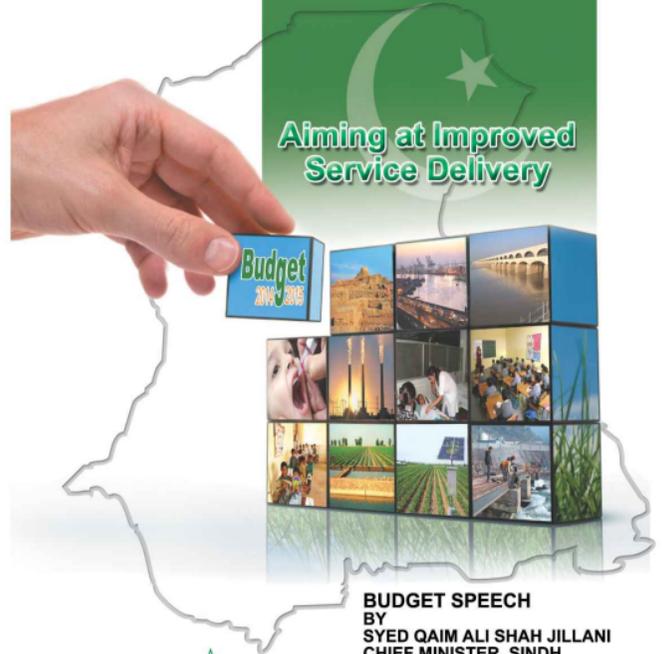


Budget 2014-2015



Aiming at Improved
Service Delivery



BUDGET SPEECH
BY
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FINANCE DEPARTMENT
Government of Sindh



In the name of Allah, the most gracious and the merciful

Mr. Speaker,

On behalf of the members of Pakistan Peoples Party, I bow down to submit my gratitude to Almighty Allah for having granted us the opportunity of repaying the people of Sindh for the trust vested in us. Seven years back, when our fearless leader Shaheed Mohtarma Benazir Bhutto embraced martyrdom fighting for the restoration of democracy, the people of Pakistan chose to free themselves from the shackles of a *pseudo democracy* and preferred us as their representatives and trustees. After the elections last year, this trust was again reposed in us in the province of Sindh.

Mr. Speaker,

Our Shaheed Chairman, Zulfiqar Ali Bhutto said,

“Either power must pass to the people or everything will perish.”

Let me remind my fellow parliamentarians that we are the custodians of people’s trust, the trust which entails massive responsibility on each one of us; the responsibility to ensure peace; the responsibility to guarantee development; the responsibility to

frame policies leading to prosperity, welfare and well-being of the people of Sindh.

Mr. Speaker,

Our country and the province of Sindh are facing some serious challenges. Challenges, both internal and external, are being manifested through both difficult economic environment and the continued gruesome incidents of terrorism. Our capital city of Karachi, due to its strategic and economic importance, is a particular target for terrorists. This is not all; the global economy is still struggling against incessant recession and the targets for economic growth remain elusive in most parts of the world. We have to be close to our people in these testing times; people, who are the principals in this democratic arrangement. If terrorism is the biggest challenge, then Mr. Speaker, we will fight terrorism through development and prosperity.

Mr. Speaker,

Last year when the people of Sindh reaffirmed their faith in the provincial government run by PPP under the astute leadership of Janab Asif Ali Zardari, we had promised to prepare a budget based on optimal utilization of resources to achieve our objectives of socio economic development in the shortest possible time with an all-time high allocation towards development. While holding on to

the same goals as last year, this budget envisages further refinement in our policies and priorities.

Mr. Speaker,

The targets for development set in a budget can only be achieved if the estimates of the receipts are correctly projected and actual receipts during the year happen to be in accordance with the original estimates. Due to lack of fiscal decentralization, we are heavily dependent on Federal Government for transfer of our receipts. These transfers remained highly unpredictable as targets for FBR were revised downward twice during the outgoing fiscal year. The initial target for FBR was fixed at **Rs.2475 billion**; it was first revised down to **Rs.2345 billion** and then further revised down to **Rs.2275 billion** in **May 2014**. Accordingly, share of Sindh government in Federal transfers as per Budget Estimates **2013-14** of **Rs.409.013 billion** was curtailed to **Rs.388.634 billion**, out of which **Rs.327.218 billion** have been actually transferred till date, which means a shortfall of Rs. 81.795 billion against the original estimates and **Rs.61.416 billion** against the revised estimates. The provinces unfortunately have to bear the brunt of the poor governance at the Federal level. We therefore call for further fiscal decentralization and after the success of the Sindh Government in collecting Sales Tax on Services now call for the transfer of the collection of Sales Tax on Goods to the provincial governments.

Mr. Speaker,

Here I will like to mention two other important financial matters, which are pending for want of implementation by the Federal Government; one is the collection of Zakat and the other is administration of Employees Old age Benefit Fund and Workers' Welfare Fund. Both subjects have been devolved to the province after the 18th Amendment; but the implementation is being delayed despite several requests by the Government of Sindh.

Mr. Speaker,

I would like to bring to your kind attention another important issue affecting fiscal relations between the Federal Government and the Province, and in particular the Province of Sindh. The issue pertains to levy of Gas Infrastructure Development Cess. The Federal Government has not only levied this cess on a natural resource without the constitutional mandate but through the current Finance Bill, they have proposed enormous increase in its rates also. The Federal Government is acting against spirit of the Articles 161 and 172 of the Constitution by taxing a resource unilaterally without even consulting the province. The subject of taxing a natural resource is a delicate issue and Federal Government is strongly urged to refrain from acting unilaterally in the matter and withdraw all the steps taken so far in the matter and start a

consultative dialogue with the provinces. We demand that this cess is unconstitutional and should be immediately withdrawn, and all revenues / taxes on gas should be imposed after the consultation of the provinces and the proceeds of such taxes / levies should be considered straight transfers to the provinces under Article 161.

Mr. Speaker,

The poor tax collection by the Federal Government was the main reason due to which Sindh government was compelled to slash its development expenditure downward and could manage to release only **Rs.115.00 billion** against ADP allocation of **Rs.185.00 billion** during outgoing fiscal year. However, we devised a strategy to use the available funds efficiently by spending most of them on carefully chosen priority schemes. Through this strategy, we have succeeded in completing a record number of **605 schemes** in the outgoing financial year.

Major schemes completed during 2013-14 in various important sectors are :

Irrigation:

50 ongoing schemes of Irrigation sector stand completed in ADP-2013-14. Few of these are mentioned below:

- Restoration of LBOD and Kotri Drainage Network System, including Activation of Old Dhoras Stage-I (Phase-I) at a cost

of Rs. 1.5 b which will bring flood as well as rain water to sea safely without causing much damage to property and crops.

