

Post-Budget 2022-23 Survey

A Report developed by Gallup Pakistan for ICMA International

Preamble

ICMA International and Gallup Pakistan jointly conducted a Post-Budget 2022-23 Survey to seek the initial reaction of all the stakeholders, including ICMA Members, on various measures and initiatives taken in the Federal Budget 2022-23 which was presented in the National Assembly on June 10, 2022, by Mr. Miftah Ismail, Federal Minister for Finance and Revenue. In this context, individual emails were sent by Gallup Pakistan to all the members along with a short link to the virtual survey. This was followed by reminders by both Gallup and ICMA. A detailed report of this Survey is being published in the current issue of Chartered Management Accountant Journal under the 'Budget Special' segment. We

hope the policymakers, as well as other stakeholders, will get useful insight from the findings of this Survey.

Survey Methodology

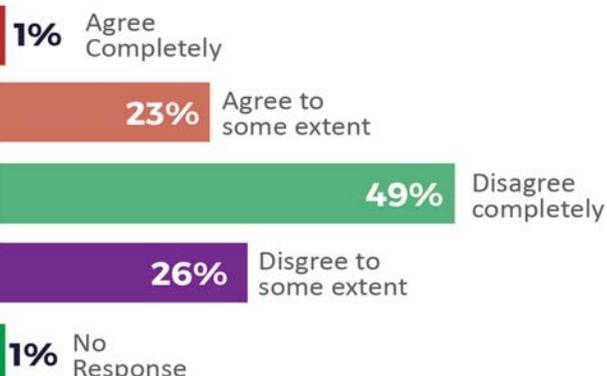
The survey questionnaire was scripted to an online survey software through Gallup's server and disseminated to all the stakeholders, including ICMA members and other stakeholders that included traders, businessmen, government officials, finance professionals, journalists/media, economists, etc. The survey had a good response and was closed on 14th July 2022. The responses received were carefully collated and analyzed by Gallup Pakistan and the key findings from the survey are presented in this Report.

Survey Results

75% of respondents do not believe that Budget 2022-23 meets the expectations of the people and business community

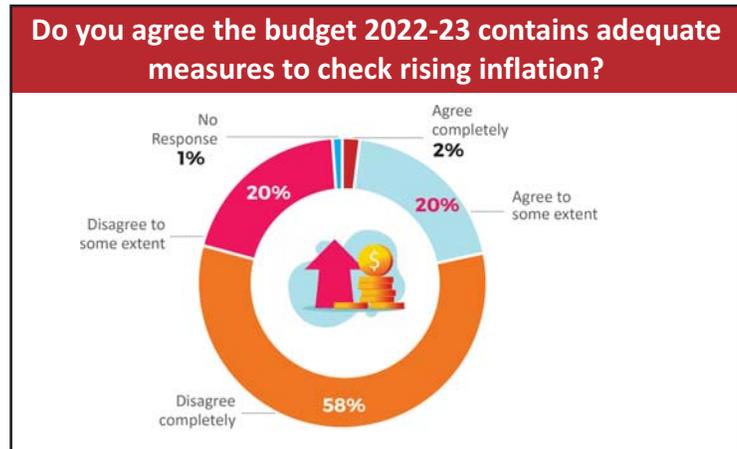
The respondents were asked to state to what extent they believe that Budget 2022-23 meets the expectations of the people and business community. Almost 75% of them expressed their complete and partial disagreement that the budget 2022-23 meets the expectations of the people and business community, out of which 49% of members strongly disagreed with the given statement. Only 23% of respondents said that the budget met the expectations of people and the business sector.

Does the Budget 2022-23 meets the expectations of the people and business community?

