

Survey Report



Post-Budget 2023-24 Survey

A Report developed by Gallup Pakistan for ICMA International

Preamble

The Finance Minister, Mr. Muhammad Ishaq Dar, presented the Federal Budget 2023-24 and the Finance Bill 2023 in the National Assembly of Pakistan on 9th June 2023. These budget proposals elicited reactions from various stakeholders, including tax experts, professionals, trade and industry representatives, and others. ICMA and Gallup conducted a Post-Budget Survey jointly, seeking initial feedback from ICMA members and stakeholders on the different measures and initiatives outlined in the Federal Budget 2023-24. The findings of the survey are now being published in this issue of the CMA Journal. It is anticipated that our members, students, and other stakeholders will find valuable insights from the survey report.

Survey Methodology

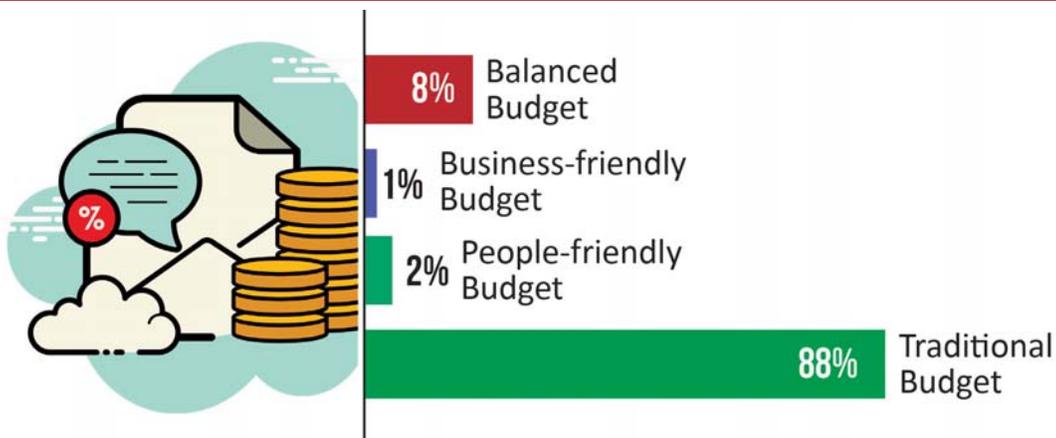
After being developed by the ICMA Research and Publications Directorate, the survey questionnaire underwent a review and received valuable input from Gallup Pakistan, leveraging their prior experience in conducting market and perception surveys across Pakistan. The customized questionnaire was then adapted for an online survey software. Gallup approached ICMA members through individual emails, providing them with a short link to access the virtual survey, and also made follow-up phone calls to encourage participation. Reminders were sent by both Gallup and ICMA as well. The survey remained open until July 11, 2023, and received an excellent response from the members. The responses received have been carefully collated and analyzed and the key findings are being presented in this survey report.

Survey Results

88% describe the Federal budget 2023-24 as a 'Traditional Budget'

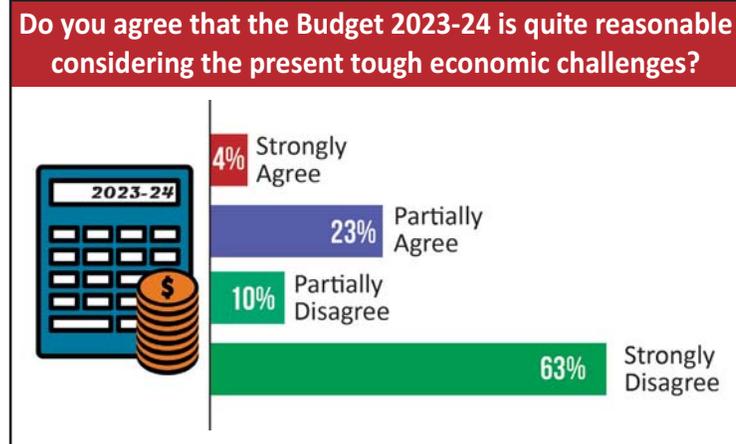
In the survey, when asked to explain the Federal Budget 2023-24, 88% of the respondents described it as the traditional budget, while 8% referred to it as a balanced budget. Only 2% of the respondents regarded the Federal Budget 2023-24 as the People-friendly Budget.

How would you best explain the Federal Budget 2023-24?