- Rehabilitation of Akram Wah & Guni Canal system at a cost of Rs. 193.527m
- Construction of Malir Memon Goth Weir Across Malir Nadi, Karachi at a cost of Rs. 421.292 million

Education:

19 schemes in Education Sector has been completed during outgoing financial year; few of them are cited under:

- Establishment of Law Colleges at Hala New & Larkana at cost of Rs. 221.308 million
- Establishment of Schools in Jail for Children of Jail Employees in Sindh with a cost of Rs. 90 m.
- Construction of Building in Existing Shelter less Primary Schools in District Umerkot (137 units) with a cost of Rs. 152 million
- Establishment of Girls Degree College Mehrabpur at a cost of Rs. 133.685 million
- Establishment of Shaheed Benazir Bhutto Govt. Degree College @ Lyari Town, Karachi at a cost of Rs. 143.727 million
- Establishment of Nusrat Bhutto Govt. Boys Degree College @ Lyari Town, Karachi at a cost of Rs. 157.132 million
- Construction of Shaheed Berrister Zulfiqar Ali Bhutto Law College @ Lyari Town, Karachi at a cost of Rs. 150 million

Health Sector:

Health sector has succeeded in completing 11 schemes, few important ones are given as under:

- Provision of fully loaded Ambulance including the ventilators and Oxygen Cylinder for 23 Districts in Sindh at cost of Rs. 195.693m
- Free medicines for Blood Cancer patients with a cost of Rs. 199 million.
- Establishment of Breast Cancer Diagnostic Center at Sindh Government Hospital Liaquatabad Karachi
- Leprosy Hospital converted into Institute of Infectious Diseases Karachi (Manghopir) with a cost of Rs. 190.508 million

Major Infrastructure Schemes of Karachi

- Establishment of S.I.E. at (Northern Bye-Pass), Karachi. 100 acres land at cost of Rs. 539.305 m
- Single Lane, 2 Way Flyover at teen Hatti Karachi with a cost of Rs. 287.65 million
- Construction of Storm Water Drain from Shahrah-e-Quideen to Junejo Town Jamshed Town at a cost of Rs. 184.82 million
- 2-Lane, 2 Way Flyover at Dak Khana S.M Taufique Road a cost of Rs. 472.52 million.
- Widening Main Korangi Road Including Causeway from KPT Flyover to Korangi Crossing at cost of Rs. 148.403 million
- Construction of Mehran Highway extension from labour square to Qasim port road (Ph-II) with a cost of Rs. 450

million.

Works & Services (Road sector):

Some of the major schemes completed are cited as under:

- W/R of road from Rohri Arrero Salehpat estimated 20 km with a cost of Rs. 294.568 million
- Reconditioning of Halani Mehrabpur Road at a cost of Rs.74.245 million
- Improvement of road from Bhan Talti road mile at a cost of Rs. 109.62m
- Construction of Flyover Bridge at Berani Railway Phattak at Tando Adam at a cost of Rs. 393.64 million

Mr. Speaker,

Despite all these fiscal challenges, we have been able to put together a budget that will lead us further on the path towards better infrastructure, investment conducive atmosphere, enhanced employment opportunities and balanced rural and urban development, to sum it up, towards a vibrant economy with equitable distribution of resources. This is the dream we inherited from our shaheed leaders; **Janab Zulfiqar Ali Bhutto and Mohtarma Benazir Bhutto**; the dream of social and economic justice for the poor. We will turn this dream into a reality;

Insha'Allah. I take pride in announcing that we have created **200,000 jobs in last 6 years and through this budget we are creating another 25,000 jobs for the poor and unemployed.**

As leader of this august house, I am extremely thankful to our coalition partners and the sagacious opposition for their contribution and healthy criticism which is exceptionally necessary for this house to be able to take decisions which are politically acceptable, administratively viable and technically correct. We are also hopeful that the federal government will in the larger interest of the country work better this year and provide more cooperation and smooth flow of resources, which is vital for our plans to succeed.

Mr. Speaker,

All sectors are equally important for the government yet keeping in view the financial constraints, certain objectives of development have been placed on priority in terms of resource allocation and before I share with you the details of this budget, let me put forward the priority areas for the government in relation to the Budget 2014-15, these are:

- 1. Improved service delivery across all sectors**
- 2. Peace and security through investment in law & order**
- 3. Education and Youth Development**

4. Improved health care for the people of Sindh

5. Energy generation

6. Building a robust infrastructure.

7. Development of Agriculture, Livestock and Fisheries

**1) IMPROVED SERVICE DELIVERY AND BETTER
QUALITY OF LIFE FOR CITIZENS**

Mr. Speaker,

During the past seven years, focus of budgeting has been on infrastructure development. The need to have a solid infrastructure in place is a mandatory requisite for sustainable development, yet mere construction of brick and mortar structures without improvement in service delivery does not ensure expected improvement in the quality of life. It was this principle that required a paradigm shift while allocating some resources away from infrastructure development to better service delivery.

Mr. Speaker

We are presenting a budget which aims at bringing relief to the people in the shape of better functioning schools, well equipped hospitals and more responsive police force and municipal institutions.

Mr. Speaker

One of the biggest challenges for the government is to keep pace with the demands of growing population and to continue providing quality service to the citizens. As a first step in the direction of improved service delivery, we are significantly increasing our allocations for non salary budgets of education and health, increasing grants for municipal bodies, increasing allocation of budgets for maintenance and rehabilitation of public sector infrastructure and introducing grants for public utilities for payments of electricity dues. After enhancing our budgetary allocations for these heads, we will put in place an efficient mechanism for their utilization and will also ensure timely releases of the allocated funds, which will lead to better planning and predictable expenditures.

a) Maintenance and Rehabilitation of Existing Infrastructure

The allocations for maintenance and rehabilitation of existing infrastructure have not seen significant enhancements in recent years. In this budget, we are proposing significant increases in our allocations for repairs of roads and buildings including schools, hospitals, police stations etc. Our M&R budget for buildings will increase by **58%** from **Rs.5.771 billion** in the outgoing year to **Rs.9.148 billion** next year. We are devising a mechanism to ensure

that this huge budget for maintenance and repair is used in an efficient and transparent manner that will result in significant improvement in the existing infrastructure. Similarly, the maintenance and repair budget of roads is being increased by **72%** from **Rs.1.45 billion** in the outgoing year to **Rs.2.50 billion** next year. We will also be ensuring that other factors which are at the root of delivery of poor governmental service delivery, particularly in health and education, are identified and addressed through a proper management approach.

b)Electricity Bill Payments

Mr. Speaker

All the provincial governments in general and the Government of Sindh in particular are accused of defaulting on their electricity bill payments. Often huge figures are quoted as outstanding dues against Government of Sindh and when these figures are reconciled with distribution companies, the amounts get reduced substantially. The distribution companies are in the habit of booking their line losses and thefts on government connections and issuing highly exaggerated bills for these connections. The Government of Sindh, on all relevant forums, has categorically stated that it is willing to pay all its electricity dues, if these are billed correctly. Our commitment to resolve this issue can be gauged from the fact that we are keeping an allocation of **Rs. 26 billion** for payment of

electricity bills in this budget, increasing it substantially from current years' allocation of **Rs. 9.5 billion**.