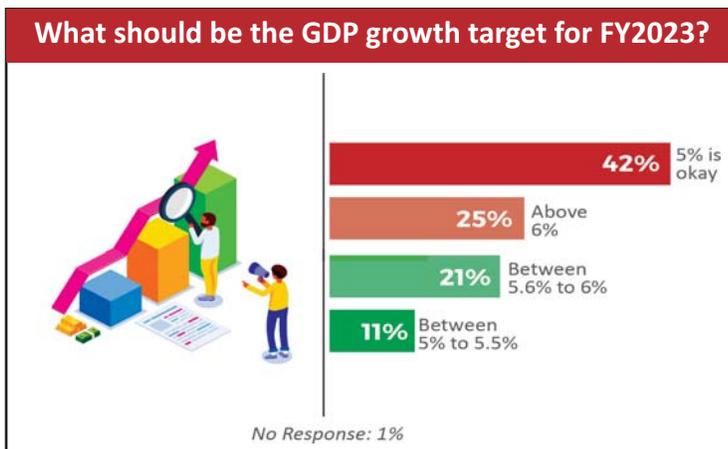


78% say Budget 2022-23 does not contain adequate measures to check the rising inflation in the country

Almost 78% of the respondents indicated that the Budget 2022-23 does not contain adequate measures to check the rising inflation, out of which 58% disagreed completely while 20% disagreed to some extent. Conversely, 22% of respondents agreed with this opinion, believing that the budget contains some measures to check the increasing inflation.



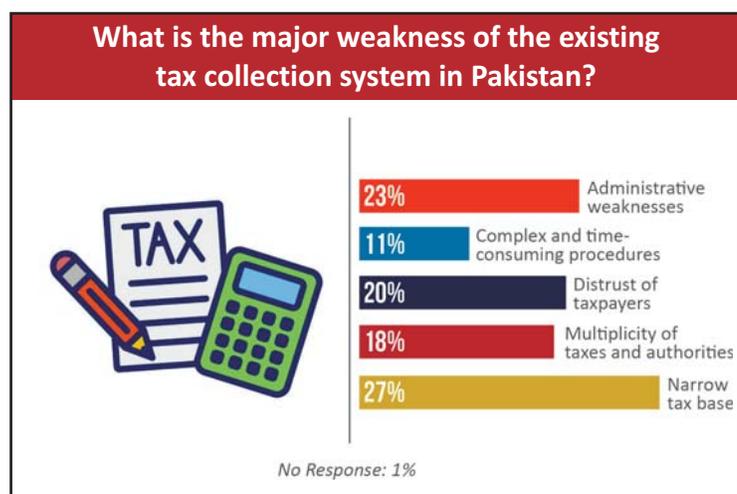
42% think GDP growth target of 5% is reasonable for FY23



The respondents were given four options for GDP growth target for FY 2023 i.e. 5%, between 5% to 5.5%, between 5.6% to 6%, and above 6 percent with the request to respond as to which growth target would be reasonable to be achieved. Almost 42% of respondents stated that GDP growth of 5% for FY23 is okay. On the other hand, 25% of respondents consider a GDP growth target of above 6% for FY23 is okay, followed by 21% who agree that a growth target between 5.6% to 6% for FY23 is alright.

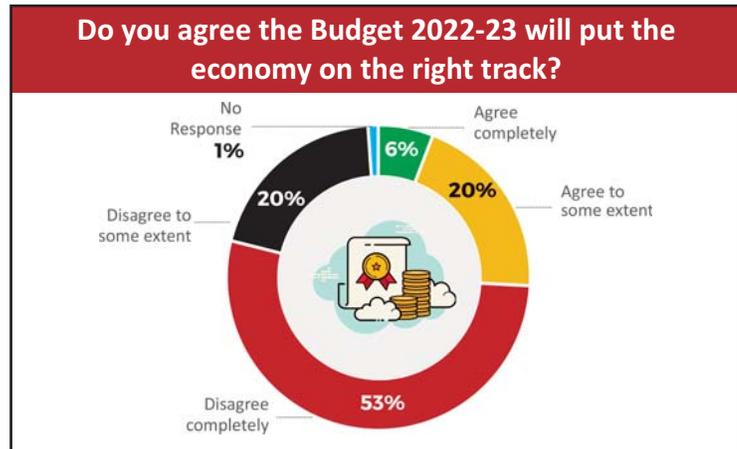
50% consider that the major weaknesses in Pakistan's tax collection system are a 'Narrow tax base' and 'Administrative weaknesses'

