

# INTERNATIONAL THE NEWS

## **Sindh facing Rs80bn shortfall in federal revenue transfers, says CM**

March 19, 2021

Under the constitution, the provinces have assigned the task of tax collection to the federal government, which is supposed to distribute the collected amount among the provinces as per the agreed formula.

Sindh Chief Minister Syed Murad Ali Shah said this on Thursday as he spoke the media after visiting the Teachers Training Institute, Hussainabad. He was accompanied by Education Minister Saeed Ghani.

“But, sorry to say, the federal government has completely failed to achieve its revenue targets during its entire tenure of over-two-and-a-half years. As a result, the provinces have to suffer,” the CM remarked as he responded to a query.

He explained that during the last eight months (July 2020 to February 2021), the Sindh government had faced a shortfall of Rs80 billion in the federal revenue transfers. “This is not a small amount as it has badly affected the provincial budget and its development commitments.”

Shah said that under the constitution, the provinces had given the task of tax collection to the federal government, which then had to distribute 57.7 per cent of its total collection among the federating units as per the National Finance Commission formula.

“But, the present [PTI] government, ever since it has come to power, has failed to achieve its revenue targets, therefore it has transferred Rs80 billion less than the agreed amount to the Sindh government during the last eight months,” he said.

The CM said he had been requesting the federal government to hand the collection of sales tax over to the provinces and give them a collection target. “The provinces are closer to the consumers and they can collect more effusively and efficiently than the FBR,” he said, adding that all his requests, however, had fallen flat, as a result of which the provincial governments were facing shortfalls in the federal revenue transfers since the last two and half years.

Lauding the performance of the Sindh Revenue Board (SRB), he said it was capable enough to collect sales tax on behalf of the federal government, if it was allowed. He stated that the federal government used to give hardly Rs15 billion to the Sindh government before the creation of the SRB around eight years ago.

“This year, the SRB is going to achieve its collection target of Rs130 billion – this is what it is called the performance of the provincial tax collecting body,” he asserted. The CM said that between 2016 and 2018, mega development activities were undertaken in the city but for the last two-and-a-half years, his government was faced with financial constraints to continue its uplift endeavours at the same pace.

Shah maintained that despite shortage of resources, his government had undertaken some important development activities in the city. The federal funding for the cleanliness of the nullahs had not been trickled down to the extent as it was committed, he deplored.

No reshuffle

Replying to a question, the CM said there was no urgent plan to reshuffle the provincial cabinet. “The cabinets are reshuffled when it is required,” he said, added that he would reshuffle his cabinet when its requirement was felt.

To another question, Shah said the Pakistan Peoples Party was preparing for the long march to Islamabad that had been scheduled for March 26 when the Pakistan Democratic Movement (PDM) leadership took up the issue of resignations from Parliament in its last meeting in Islamabad.

“Our central executive committee has already suggested that the parties should use their resignations as the last option so that the ‘selected government’ could be sent packing home,” he said.

Elementary college

The CM said that the Elementary College, Hussainabad, had not been functioning for the last many years. “Around two years ago, we have made it functional through public private partnership (PPP) mode as various private partners are now supporting it,” he said and added that the institute would produce best teachers and resource persons by imparting them training in latest teaching methods.

Shah explained that the provincial government had been running 29 teachers training institutes all over Sindh and it wanted to make them best institutions on the lines of the Hussainabad College.