

ICMA-Gallup Post-Budget 2024-25 Survey Report

Preamble

The Finance Minister, Mr. Muhammad Aurangzeb, unveiled the Federal Budget 2024-25, along with the Finance Bill 2024, in the National Assembly of Pakistan on 12th June 2024. The Federal Budget 2024-25, with a total outlay of Rs. 18.9 trillion, focuses on fiscal consolidation, productive sector support, and relief for the common man. It also includes measures for social protection programs like BISP, as well as for exports and SMEs, agriculture, and climate change. Reforms in tax laws and government spending aim to ensure sustainable economic growth.

The budget proposals have attracted significant attention from various stakeholders, including tax experts, industry leaders, and trade representatives. To capture initial reactions and feedback on the policies and initiatives in the Federal Budget 2024-25, ICMA, in collaboration with Gallup Pakistan, conducted a Post-Budget Survey. The results of

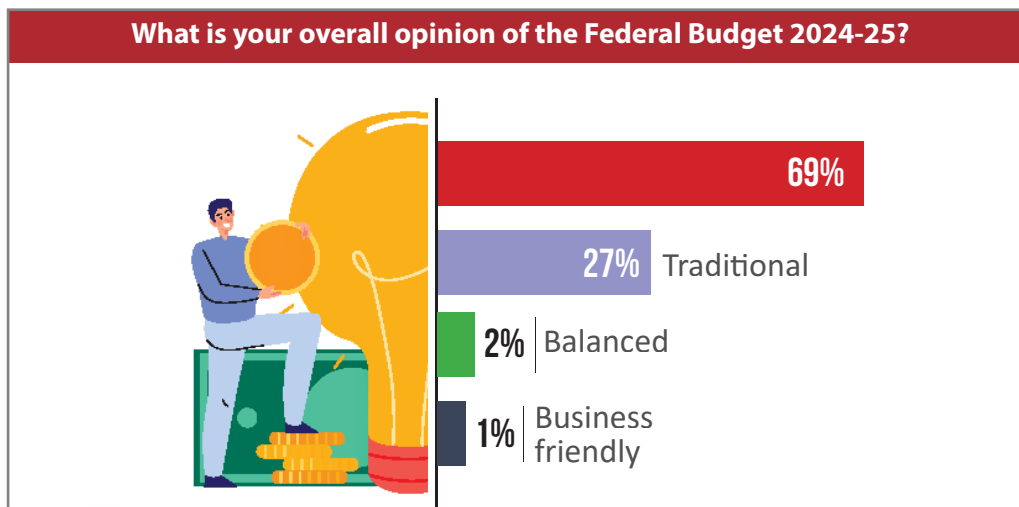
this survey are now published in the latest edition of the CMA Journal. We trust that our members, students, and other readers will find the insights provided in this report valuable.

Survey Methodology

Gallup Pakistan conducted an opinion-based survey among ICMA Pakistan's members and non-members to gather insights on the post-budget 2024-2025. The survey questionnaire was developed by ICMA's Research and Publications Department and subsequently scripted by Gallup into online software for electronic data collection via a group link. Gallup distributed the survey to over 5,000 respondents, including ICMA members, via email. Data was collected over a two-week period, subjected to quality checks, and analyzed using empirical software. The summarized findings were then shared with ICMA.

Survey Results

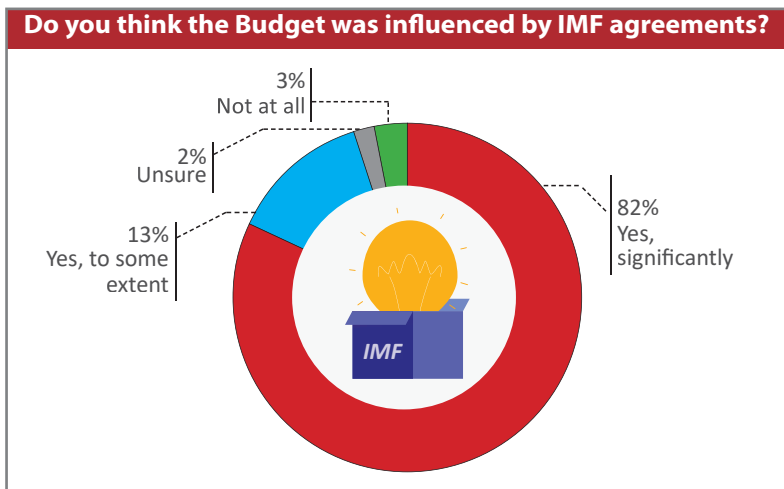
69% consider the Federal Budget 2024-25 as "Elite Friendly"