The survey respondents were enquired about what they considered the major weaknesses within the existing tax collection system of Pakistan. Nearly 27% believed that a 'Narrow tax base' whereas 23% stated that 'Administrative weaknesses' are the major defects in the country's tax collection system. Other major weaknesses mentioned by the members included distrust of taxpayers (20%); the multiplicity of taxes and authorities (18%) and complex and time-consuming procedures (11%).



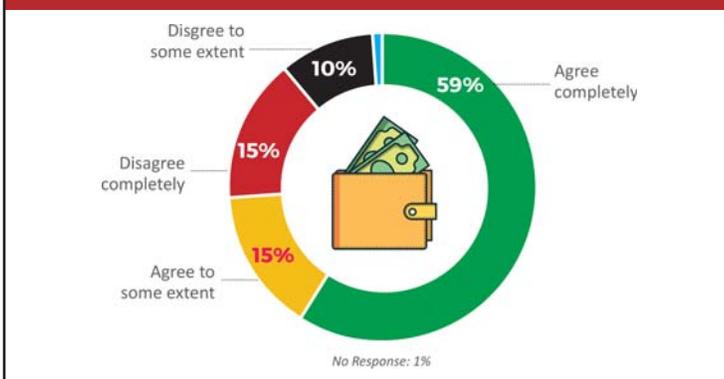
73% disagree that budget 2022-23 will put the economy on the right track

When asked to state to what extent the budget 2022-23 will put the economy on the right track, around 73% of respondents disagreed with this statement, out of which 53% disagreed completely whereas 20% disagreed to some extent. On the contrary, 26% consider that budget would put the economy on the right path.



74% agreed that withdrawal of tax relief and imposition of revised tax rates would create more difficulties for the salaried individuals

Do you agree withdrawal of tax relief and imposition of revised tax rates would create more difficulties for the salaried individuals to make both ends meet?

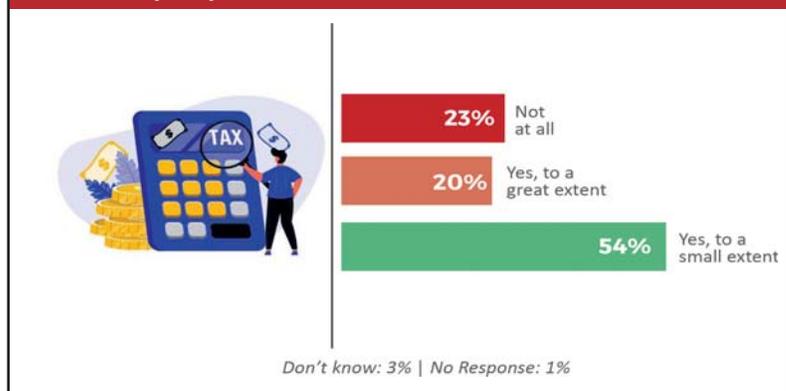


The respondents were asked to what extent the withdrawal of tax relief and imposition of revised tax rates would affect the salaried class segment in the country. Almost 74% of them believed that it would create more difficulties for them to make both ends meet, of which 59% strongly agreed with the given statement. Only 15% of respondents strongly disagreed whereas 10% partially disagreed that withdrawal of tax relief and revised tax rates would not create difficulties for salaried individuals.