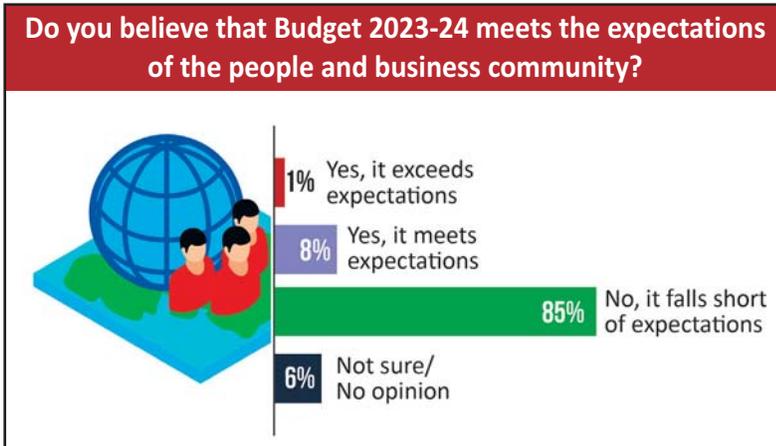


63% believe Budget 2023-24 unreasonable in current economic scenario

The survey findings regarding Budget 2023-24's reasonableness amid current economic challenges indicate a clear trend among the respondents. A substantial 63% disagreed with the statement, expressing that the budget is not quite reasonable given the present tough economic circumstances. Additionally, 23% of the respondents partially disagreed, suggesting some reservations about its appropriateness. On the contrary, only a mere 4% strongly agreed that Budget 2023-24 is quite reasonable considering the prevailing economic challenges, with an additional 23% partially agreeing with this perspective.



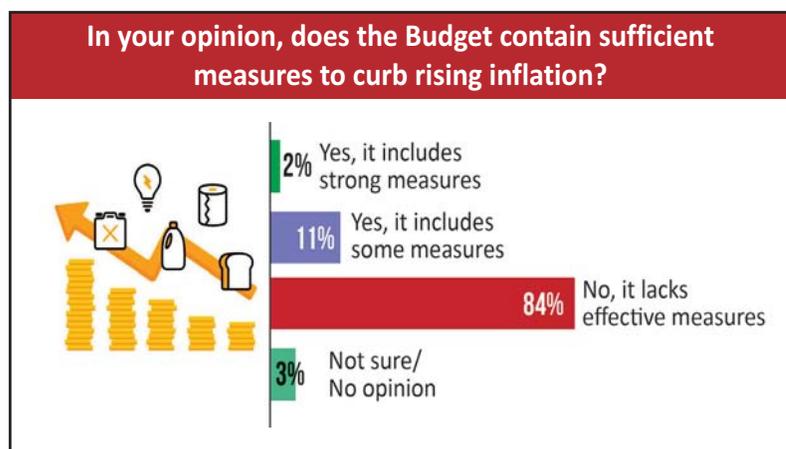
85% disappointed as Budget falls short of their expectations



In assessing the budget's alignment with the expectations of both the people and the business community, the survey results were unequivocal. A significant 85% of respondents felt that the budget did not meet their expectations. Only a mere 8% agreed that it met their expectations, while an even smaller 1% believed it exceeded them.

84% feel Budget 2023-24 inadequate in curbing rising inflation

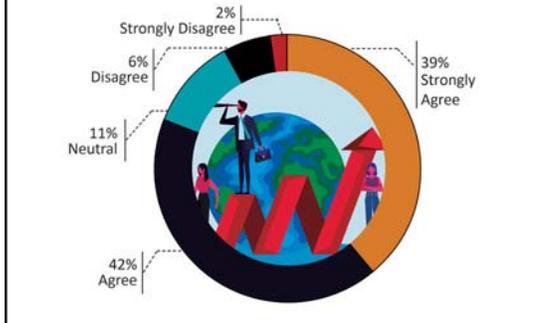
When it comes to the budget's ability to tackle the pressing issue of rising inflation, a significant 84% of respondents expressed concerns, perceiving the budget to lack effective measures in addressing this challenge. Meanwhile, 11% acknowledged some measures, and a mere 2% believed the budget contained strong measures to combat inflation.



