minister proposed to increase allocation for the agricultural sector from Rs 12.75bn to Rs 14.13bn. He said Rs 2.1bn have been provided as wheat subsidy and Rs5bn been allocated for the next financial year.

**OPPOSITION:** The chief minister's speech was punctuated with thumping of desks from the treasury benches when he referred to the government's achievements while opposition raised the

slogans of “No corruption” when her talked about development schemes. The opposition parties including PML-F, PML-N and PTI also staged a protest by walking out from rest of the session.

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