74% believe that a Fixed Tax regime for small retailers would help expand the tax net and increase tax revenue

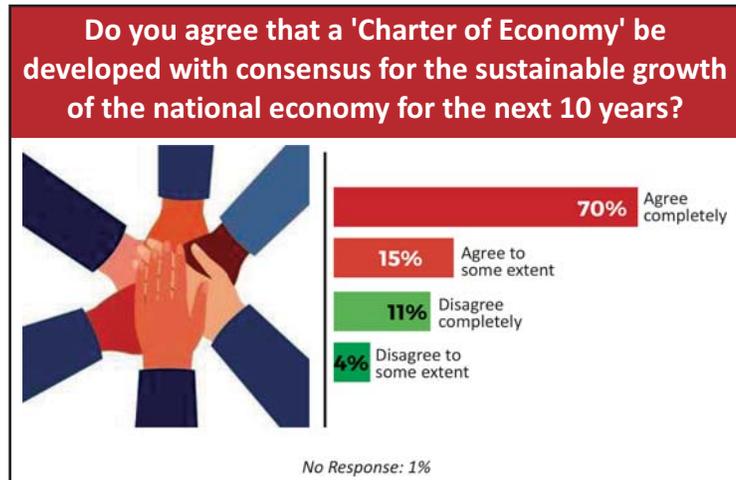
When asked to share views on the fixed tax regime introduced for the small retailers through the Budget 2022-23, nearly 74% of respondents agreed it would help to expand the tax net and increase the tax revenue. Out of this 74% of responses, 20% agreed to a great extent and 54% agreed to a small extent while 23% of respondents did not agree at all with the given statement.

Do you think a Fixed Tax regime for small retailers would help expand the tax net and increase tax revenue?

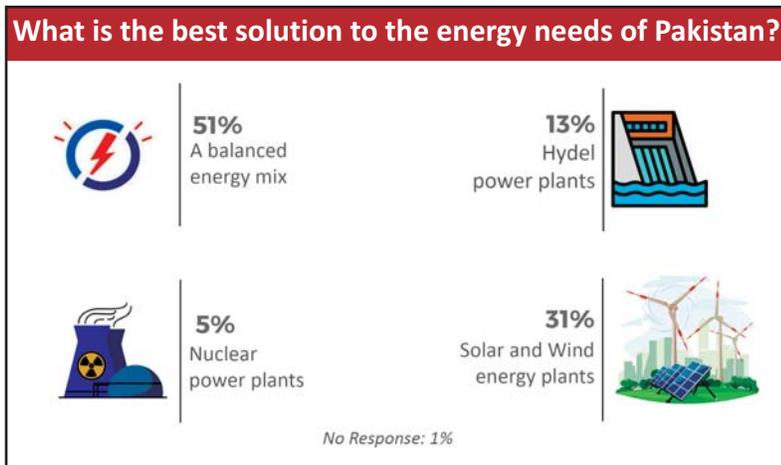


85% agree that a 'Charter of Economy' should be developed with a Consensus by all political forces and stakeholders for sustained economic growth

The respondents were asked to share their opinion whether they agree that all the political forces and stakeholders in the country should develop with consensus a 'Charter of Economy' for the sustainable growth of the national economy for the next 10 years". Almost 85% of respondents agreed with this statement, out of which 70% agreed completely whereas 15% agreed to some extent. Only 15% of respondents either completely disagreed or disagreed partially with the given statement.



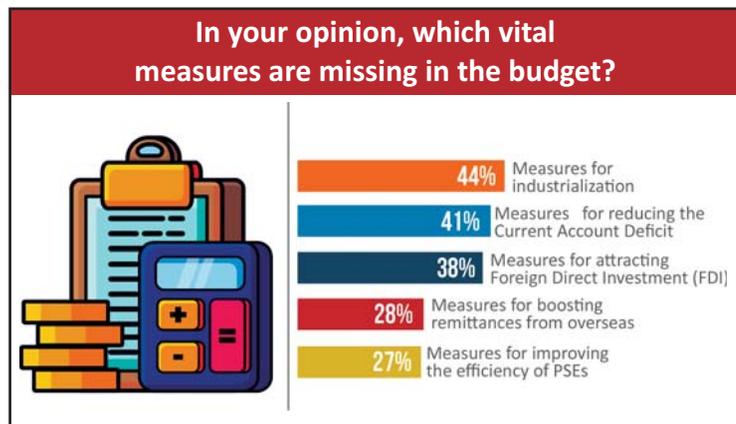
51% think a balanced energy mix is the best solution to Pakistan's energy needs



Nearly 51% of survey respondents believe that the best solution to Pakistan's energy needs is to have a balanced energy mix, followed by 44% who stated that solar and wind energy plants should be set up whereas 19% believed hydel power plants to be the answer while 5% thought it to be nuclear power plants.