81% believe Budget favour short-term gains over long-term solutions

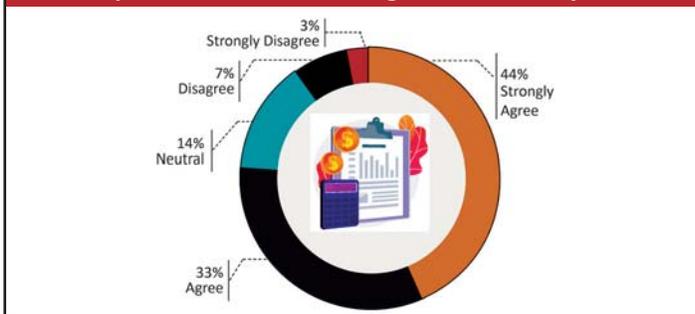
A significant 81% of respondents concur that Budget 2023-24 is predominantly focused on short-term benefits rather than effectively addressing long-term economic challenges, with only 2% strongly disagreeing and 6% expressing disagreement. Around 11% remain neutral.

Do you believe that budget 2023-24 is primarily focused on short-term benefits rather than effectively addressing the long-term economic challenges?



77% show concern that Budget lacks sufficient measures to remove exemptions for elite class

Do you believe that Budget 2023-24 lacks sufficient measures to remove various exemptions, reliefs, and concessions provided to wealthier segments of society?

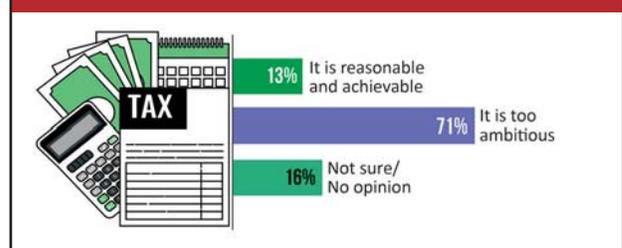


The survey asked respondents about their perception of the current budget's measures concerning exemptions, reliefs, and concessions for wealthier segments of society. The results revealed a significant 44% strongly agreeing and 33% agreeing that the current budget lacks sufficient measures in this regard. Conversely, only 3% strongly disagreed, and 7% disagreed with the notion that the budget adequately addresses these exemptions, reflecting a minority view.

71% find FBR's FY2023-24 tax collection target overly ambitious

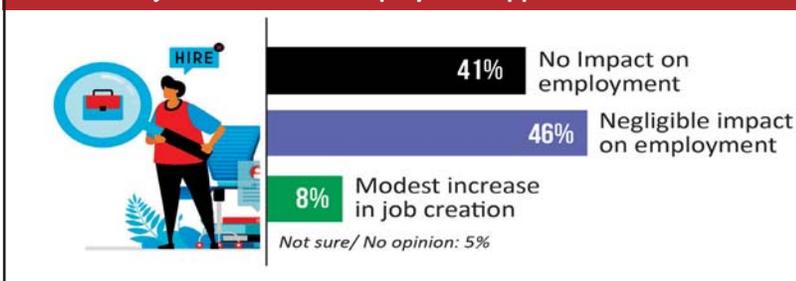
According to the survey, 71% of respondents view the FBR's FY2023-24 tax collection target of Rs. 9.2 trillion as overly ambitious, while only 13% consider it reasonable and achievable.

What are your views on the FBR tax collection target of Rs. 9.2 trillion set for FY2023-24?



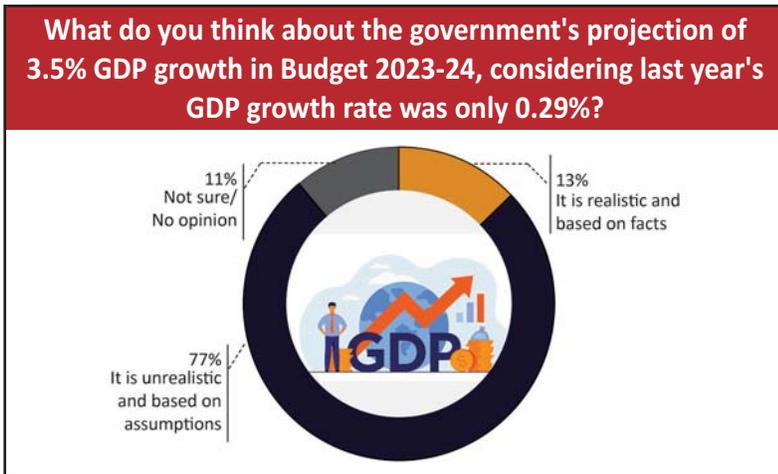
46% say Budget 2023-24 has negligible impact on job creation

What impact do you think the budget will have on job creation and employment opportunities?