Mr. Speaker

The allocation for all government entities for payment of electricity dues are being enhanced by **35%** and grants of **Rs. 5.0 billion and Rs. 800 million** have been kept for the KW&SB and WASA Hyderabad respectively to enable these important public utilities to pay their electricity dues. **Rs. 900 million** have been kept in the budget of Public Health & Engineering Department for payment of electricity dues. An allocation of **Rs. 4.0 billion** have been kept for the municipal bodies of Sindh which will be available for them for payment of their electricity bills only if they provide evidence of payment of their dues in the past month. The Energy Department will monitor these payments. We strongly urge the power distribution companies to correct our billing and get their legitimate payments from us.

Mr. Speaker

I will speak about other steps we are taking to improve service delivery in later part of my speech.

2- LAW & ORDER

Almost every Pakistani has braved terrorism directly or indirectly since past so many years. Hundreds of civilians, including women

and children, and law enforcers have lost their precious lives fighting this menace. I have no qualms in saying that it is the state's responsibility to ensure peace and to provide security to its citizens. This is not possible unless we have an efficient police force armed with modern equipment.

Mr. Speaker

The Budget for law enforcement agencies will increase by **20%** from outgoing years' **Rs.44.86 to Rs.54.08 billion** in the next year. During the outgoing year, **12,000** new vacancies were created into Police, including **2000** retired army personnel, which has helped in improving quality of our force. Moreover, an outside budget allocation of **Rs.6.238billion, including Rs.5.0 billion** for our police only, had to be made to provide funds for procurement of vehicles, arms and ammunition, bullet proof jackets and helmets etc. for law enforcement agencies in Sindh, to fully equip them to meet challenges of ongoing operation in Karachi. I am pleased to mention that through concerted efforts of our law enforcement agencies and through strong administrative and financial support provided by us we have seen a decline of **65% in target killing, 35% in murder and 12% in kidnapping for ransom**. But Mr. Speaker, this success has not come without a cost. We have lost 117 jawans of our Police since the operation in Karachi has started. I pay tribute to all the martyrs of Police, Rangers and other law enforcement agencies. We will not only provide financial

assistance to their families, but also jobs and accommodation to their heirs.

Mr. Speaker,

We are keeping a special allocation of **Rs.4.65 billion** for the operational requirements of Police in this budget. This allocation will be used for new recruitments and procurement of arms, vehicles and other equipment for Police. We are determined to transform our Police force into a highly trained, well equipped and efficiently organized force capable of meeting tough challenges posed by terrorists and militant organizations operating in the province.

a) Computerization of Arms License

Home Department has been tasked to computerize all the arms licenses issued in the province. An initial allocation of **Rs.254 million** has been kept for this initiative, which will help in checking and controlling the illegal arms.

b) ADP Portfolio for Prisons and Police

We have earmarked **Rs.1.5 billion** for development schemes of prisons and police. The major schemes include rehabilitation and renovation of jails in Sindh and construction of new jails, residential accommodation for prison and police constables & head constables, new police stations and also for installation of mobile

jammers and video surveillance system in jails across the Sindh.

3) EDUCATION AND YOUTH DEVELOPMENT

Education is the single most important factor in development of any society. No country can achieve sustainable economic development without substantial investment in human capital. Education enriches people's understanding of themselves and world, it improves the quality of their lives and brings broad social benefits to individuals and society.

Mr. Speaker,

Education has and will remain the top priority of the peoples' Government. We are fully committed to provide quality education to our children. This is evident from the fact that education receives highest share of resources from our Government. In this budget, we are keeping an allocation of **Rs.134.32 billion** for non-development expenditure of education, which is **31%** of our total current revenue expenditure. The non-salary expenditure on education will witness a significant hike of **25%** over outgoing years' budget. The non-salary budget will now comprise **24.5%** of the total current revenue budget for the education as compared to **21%** in the outgoing year. For the first time, we are making school specific budgets for 43,000 schools in Sindh in order to ensure that each school gets its earmarked budget and the head of the school has an oversight over expenditure. Another major reform being

undertaken is to have separate cadres of managers and teachers. Both these reforms will help in resolving governance related issues of education.

a) Sindh Education Reform Program

We have started second phase of Sindh Education Reform Program with the assistance of the World Bank. The key targets of this reform are to raise school participation by improving sector governance, accountability, strengthening of administrative systems, measuring student achievements and promoting public private partnerships initiatives for delivering quality education to under-served communities. The allocation for SERP related activities has been kept at **Rs.13.6 billion**, out of which 1500 million will be spent on stipends for girl students, Rs.1540 million on provision of free textbooks to students, Rs.4000 million on improving infrastructure for schools and Rs.1750 million will be transferred to School Management Committees for community identified school improvement investments.

b) Grants for Universities

For the first time in provincial budget, we have kept an allocation of **Rs.5.0 billion** for the Universities functioning in Sindh. These universities are under severe financial stress as their grants from HEC are being squeezed. We had to come to their rescue by providing them financial assistance of **Rs.1058 million** during the outgoing financial year, most of which was outside budget. We are

committed to bring our universities out of their fiscal distress in order to enable them to provide quality education to our youth.

c) Sindh Technical & Vocational Training Authority

We have proposed a substantial allocation of **Rs.3.85 billion** for STEVTA. Through this allocation, STEVTA will complete construction work on 32 new institutions, introduce 70 market driven courses, improve infrastructure of 50 institutions and will provide new equipment to existing & new institutions. Special training programs for marginalized and vulnerable groups will also be introduced. This year, STEVTA will enroll 5000 more trainees, to increase its enrollment capacity to a total number of **45,000** trainees.

d) Benazir Bhutto Shaheed Youth Development Program

Honorable Speaker

Through this signature program of the Peoples' government, we have trained **1,98,503** youth in various employable trades since 2008. In acknowledgement of the success of BBSYDP, this august house had given a permanent structure to the Program through a Bill namely, "***The Benazir Bhutto Shaheed Human Resource, Research and Development Board***". The Board has now been constituted and is operative to achieve the purpose of the Act. All

technical, vocational and skills development trainings are being consolidated under this Board. The Board is expected to provide a comprehensive solution for eradication of poverty and unemployment among youth.

Mr. Speaker,

An allocation of **Rs.984.20 million** is being made for BBYSDP through this budget with a target of training **65, 000** unskilled youth of Sindh in different demand driven trades. The newly constituted Board has planned to improve existing curricula of the trainings with the modules of Business Development and Soft Skills so that youth may qualify for micro finance facilities after the successful completion of their training; which will be offered to them in partnership with Sindh Bank.