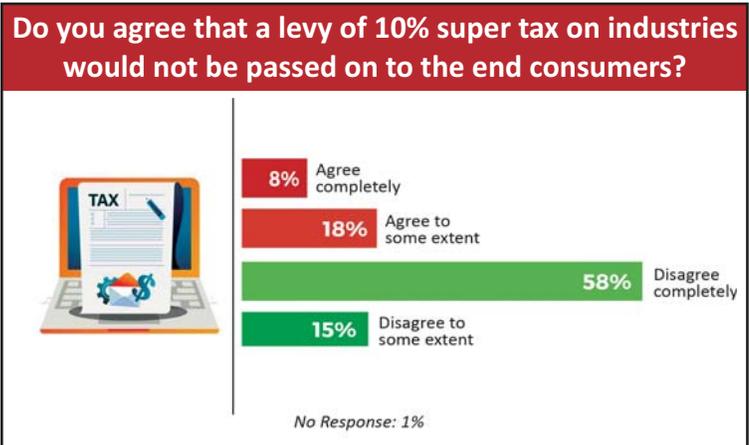
85% opine that the Budget 2022-23 lacks vital measures for industrialization and reducing the Current Account Deficit

The survey respondents were asked which vital measures are missing in the Budget 2022-23. Around 44% stated that measures for industrialization and 41% said measures for reducing the Current Account Deficit as missing in the budget. Around 38% of respondents believed that measures for attracting Foreign Direct Investment (FDI) is one of the vital measures that is missing in the budget.

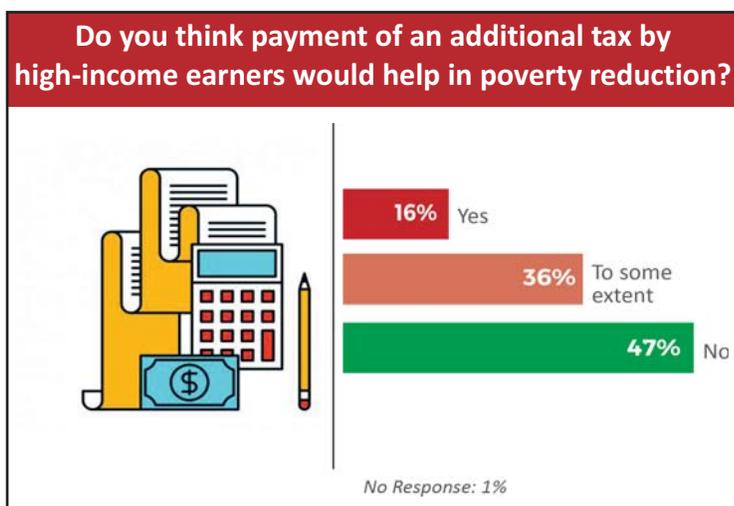


73% do not agree that the levy of a 10% super tax on industries would not be passed on to the end consumers in Pakistan

It was enquired from the respondents whether they believe that the levy of a 10% super tax on 13 large-Scale manufacturing (LSM) industries would not be passed on to the end consumers in Pakistan, as claimed by the Government. Around 73% did not agree with the statement, out of which, 58% completely disagreed whereas 15% disagreed to some extent.