Survey respondents were asked to share their opinions on how the budget affects job creation and employment opportunities. The findings indicate that 46% of respondents believe the budget has a negligible impact on employment, while 41% stated that it has no impact on employment prospects.

77% think Budget 2023-24 GDP Growth Projection as Unrealistic

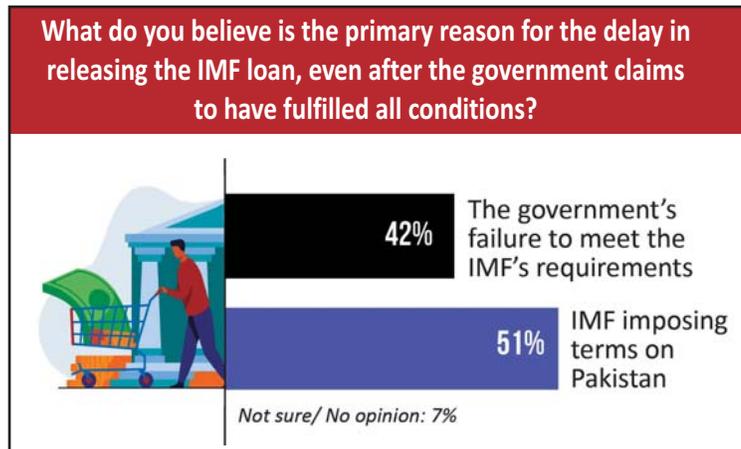


The survey sought to gather respondents' opinions on the government's projection of 3.5% GDP growth in Budget 2023-24. The results revealed that a significant majority of 77% consider this projection to be unrealistic and based on assumptions. On the other hand, a smaller but notable proportion of 13% believe that the GDP growth projection is realistic and founded on factual evidence.

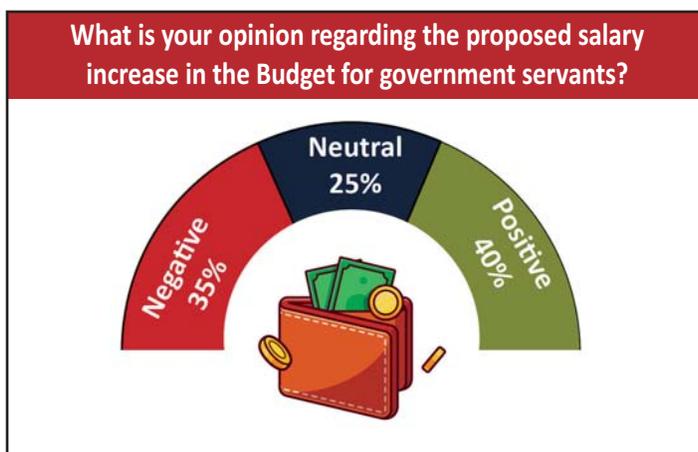
51% cite IMF imposed terms as main reason for delay in loan release

Survey respondents were asked to identify the primary reason for the delay in releasing the IMF loan, despite the government's claims of fulfilling all conditions. The findings revealed that 51% of the participants believe the delay is primarily due to the IMF imposing terms on Pakistan. Additionally, 42% of the respondents attributed the delay to the government's failure to meet the IMF's requirements. These differing viewpoints shed light on the factors contributing to the delay in loan disbursement and underscore the importance of addressing them effectively.

[Note: This survey was conducted before the finalization of IMF Stand-by Agreement with Pakistan]

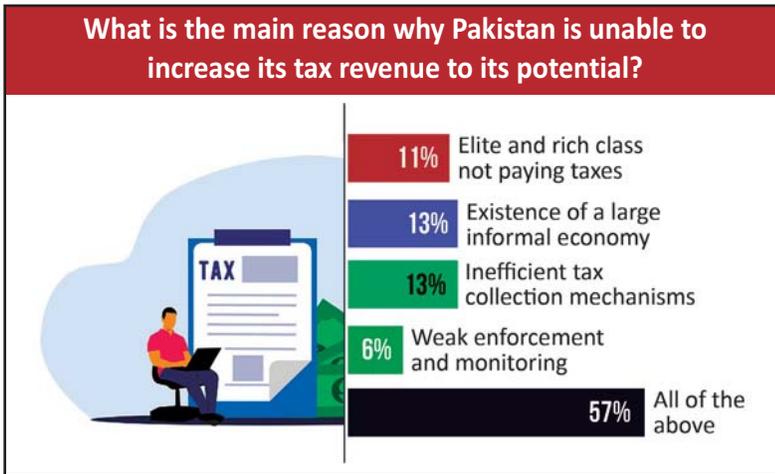


40% hold favorable views on salary increase of government servants



When asked for their opinions on the proposed salary increase for government servants mentioned in the Budget, 40% of the respondents viewed it positively, considering it a favourable step. Conversely, 35% of the participants held a negative opinion about the proposed salary increase, expressing concerns or reservations.