Mr. Speaker,

We have also made efforts to engage our youth in activities related to recognition of our rich culture. The Sindh Festival, which focuses on showcasing our heritage, is a prime example of our efforts to introduce the likes of Moen Jo Daro and Makli to the world and to make our youth aware of their cultural significance.

e) ADP Portfolio for Education

Mr. Speaker,

Though, we have reduced the size of our ADP, we have still kept a huge allocation of **Rs.10.7 billion** for education sector. A large number of schemes of construction and up gradation of schools and colleges are being implemented through this allocation. We are constructing **10 new Public schools** at Umerkot, Sanghar, T.M.Khan, Tando Allahyar, Ghotki, Matiari, Kamber-Shahdadkot, Gadap, Dadu & Jacobabad.

Eight new cadet colleges are being established at Dadu, Gadap, Mithi, Khairpur, Karampur, Jacobabad, Badin & Tando Jam.

Mr. Speaker,

Our shaheed leader Mohtarma Benazir Bhutto was a great promoter of female education. We are following in her steps and doing our best to create quality institutions for female education in the province. I take pride in mentioning that we are establishing two cadet colleges, exclusively for girls, at Shaheed Benazirabad & Garhi Khuda Bux. Further, to promote female education, **Women University at Sukkur, Bibi Aasifa Institute of Electronics & Vocational Training & Faculty of Electronic Engineering at**

Lyari and Girls Public Schools at all the Divisional Head Quarters will be established.

The peoples' government will establish **Bilawal Bhutto Engineering College at Lyari**, Government Girls Degree College at Tando Jam, Law Colleges at Sukkur & Karachi. The work on establishment of **Shaheed Zulfiqar Ali Bhutto University of Law** will also be initiated in next FY- 2014-15; this will be the first university of law in country.

Mr. Speaker,

These projects are an evidence of our resolve to establish high quality educational institutions in the province.

We have also made an allocation of Rs. 550 million for establishment of comprehensive schools, one in each district, and Rs. 500 million for ICT Enabled Education Management Information System (EMIS).

To provide better learning environment to the special children, Rs.180 million has been earmarked for execution of Special Education Schemes. The main emphasis will be on renovation of existing 43 Special Education Institutes of Sindh as well as on establishment of new schools at Hyderabad, Mirpurkhas and Larkana.

4) HEALTH AND POPULATION WELFARE

Development is a complex phenomenon involving multiple interactions between different sectors. Linkage between education and health sectors as drivers of development has been universally accepted. Development goals adopted by member states of the United Nations in September 2000 are evidence of an international consensus regarding human development: I must point out Mr. Speaker that five of the eight goals relate to education or health.

Mr. Speaker

The current revenue budget for Health is being increased by **20%** as we are now allocating **Rs.43.583 billion** for this sector. The non salary budget is being increased by a substantial **32%**; which will now constitute **47%** of the total current budget for Health. The budget for **purchase of drugs and medicines is being increased by 35%**, for **other medical supplies by 166%**, for **maintenance and repair of major hospitals by 600%** and for **POL for generators of hospitals by 70%**. The Sindh Institute of Urology and Transplant (SIUT), which is providing excellent free of cost medical facilities to patients from all over the country, will continue to receive a grant of **Rs.2 billion** from the provincial government. The Indus Hospital, another excellent health facility providing free medical services to citizens, will get a grant of **Rs.300 million**. We also assisted this excellent hospital by providing it land free of cost. The grants have also being kept for

the Dialysis and Thalassemia centers operating in various districts of Sindh.

a) Peoples' Primary Healthcare Initiative

The People's Primary Healthcare Initiative program will have healthy allocation of **Rs.2.379 billion** in coming financial year. Out of this allocation, Rs.489.30 million is for 458 Mother and Child Health Care Centers and Rs.1.89 billion for management of primary health facilities. The new initiatives under this program will be:

- 100 BHUs will be converted into BHU Plus, which will operate round the clock
- A Nutrition Program to address the issues of malnutrition in women and children
- EPI program in Tharparkar and Tando Allahyar on pilot basis
- A special training program for community midwives. A PPHI Midwifery training institute is being established at RHC Bhit Shah for this purpose.
- Smart Phone Monitoring System for health services, which has been introduced on pilot basis in four districts, will be extended to rest of the districts.

b) ADP Portfolio for Health

Mr. Speaker

Health sector is being given a very healthy allocation of **Rs.13.2 billion** in the ADP 2014-15. Pace of ongoing projects will be increased whereas 84 new initiatives will also start. A list of key projects is given as under:

- Establishment of new OPD Complex @ Civil Hospital Karachi @ cost of Rs.6.2 billion.
- Establishment of 500 bedded Teaching Hospital at LUMHS Jamshoro.
- Construction of 400 Bedded Hospital at NIPA Chowrangi Karachi @ cost of Rs.1.7 billion.
- Establishment of Cardiology Hospital, Paeds Hospital and Kidney Centre at Hyderabad.
- Establishment of Liver Transplant Unit (SIUT) at Karachi.
- Establishment of SIUT complex at Sukkur.
- Rescue Ambulatory Services including call centre in all Districts of Sindh with a cost of Rs.1.5 billion.

- Rs.1.65 billion allocated for various schemes on preventive health care such as Hepatitis Control, EPI etc.
- Completion of major schemes of up-gradation of DHQ Hospitals and up-gradation of 39 THQ Hospitals to the level of DHQ Hospital in Sindh

Foreign Project Assistance

- Establishment of Child Health Care Institute at Sukkur with Korean Loan of \$ 46 million.
- Construction of 133 bed Jacobabad Institute of Medical Science (JIMS) with USAID grant
- Nutrition Support Program in nine districts of Sindh with IDA loan of Rs.3.96 billion.

c) Population Welfare Program

An amount of **Rs.1.76 billion** has been kept in next year's ADP with a target to increase Contraceptive Prevalence Rate (CPR) from 30% to 45% in three years time. This will help in controlling population growth rate and reducing infant mortality rate and maternal mortality ratio.

5) ENERGY

Mr. Speaker,

For industrial & economic growth leading towards continuous job creation, provision of uninterrupted energy is imperative. To realize this objective, government of Sindh has introduced **Sindh Power Policy 2014**, besides number of power generation initiatives in renewable energy, coal, and oil & gas sectors.

The Sindh Power Policy envisages following aims and objectives;

“To provide reliable, affordable and sustainable energy to the residents of Sindh and become net exporter of electricity by the year 2018”

I feel proud to inform this house that overburden removal at Thar Coal block-II has begun. The project was jointly inaugurated by the former President of Pakistan Mr. Asif Ali Zardari and the Prime Minister of Pakistan Mr. Muhammad Nawaz Sharif on 31st January 2014. The joint inauguration demonstrated the belief and resolve of the government in the potential of Thar coal.