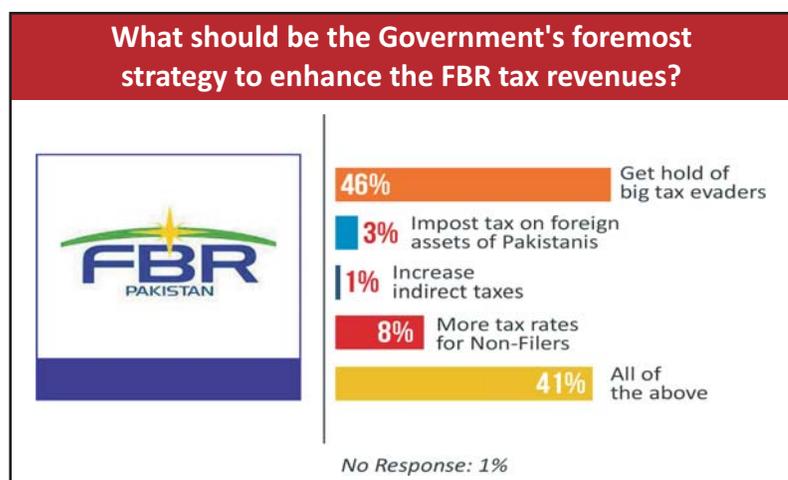
52% agree that the contribution of additional tax by the high-income earners would help in poverty reduction



When asked to state that the contribution of high-income earners towards poverty reduction by paying an additional amount of tax would help in poverty reduction. More than half of the respondents (52%) agreed that it would reduce poverty whereas 47% did not agree with this statement.

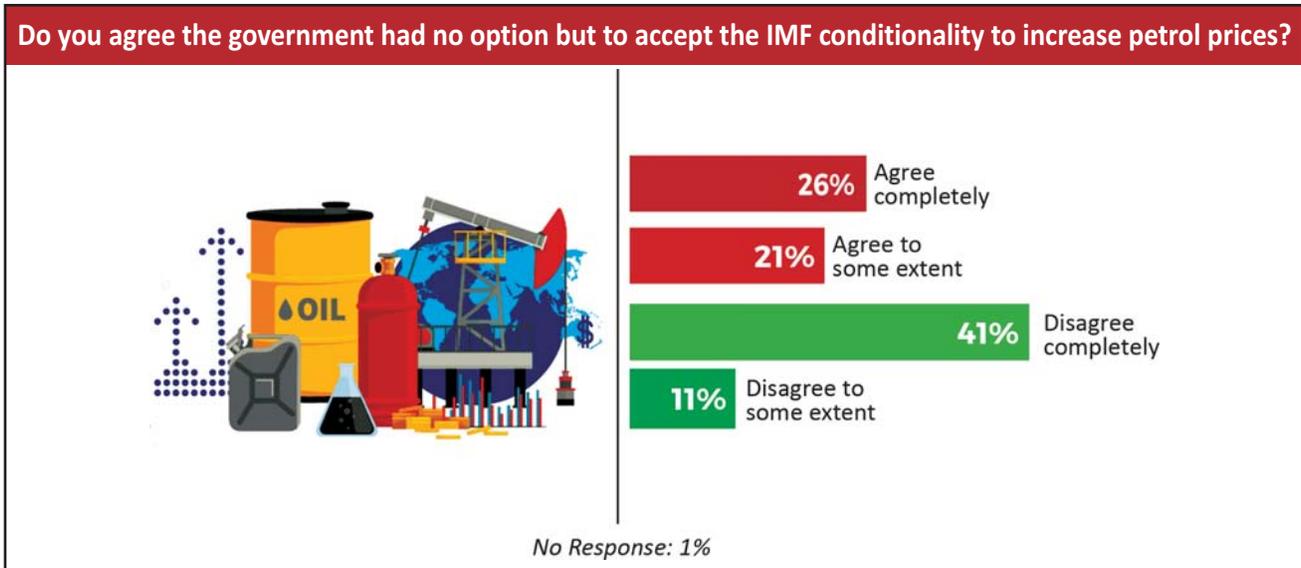
46% believe that the Government's foremost strategy to enhance FBR tax revenues should be to get hold of big tax evaders

Respondents were asked what should be the Government's foremost strategy to enhance FBR tax revenues. Nearly (46%) of respondents agreed that it should be to get hold of big tax evaders whereas 41% observed that in addition to getting hold of big tax evaders, the government should also increase tax rates for non-filers; impose tax on foreign assets of Pakistanis and increase the base of indirect taxes.