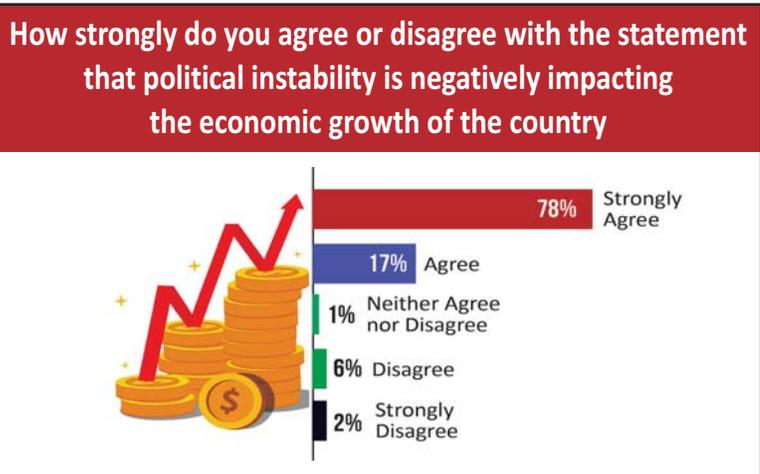
57% attribute tax revenue under-performance to elite non-compliance, informal economy, inefficient collection and weak monitoring



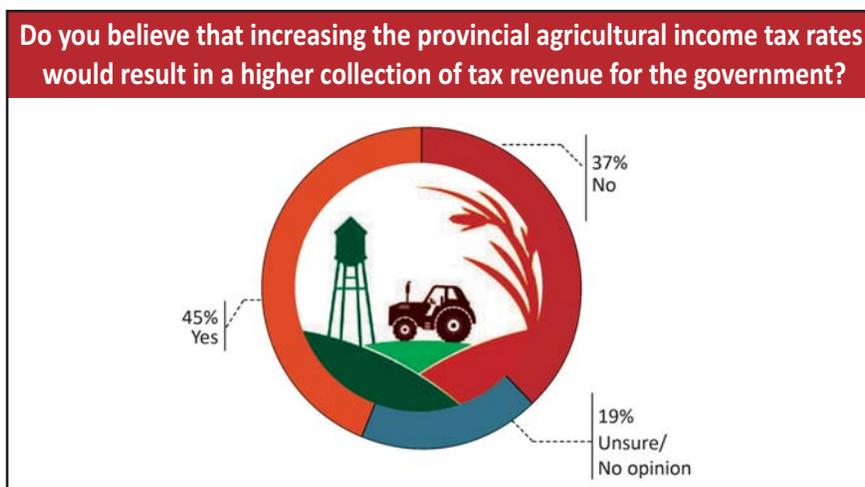
When the respondents were asked to identify the main reason for Pakistan's inability to increase its tax revenue to its potential, 57% cited a combination of factors, including the elite and rich class not paying taxes, the existence of a large informal economy, inefficient tax collection mechanisms, and weak enforcement and monitoring. Additionally, 13% respondents each identified the existence of a large informal economy and inefficient tax collection mechanisms as the primary reasons for revenue shortfall.

78% acknowledge political instability's impact on economic growth

A vast majority, 78% of respondents, strongly agree that political instability is adversely affecting the country's economic growth, while an additional 17% express agreement with this statement. Only a small minority of 3% strongly disagree or disagree with the notion that political instability is negatively impacting the nation's economic growth.