Sir, the nation waited for this moment for more than 20 years as successive governments could not give enough attention to this national resource. Now, with the grace of the Almighty and

consistent efforts of our government, time to realize Thar dream has come.

Mr. Speaker,

Thar coal is our gift to the future generations of Sindh and Pakistan. The day is not far when Thar will be a major petrochemical hub for this region. The Sindh Engro Coal Mining Company is marching towards making Thar a power house of the country. The Company has already selected the EPC firm for mining project and by July 2014 EPC for power plant will also be finalized.

Mr. Speaker,

Thar is the only game changer for Pakistan's long term energy requirements. Projects of Thar have also been included by the Government of China in *Pakistan-China Economic Corridor*. This will ensure expeditious financing for mining and power projects.

Government of Sindh is making consistent efforts to attract investors. The work on mega infrastructure projects to facilitate mining and power projects in Thar include roads, effluent disposal, R.O. Plants, treatment of LBOD water and an airport. Thar Lodge of international standard is already functional to provide boarding and lodging facility to the developers.

To ensure availability of skilled manpower required for mining and power projects in Thar, a vocational training centre is being established with the assistance of Dawood University of Engineering & Technology and mining companies. The centre will provide specially designed courses for this sector.

Government of Sindh has invested more than **Rs. 30 billion** on various projects and studies related to Thar. This year we have earmarked more than **Rs.20 billion** for Energy sector (**Rs. 13.5 Billion for Thar Coal infrastructure and Rs 7 Billion for power development initiatives**). This reflects the commitment and seriousness of PPP Government towards resolution of energy crisis.

Mr. Speaker,

We have also initiated important power projects under Public Private Partnership mode which include a gas fired 100 MW project at Nooriabad; Run of the River project at Rohri Canal; Khairpur Waste to Energy project of 20 MW, and 5 projects of solar power of 20 MW each.

Besides, a pilot project for solarization of 350 Off-Grid Schools in Nangarparkar and 100 Off-Grid Houses in District Sanghar has also been started. This project will be completed by September 2014 InshaAllah.

We realize that power evacuation is a critical issue for every new power generation unit; therefore, Government of Sindh has established Sindh Transmission and Despatch Company in order to fill the vacuum left by NTDC. The company will work in tandem with governmental and private partners.

Mr. Speaker,

Sindh is also endowed with a rich **wind corridor**. For the first time, provincial government has issued LOIs for wind power development to the power developers. This is the beginning of a new era for the provincial government. With the consistent efforts of Sindh government, NEPRA has finally enhanced the cap for wind power tariff to 1250 MW. Many companies are actively working and wind corridor will soon provide increased generation to the national grid.

Mr. Speaker,

To promote development and research in renewable energy and exploit the full potential of wind corridor and solar power, Government of Sindh has incorporated **Sindh Wind Power Development Company** and has also established **Alternative Energy Development Fund**.

Sir,

Under the 18th Constitutional Amendment, the provincial right in the affairs of Oil & Gas has been duly acknowledged. Consequently, a comprehensive legal and regulatory framework for this sector is being developed.

Under the Petroleum Policy **2012**, a working interest of 2.5% in all explorations is being offered to the respective province. For this purpose we have incorporated the **Sindh Energy Holding Company Limited** with a seed capital of **Rs.250 million** and have acquired 2.5 % working interest with OGDCL and PPL in six concession areas. Allocation of **Rs.750 million** has been kept for this purpose in the FY 2014-15.

For independent commercial operations **Sindh Oil & Gas Company Ltd** has been established. For the first time in the history of Pakistan, Government of Sindh has set up a facility to start Research & Development for Coal Bed Methane in collaboration with universities and leading E&P companies.

6) INFRASTRUCTURE DEVELOPMENT

a) Highways, Roads and Bridges

Mr. Speaker

A total of 149 schemes with a combined length of 2026 km have been completed in road sector during the year 2013-14. 10 bridges have also been constructed. For ADP 2014-15, an allocation of **Rs.9.7 billion** has been made for this sector. Targets have been set for constructing 305 km new roads, improvement of 470 km roads and construction of 11 new bridges. Some of the key projects in this sector are:

- ADB assisted 134 Km long road, en route Nawabshah-Padidan-Ranipur; the project will complete in the year 2014-15.
- A total of 528.5 km of rural access roads are to be constructed with Japanese Assisted Rural Road Project II at a cost of **Rs.8.8 billion**. So far 425 kms have been completed; remaining 103 km will be completed during next financial year.
- A 61 km long road from Nawabshah to Sanghar will be reconstructed with the assistance of Chinese loan of **Rs. 1.68 billion**

- W/R of Road from Saeedabad to Shaheed Benzariabad including Bridge over Rohri Canal (30.57 Km).
- Rehabilitation of Nawabshah-Sakrand road measuring 14.5 Km, Thatta-Tandobago road measuring 20.22 Km and Sujawal-Bulri Shah Karim Road measuring 41.5 Km.
- Construction of over head bridge on Railway Line Between Kotri city and the Industrial Area Kotri will begin at a cost of **Rs. 1.25 billion**
- Construction of Bilawal Bhutto Zardari flyover over jail pathak Jacobabad.

Mr. Speaker,

With the assistance of Asian Development Bank, a massive project for construction of 800 km roads at a cost of **Rs. 12.5 billion** was started in May 2011. The deliverable was to rehabilitate the roads affected by super floods of the year 2010, in Kashmore, Jacobabad, Shikarpur, Kamber, Dadu, Jamshoro, Thatta and Sujawal. 96% of the target for this project has been achieved.

b) Public Private Partnership Projects

Mr. Speaker

Though we are cutting down on our ADP for infrastructure development but it will be adequately compensated by our Public Private Partnership initiatives.

Mr. Speaker

It gives me a great amount of satisfaction in highlighting the success of the Public Private Partnership Program undertaken by our Government in Sindh. We can rightfully boast of having the most progressive PPP program in the country with tangible results in terms of projects completed and a diverse array of projects in the pipeline.

The PPP Unit of the Finance Department has followed on the successful completion and operation of Hyderabad Mirpurkhas Dual Carriageway with the financial close of **Rs.4.5 billion Jhirk-Mulla Katiar Bridge** project over Indus. This project is at an advance stage of construction and will Inshallah be completed in the coming fiscal year.

We have also successfully implemented the management contract based model for outsourcing Security and Safety Services of international standards in the recently devolved National Institute

of Child Health. It is a model that can easily be replicated and evolved further in scope and size.

Mr. Speaker

Our success under the PPP mode has spurred us forward to launch other diverse projects that are at different stages of procurement. Apart from the Energy sector projects mentioned earlier in my speech, other key projects are;

- **BRTS Yellow line project:** which is the first of many Metro bus projects for the citizens of Karachi and will operate along the Korangi 8000 road leading upto the city centre
- **Karachi Thatta Dual Carriageway:** The National Highway will be dualized along a 50km stretch, which amongst its other obvious utilities will facilitate the development of Thar Coal and Keenjhar lake resort.
- **Hyderabad-Tando Muhammad Khan road:** Another busy section of a key provincial road will be converted into a dual carriageway under this project.
- **Modern Grain Silos project:** Modern grain storage project, developed with the help of International Finance Corporation, will in the first phase built storage capacity of 60,000 tons.