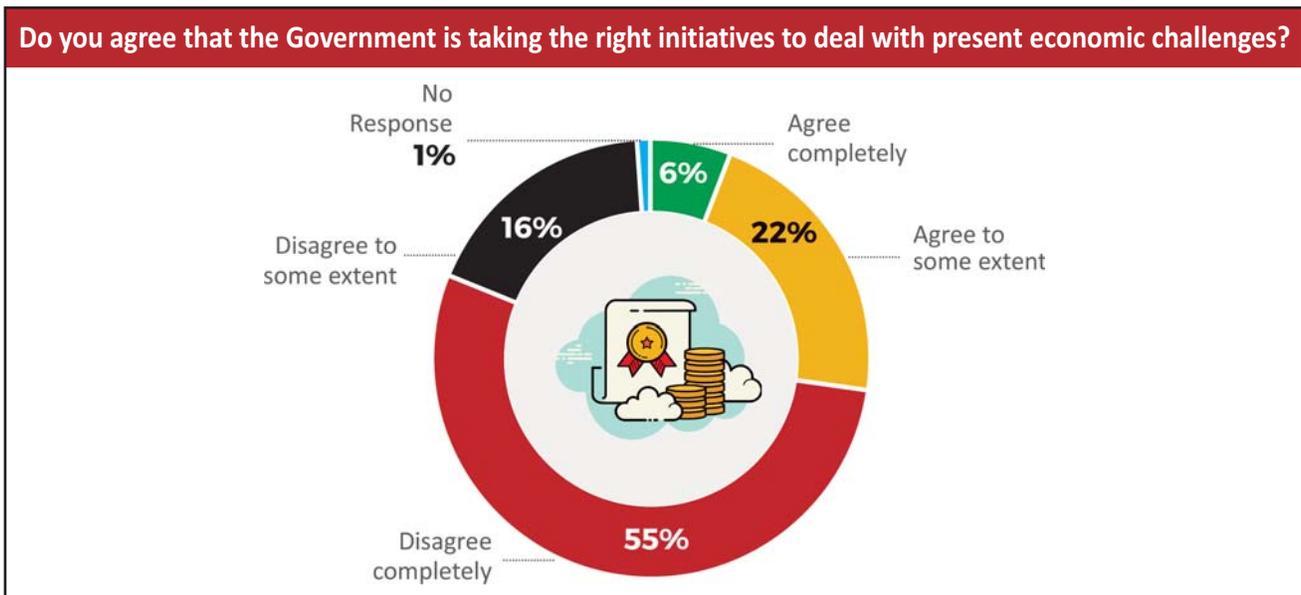
52% do not agree that the Government had no option but to accept the IMF conditionality to increase petrol prices

Respondents were asked to share their opinion on the IMF conditionality to increase petrol prices. More than half of the respondents (52%) did not agree that the Government had no option but to accept the IMF conditionality to increase petrol prices, of which, 41% completely disagreed.



71% do not agree that the Government is taking the right initiatives to deal with present economic challenges

Respondents were asked whether the government is taking the right initiatives to deal with present economic challenges or not. Almost 71% did not agree with this statement, of which, 55% of respondents disagreed completely whereas 16% disagreed to some extent. Only 22% of respondents agreed to some extent to the given statement.



DISCLAIMER: The views expressed by the survey participants do not necessarily reflect the official viewpoint of the Institute of Cost and Management Accountants of Pakistan. Furthermore, Gallup Pakistan has conducted this poll according to the ESOMAR Code of Ethics and internationally recognized principles of scientific polling. The results of this Report do not represent views held by the authors or Gallup Pakistan. The results only represent public opinion, computed based on views expressed by anonymous respondents.