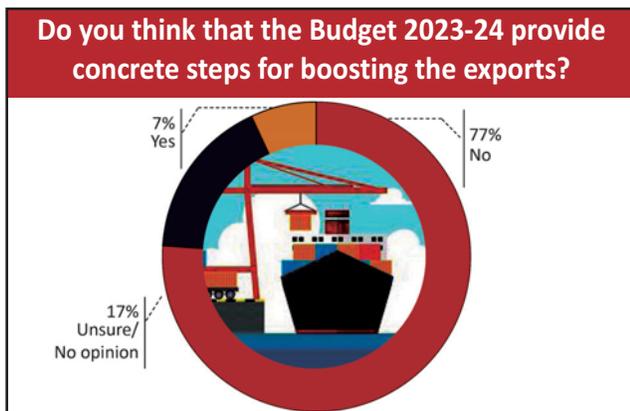


45% believe raising provincial agricultural tax rates will boost revenue



When asked about the potential impact of increasing provincial agricultural income tax rates on tax revenue collection for the government, 45% of the respondents asserted that such an increase would result in higher tax collection. Conversely, 37% of the participants disagreed with the notion that raising these tax rates would lead to increased government revenue.

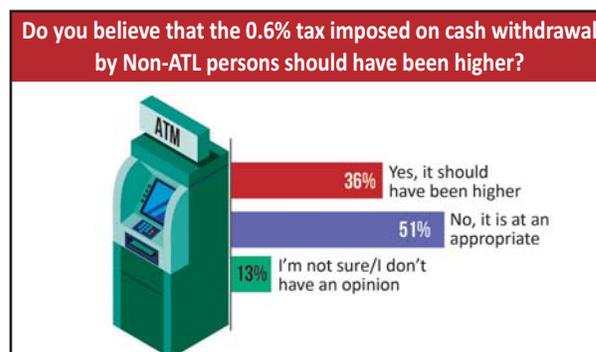
77% believe no concrete measures suggested in Budget to promote exports



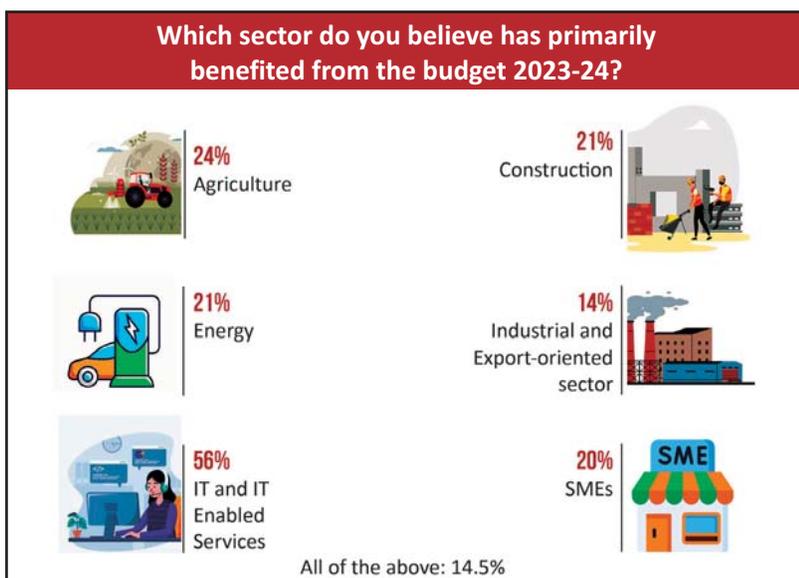
According to the survey, when asked about the Budget 2023-24's provision of concrete steps for boosting exports, 77% of the respondents expressed the view that it does not provide any such measures. In contrast, a mere 7% of the respondents agreed that the Budget 2023-24 includes concrete steps for boosting exports. These findings reveal a significant lack of confidence among the majority of respondents regarding the budget's effectiveness in promoting exports.

51% say 0.6% tax on cash withdrawal by Non-ATL persons should be higher

The survey asked respondents about their views on the 0.6% tax imposed on cash withdrawal by Non-ATL persons. Results revealed that 51% believed the tax was insufficient and should have been higher, while 36% felt it was not at an appropriate level. These contrasting opinions underscore the need for careful consideration and evaluation of the tax policy.



56% believe IT and IT enabled Services primarily benefited in Budget 2023-24



The survey asked respondents to identify the sector that primarily benefited from the budget for 2023-24. The findings revealed that 56% believed that IT and IT Enabled Services (IT & ITeS) were the primary beneficiaries, while 25% identified Agriculture as the sector that gained the most. Furthermore, 15% of the respondents stated that all sectors, including Agriculture, Construction, Energy, Industrial and Export-oriented sector, IT & ITeS, and SMEs, have benefited from the budget for 2023-24.

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.