- **Khairpur Khajoor Mandi Project:** A 88acres modern market for agriculture produce is being established under this project
- **An Inter-city Bus project** to connect all the major district headquarters of the province

Mr. Speaker

We are determined to pursue the thrust of our development plan under the PPP modality and launch several more projects by further mobilizing private sector for building new infrastructure. We are also looking for alternative modes of financing, including infrastructure cess and land based financing, amongst others, to enhance funding for the PPP projects.

c) Karachi

Karachi is the biggest single revenue source for the Federal exchequer but due to its size and the issues in the Northern areas of Pakistan Karachi has faced particular problems in excess of normal metropolitan cities. The Sindh government is giving prime importance to Karachi in its development portfolio and a huge allocation of **Rs. 42 billion** has been kept for Karachi based schemes in ADP 2014-15. But this is not enough; Karachi also requires a special package from the Federal Government in the larger interest of Pakistan. The Sindh Government has identified the areas in which such a package will need to be disbursed

including building control and city development but the Federal Government has not so far enabled us to act with due resources.

The mega projects already launched are suffering setbacks due to lack of focus by the Federal Government:

S-III is one of the major projects for Karachi having a cost of **Rs.7.98 billion**, out of which Federal Government has to contribute Rs.3.99 billion. **Rs.1000 million** have been allocated for S-III in this budget, while Federal Government had not kept any allocation for this project in its budget. Only when I strongly raised this issue with the Federal Government, they were compelled to to keep an allocation of Rs.200 million for this project in their budget.

Another megaproject for Karachi, **K-IV** has been approved by ECNEC at a cost of **Rs.25.552 billion** with 50% share of Government of Sindh. **Rs.849 million** has been allocated for this project in this budget while, as in the case of S-III, Federal Government had initially not allocated any amount for this project and on my personal indulgence, they have now allocated Rs.200 million in their budget for this project. Through this project 260 MGD additional water will be supplied to residents of Karachi. I strongly urge the Federal Government to review its fiscal approach to Karachi.

Mr. Speaker

The Sindh Government with its limited resources is however taking full cognizance of Karachi problems. In this connection the transport problems of the citizens of Karachi is one of the main issues, we plan to launch two Bus Rapid Transit Projects. The yellow line will be undertaken in the PPP mode while an allocation of **Rs.3 billion has been kept in the ADP for the Green Line.** The project will be completed in 2 years and the balance allocation for the project will be kept in the budget for FY 2015-16.

d) Irrigation

Irrigation is the lifeline of our agriculture, but it is facing various challenges like floods, water shortage at tail ends, inequitable distribution of water etc. We have proposed that in ADP 2014-15, **Rs.8.62 billion** may be allocated for Water & Drainage Sector with main emphasis on improvement of Irrigation and Drainage network and to restore the flood protection embankment on left and right banks of river Indus.

Following key ongoing & new projects form part of ADP 2014-15:

- **Up gradation of Keenjhar lake** for assuring water supply to Karachi at an estimated cost of **Rs. 3.42 billion.**

- Restoration / rehabilitation of LBOD and Kotri Drainage Network System having a cost of **Rs. 3.5 billion**; this project will facilitate passage of the storm-water safely in to the sea.
- Installation of **250 Solar Tube wells** of 2.0 cusecs each at a cost of **Rs. 2.08 billion**.
- **250 Tube wells on solar energy, having a cost of Rs. 1.971 billion**, for assured supply of 300 cusecs for Thar coal from LBOD Spinal Drain RD-362.
- Sea-protection dyke at Taluka Keti Bander with estimated cost of **Rs.994.06 million**.
- The “Sindh Water Sector Improvement Project” (WSIP) will receive Foreign Project Assistance from World Bank to the tune of **Rs.4 billion** in next financial year. The project aims to improve the efficiency of irrigation water distribution in three Area Water Boards and to enhance long-term sustainability of the irrigation system.
- **The Sindh Flood Emergency Reconstruction Projects (FERP)** for Bunds & Canals (Flood 2010-11) at an overall cost of **Rs. 26.905 billion** will also complete in coming fiscal year

e) Water Hubs

In order to ensure supply of clean drinking water, particularly for the citizens of arid regions of the province, the peoples' government has undertaken a special initiative. An allocation of **Rs.7.3 billion** has been kept in ADP 2014-15 for installing **750 more RO plants** in Tharparker & for providing solar energy for 1050 Reverse Osmosis (R.O) plants installed in different parts of Sindh to overcome the problem of the power supply to these plants.

f) Special Development Packages

Mr. Speaker

An amount of **Rs.13.23 billion** has been earmarked for Special Development Packages for various districts including Hyderabad, Shaheed Benazirabad, Larkana, Karachi (all districts), Sukkur, Dadu, Sanghar, Mirpurkhas, Tharparkar, Jacobabad, Kashmore, Thatta and Sujawal. These will be utilized to improve towns across Sindh.

This year, Tharparkar district was hit by drought causing deaths and misery to the people; therefore people's government has decided to allocate special package of Rs.500 million for **Thar Development Plan** and Rs.400 million as **Tharparkar package**.

Mr. Speaker,

Keeping in view the health needs of Tharparkar and other remote regions of Sindh, a project of 12 bedded Mobile Health Unit is included in ADP with an allocation of **Rs. 1200 million.**

Mr. Speaker

Rs.500 million has been allocated for developing a **Master Plan for Larkana** to integrate the development initiatives taken through Larkana Development Package. This is to prepare a master plan which will identify present and future needs and directions for development of Larkana district.

g) Industries

In order to support industries, as a core policy of the present government, a substantial allocation of **Rs.2.0 billion** has been kept for revival of sick industrial units.

h) Housing for Poor

Mr. Speaker,

Through this initiative we have constructed **6500 houses** for the poorest segments of the society in all districts of Sindh. In this budget we are keeping an allocation of **Rs.1.0 billion** for

constructing **12,000 more houses**. Moreover, **1500 plots** have been allotted to poor residents of Khairpur through Shaheed Benazir Bhutto Housing Scheme.

It is worth mentioning that for the poor residents of Sindh, we have initiated a project of **Shaheed Benazir Bhutto Township**. A total number of **50,000 plots** are being distributed amongst poor at 27 locations, throughout the province, at a cost of **Rs.5.0 billion**.

e) Land for Women

Mr. Speaker,

Our great leader and the first woman prime minister of the Islamic world, Mohtarma Benazir Bhutto, was a role model for the woman all across the world, who made it to the top against all odds through strong commitment and personal sacrifices. We believe in her vision for women empowerment and entrepreneurship. Several of our initiatives are aimed at providing opportunities to women for participation in economic development of the country. Through one such initiative, we have distributed **56,186 acres of land** to female so far. We intend to carry this program forward and distribute more land to the female once the status quo on state land disposal is vacated.