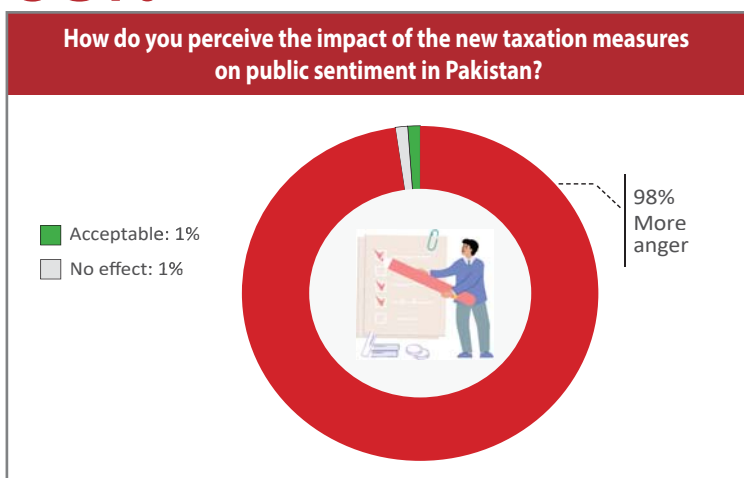
In the survey, when asked about the Federal Budget 2024-25, 69% of respondents described it as elite-friendly, while 27% referred to it as a traditional budget. Only 2% of respondents considered the Federal Budget 2024-25 to be balanced.

82% believe that Budget 2024-25 was influenced by IMF agreement

The survey findings reveal that 82% of respondents believe the Budget 2024-25 was heavily influenced by the IMF agreement, highlighting significant concerns about the government's reliance on external financial support. Meanwhile, 13% felt the influence was moderate, with only 3% perceiving no IMF impact and 2% uncertain.



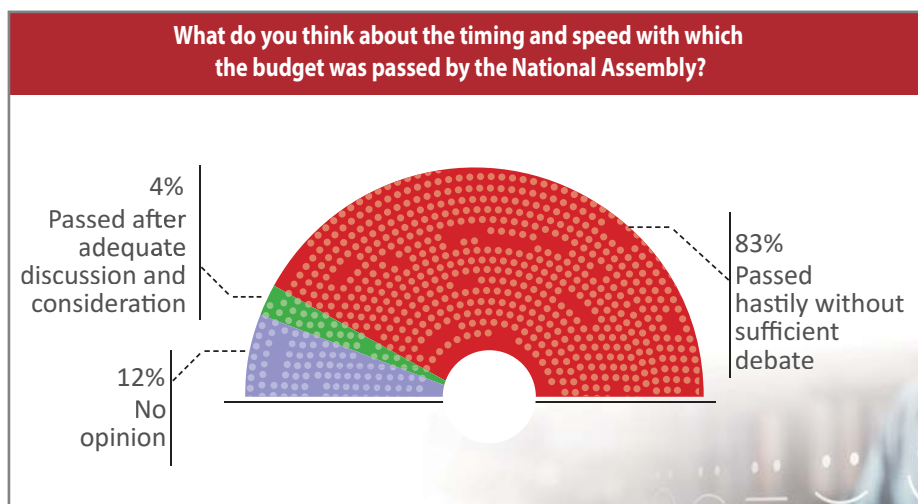
98% disappointment on new taxation measures on public sentiment



Based on the responses, 98% of respondents believed that the new taxation measures will cause "more anger," indicating widespread concern about public dissatisfaction. This suggests that many fear these measures will increase financial strain. Meanwhile, only 1% find them "acceptable," and another 1% believe they will have "no effect."

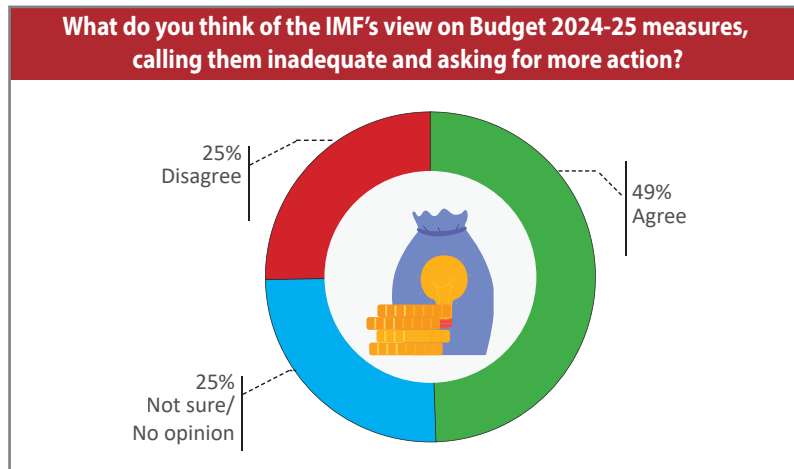
83% dissatisfied with the budget process transparency

Regarding the integrity of the budget process, a majority of 83% of respondents believe the budget was passed hastily, raising concerns about insufficient scrutiny and undermining confidence in the process. Only 4% felt there was adequate debate, while 12% were undecided. This sentiment highlights widespread dissatisfaction with the transparency and deliberation involved in the budget's passage.



