

## External financing needs: MoF disputes \$31 billion World Bank estimation

Finance Minister Senator Ishaq Dar Sunday chaired a meeting here at the Ministry of Finance to review matters related to the Federal Board of Revenue (FBR) and the Finance Division. The FBR Chairman and senior officials of the Finance Ministry attended the meeting, a press release said. The acting Finance Secretary briefed the minister on the progress of the various ongoing initiatives of the Ministry of Finance.

He said that efforts were in hand to make sure that the strong fiscal performance of first quarter was maintained during the second quarter and beyond. He also briefed the minister on the estimates of gross external financing needs during the current fiscal year. He said a recently published World Bank Report had erroneously indicated Pakistan's gross external financing needs at US \$31 billion for the current fiscal year. The report was based on misinterpretation of standard definition of the gross financing needs of the country. Based on the international reporting standards, Pakistan's actual gross financing need for FY 2017-18 was estimated at \$18 billion (5.3% of GDP) rather than \$31 billion (9 percent of GDP). The matter had been taken up with the World Bank to rectify the error.

The minister was informed that external inflows were expected to be sufficient to meet repayment obligations. The acting Finance Secretary said in the first two months of current financial year, exports and remittances had improved. The minister directed the Finance Division to proactively work with the World Bank to ensure correct reporting of economic data. He also directed to ensure timely and effective implementation of the various ongoing initiatives of the ministry.

The FBR Chairman briefed Ishaq Dar on the progress in taxpayer's outreach programme launched by the Bureau on the minister's instructions for broadening the tax base. He said senior officers of the FBR were holding workshops on e-filing of returns for members of tax bars, professional bodies and chambers of commerce and industry. Large corporate employers had been approached for ensuring filing of returns by all employees receiving taxable salary, he added. Help desks, he said, had been established in tax offices throughout the country, besides FBR's helpline and website had also been revamped to facilitate return filing.

FBR's efforts were yielding results as up to October 13, more than 352,000 returns had been received as against 162,000 up to the same date last year, he added. The minister was further informed that specialized Broadening of Tax Base (BTB) zones would become fully operational w.e.f. November 1 this year. Ishaq Dar expressed his satisfaction on the progress made by the FBR and stated that the last date for filing of returns was extended to October 31 on the genuine demand of tax professionals and trade organisations. Given the facilitation which had been extended to trade bodies and taxpayers, the FBR should now work closely with

representative bodies to ensure that returns due for the current year were filed by the announced date, he added.

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