For women, we are also establishing complexes are also at Shaheed Benazirabad, Sukkur, Karachi, Hyderabad, Thatta & Larkana.

These women development complexes will provide multiple facilities to a woman under one including skill development, legal aid, education, capacity building and other support services.

7) AGRICULTURE, LIVESTOCK AND FISHERIES

a) Agriculture

Mr. Speaker

Agriculture, being the main stay of our economy, has been given substantial allocation of **Rs.5.18 billion** for its non development expenditure in this budget. The non salary budget for Agriculture has been increased from Rs.763.887 million during last year to Rs.861.645 million in the next financial year which will facilitate the department in providing improved services to farmers.

We have been supporting our farmers by providing them quality seed and fertilizer and by helping them in their efforts for farm mechanization. Since 2009-10, we have provided **22,277 tractors on subsidy 5,251 Agricultural implements on 50% subsidy and 1,127 tube-wells on 50% subsidized rate.** We have purchased 56 new Bulldozers, which has helped in developing **172,723 acres of land.** Further, **23,722 acres of land** has been developed through laser land leveling equipment. Through these interventions production of major crops i.e. **sugarcane, cotton and rice has increased by 9%, 4% and 42%** respectively as compared to last

year. Two new wheat varieties Hamal-13 and Benazir-30 have been released for cultivation. A new variety of sugarcane, Chandaka was also released during the outgoing year. These measures have yielded bumper wheat, cotton and sugarcane crops.

The allocation for Agriculture sector in development budget is **Rs.4.4 billion**. The major schemes will be initiated for sustainable agriculture development and conservation of **800 watercourses**. We will support small farmers by providing them subsidy on purchase of **7,350 wheel type tractors, 1250 agriculture implements, 70 solar pumps & 715 tube wells**. In addition, Agriculture Sector will get **Rs. 2.74 billion** through World Bank assisted “**Sindh Agriculture Growth Project**”.

b) Livestock & Fisheries

Mr. Speaker

During the outgoing financial year 8.80 million animals were treated, 10.73 million animals were vaccinated, 432,000 animals were drenched against Parasitic diseases and 21600 animals were inseminated with exotic hybrid semen dosed to upgrade the breed genetically. We have developed a capacity to prepare 1.4 million doses of animal vaccines of different diseases and 250 million doses of different Poultry Vaccines in the government institutes.

The livestock and fisheries sector will continue to get substantial allocations in the next year too. This department will get **Rs. 2.59 billion** on non development side. This increase, as I mentioned earlier in my speech, is to improve the service standards offered by the department. We are proposing to allocate 26% more amount for purchase of drugs and animal vaccines.

In order to improve production, encourage value added industries and export of dairy products and sea food, the Live Stock and Fisheries sectors have been allocated **Rs.2.07 billion** from the development budget. New development initiatives will be undertaken for providing veterinary facilities and introducing high milk producing goat breed in arid zones. The overall focus of the sector will be on improving per unit animal productivity and moving from subsistence to market oriented and then to commercial livestock, poultry and fish farming in the province to meet the domestic demand and generate surplus for export.

Mr. Speaker

Another major initiative in fisheries sector is Renovation & Rehabilitation of Karachi Fish Harbor (KFH), through modification of boats; provision of IPCs, Plastic Crates, Fish Baskets; provision of Fork Lifts, etc. in order to modernize the Harbor and bring it in conformity with the EU standards.

c) Rural Support Program for Poverty Reduction

In order to reduce the poverty, improve the quality of life of the poor and marginalized communities, a Union Council based poverty reduction program through Rural Support Program has been initiated in the poor regions of Sindh with an allocation of **Rs.1.3 billion**.

The major features of the program are income generating grants, vocational training, Health insurance, reactivation of abandoned primary schools and post flood village rehabilitation. So far, **1467 houses** have been constructed and distributed amongst flood affectees in the districts of Kashmore and Shikarpur.

Mr. Speaker

Another major initiative for poverty alleviation is **Community Development Project**, which supports the activities of social services by the private sector, NGOs and CBOs, in the field of Health, Education, Water and Sanitation, Skill Development, Woman Empowerment and Legal Aid. An allocation of **Rs.200 million** has been kept in ADP 2014-15 for this project.

8) MINORITIES AFFAIRS

A provision of **Rs.567.81 million** has been made in ADP 2014-15 for construction and renovation of Mandirs in Karachi, Ghotki,

Thatta, Sukkur, Matiari, Shikarpur, Sanghar, Tharparkar, Larkana, Umerkot and KhairpurMirs districts.

Mr. Speaker,

I will now present the revised estimates for the outgoing financial year and budget estimates for the next financial year

REVISED ESTIMATE 2013-14

a) Federal Receipts

Mr. Speaker,

As mentioned earlier, almost 80% of our receipts come from two major sources i.e., the Divisible Pool Taxes and the Straight Transfers.

The Federal Government has communicated the Revised Estimates for Divisible Pool Taxes of Rs. 308.4 billion as against Budget Estimates of Rs.332.9 billion. Revised Estimates of Straight Transfers are Rs.71.9 billion as against Budget Estimates of Rs.67.1 billion. The Grant to offset losses of abolition of OZT of Rs. 8.9 billion is revised to Rs.8.3 billion. The total Federal receipts for the outgoing year are estimated at **Rs. 388.6 billion against the budgetary allocation of Rs. 409.0 billion.**

b) Provincial Receipts (2013-14)

As against the Budget Estimates of **Rs. 120.2 billion**, Provincial Tax and Non-tax Receipts are revised to **Rs. 100.1 billion**. The tax receipts are revised to Rs. 89.2 billion from the original estimate of Rs. 91.4 billion, while the non tax receipts are revised to Rs. 10.9 billion from the original estimate of Rs. 28.8 billion. The major reason for shortfall in receipts is status quo against land disposal by the courts. I have strongly urged our legal team to get the cases having an impact over our fiscal and development status resolved at the earliest so that we may not suffer on this account.

c) Expenditure (2013-14)

Due to prudent fiscal management we have managed to keep the Revised Estimates for the current revenue expenditure at **Rs.368.40 billion**; which is an increase of only 3.6%, over the Budget Estimate of Rs.355.90 billion. This marginal increase is despite the fact that we had to incur substantial outside budget expenditures on law enforcement because of ongoing targeted operation in Karachi and on drought related emergency at Thar. The capital expenditures have been revised to **Rs. 29.73 billion** from the original budget estimate of Rs. 31.302 billion. The Development expenditure has been revised to **Rs.115 billion** from the original estimate of Rs.185 billion.

BUDGET ESTIMATES 2014-15

The total outlay for next budget (2014-15) is **Rs.686.179 billion** which is 11 % higher than the budget of outgoing financial year 2013-14. The Budget Estimate for Divisible Pool Taxes as communicated by Federal Government is **Rs. 381.4 billion**. Receipts under Straight Transfers are estimated at **Rs.82.6 billion** and the Receipts under grant to offset losses of abolition of OZT are estimated at **Rs. 10.3 billion**.

The Provincial own receipts are estimated at **Rs.125.1 billion**. This includes **Rs.107.1 billion of Tax and Rs. 18.0 billion of Non-tax receipts**. The target for non tax receipts has been reduced in view of ongoing ban on disposal of state land.

a) Revenue Expenditure at a glance

The Revenue Expenditure for Financial Year 2014-15 is estimated at **Rs.436.090 billion**, which is 22% higher than the Budget Estimates of Rs.355.9 billion for FY 2013-14. In addition to the increase in wage bill of the Government, the major reason for enhancement in our current revenue expenditure is significant increases in non salary budgets of Education and Health, a huge allocation for payment of electricity dues and inclusion of grants and subsidies for public utilities and Universities; all of this is aimed at improving service delivery for the citizens of this province.

Capital Expenditure

The estimate for Capital Expenditure is **Rs.34.7 billion** as compared to outgoing years' estimate of Rs.31.3 billion.

b) Size of Development portfolio for financial year 2014-15

The ADP for the Financial Year 2014-15 is estimated at **Rs.168 billion**. This is Rs.17 billion less than the outgoing years' estimate of Rs.185 billion **but 46% higher than the outgoing years' revised estimate of Rs.115 billion**. The ADP is being made realistic in order to ensure that all the priority projects of the government are adequately funded and the releases for development projects are more predictable; thereby facilitating the project managers in better planning and management.

c) Increase in Salaries

I announce a **10% increase in salary** for all the Government servants. Accordingly, the following measures are announced:

- (i) A 10% ad-hoc relief will be allowed to all provincial government employees with effect from 1st July 2014;
- (ii) A 10% increase will be allowed to those employees in Grade-1 to 15 drawing fixed medical allowance of Rs.1000 per month;
- (iii) A 5% increase will be allowed in conveyance allowance to those employees working in Grade-1 to 15;

- (iv) The post of superintendent is being upgraded from Grade-16 to Grade-17;
- (v) One pre-mature increment will be allowed to employees of Grade-1 to 4.
- (vi) For welfare of the labor class, and in line with the increase in pay of government employees, the minimum wage rate is also being increased to Rs.11,000.
- (vii) **The minimum pension is being increased by Rs. 1000, to make it Rs. 6000 per month.** A 10% increase will also be allowed in pension to all retired employees of Government of Sindh.

FISCAL MEASURES FOR FINANCIAL YEAR 2014-15

Mr. Speaker,

It gives me immense pleasure to announce that we propose to reduce the standard rate of **Sindh sales tax on services from 16% to 15%** from July 1, 2014. This measure of cut in tax rates will provide substantial relief to our taxpayers and citizens and we expect reciprocal cooperation from the taxpayers for better compliance.

Mr. Speaker,

With a view to rationalizing the sales tax structure; equating the tax base in Sindh with that in the Punjab and the Khyber Pakhtunkhwa; and removing certain tax anomalies and distortions, I am proposing

to levy Sindh sales tax on the services which are already liable to sales tax in other Provinces but are not yet taxable in Sindh. These services are technical, scientific and engineering consultants, tour operator (Hajj and Umrah tour packages shall remain exempt), manpower recruiting agents, share transfer agents, property dealers, fashion designers, interior decorators, rent-a car, automobile dealers, and laundries and dry cleaners.

Mr. Speaker,

Three major services, namely the education services mostly in private sector; the services provided or rendered by hospitals, medical and dental practitioners and pathological/radiological/diagnostic laboratories; and the road transport services, have huge potential for tax revenue-yield but are exempt from the levy of sales tax. Several taxpaying sectors complain of the discriminatory tax treatment on the ground that they pay Sindh sales tax on their service but the aforesaid 3 major sectors are not taxable. It is proposed to levy Sindh sales tax at a reduced concessionary rate of 5% on the expensive and costly services provided by educational institutions, doctors, and laboratories charging exorbitant fee or charges, generally borne by affluent persons. Similarly, the inter-city road transportation of goods in Sindh or from Sindh shall also be levied to Sindh sales tax at a reduced rate of 5%. However, the levy in these sectors will only be made in line with the ability to

pay principles and in areas where such levies do not impact the poorest sectors of society.

Mr. Speaker,

Now, I will speak other taxes and levies administered by Board of Revenue and Excise & Taxation Department. The proposals include:

- (i) Revisions of rates of Stamp Duty on Affidavit, Memorandum of Agreement, Bank Guarantee, Bill of Lading, Letter of Credit and Bond. Rates of these items were last revised 10 to 20 years ago;
- (ii) Withdrawal of Exemption granted to Co-Sharer @ 1% now Co-Sharer may pay 2% of Stamp Duty as chargeable on Conveyance;
- (iii) Currently 2% Stamp Duty of the value of the Immoveable Property is being charged. It is proposed to include Movable Property for charging the said Stamp Duty.
- (iv) Revisions of rates of Stamp Duty on Gift Instrument. Relief will be provided to Legal Heirs as they will have to pay one fourth of Stamp Duty whereas others will have to pay Stamp Duty on Sale Deed.
- (v) It is proposed that in Article 21 (Lease) new category of open Plot is to be included. Moreover, exemption (in terms of different slabs of Stamp Duty) to different categories is proposed to be abolished and every one will have to pay 1% of Stamp Duty. Owners of Open Plot will also pay Stamp Duty.

- (vi) Enhancement of Storage Fee on the storage of rectified spirit in warehouses;
- (vii) Enhancement of Transfer Fee on Motorcycle and Commercial vehicles;
- (viii) Enhancement of Life Time Tax on Motorcycles/Scooters;

Mr. Speaker

In order to improve tax administration, enhance capacity of the government to collect taxes more efficiently, to plug in tax leakages, broaden the tax base and improve the financial management of the province, the Government of Sindh has prepared a **Reforms Plan for resource mobilization**. This plan will be implemented from 1st July 2014 for the next three years. For this purpose, a **Tax Reform Unit** will be established in Finance Department, which will maintain linkages with all tax collecting agencies, legislatures, academia and major stakeholders like Chambers of Commerce & Industries, and Professionals. Further automation will be introduced and through better management and administration provincial tax receipts will be increased from the current Rs. 91.37 billion to **Rs. 200 billion** in next three years.

Mr. Speaker,

Let me finish my speech with thanks to the honorable members of this august house for providing me the strength and the support in all my endeavors as leader of the house.

Pakistan Paindabad!