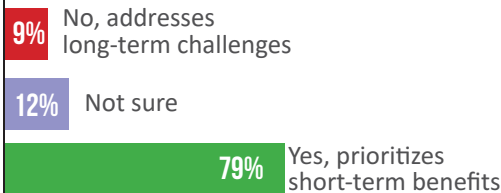
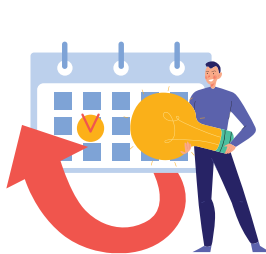
49% agree with the IMF that Budget fails to address economic challenges

Nearly half of the respondents (49%) agree with the IMF's assessment, indicating that they believe the budget falls short in addressing the country's economic challenges. In contrast, 25% disagree, reflecting either confidence in the current measures or skepticism about the IMF's stance. The remaining 25% are unsure or have no opinion, highlighting a significant level of uncertainty among stakeholders.



79% perceives Budget 2024-25 prioritizes short-term gains over long-term solutions

In your opinion, does the Budget 2024-25 focus more on short-term benefits rather than effectively addressing long-term economic challenges?

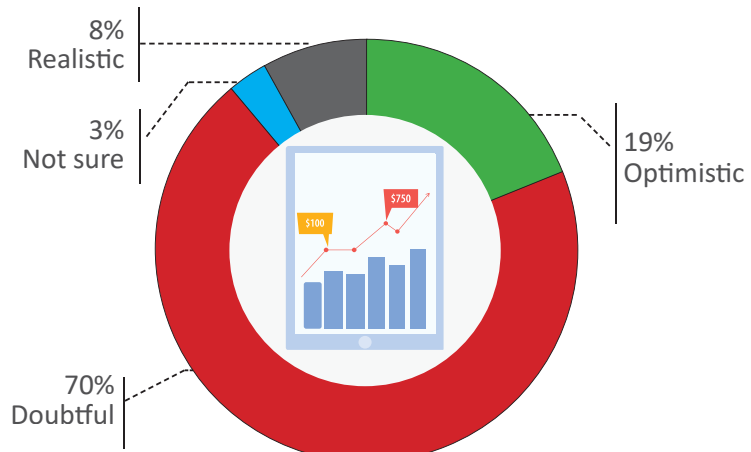


The survey asked respondents about their perception of the current budget's focus on long-term challenges versus short-term benefits. The results revealed that 79% believe the Budget 2024-25 is predominantly focused on short-term benefits, while 9% think the budget addresses long-term challenges. The remaining 12% were unsure about the budget's strategic focus.

70% views GDP Growth Projection in Budget as unrealistic

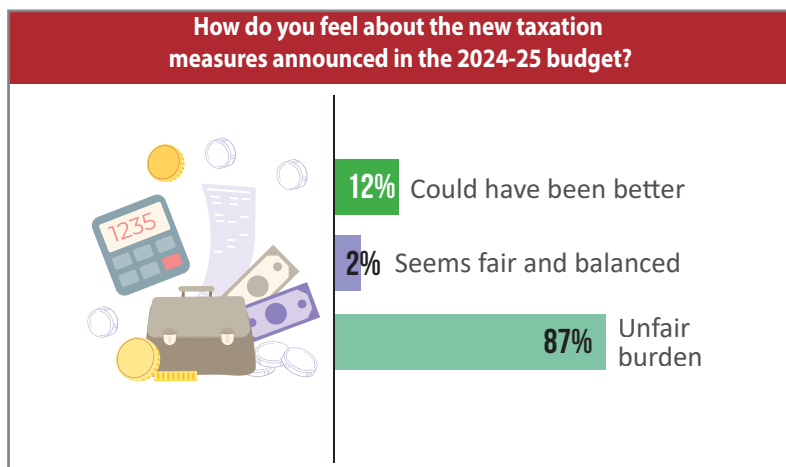
The survey sought to gather respondents' views on the government's forecast of a 3.6% GDP growth for Budget 2024-25. A significant majority, 70%, view the projected growth as unrealistic. In contrast, 19% consider it optimistic, acknowledging potential but with caution, while only 8% deem it realistic, reflecting limited confidence in the government's forecast.

What do you think about the government's projected 3.6% GDP growth in Budget 2024-25, compared to last year's GDP growth rate of 2.38%?

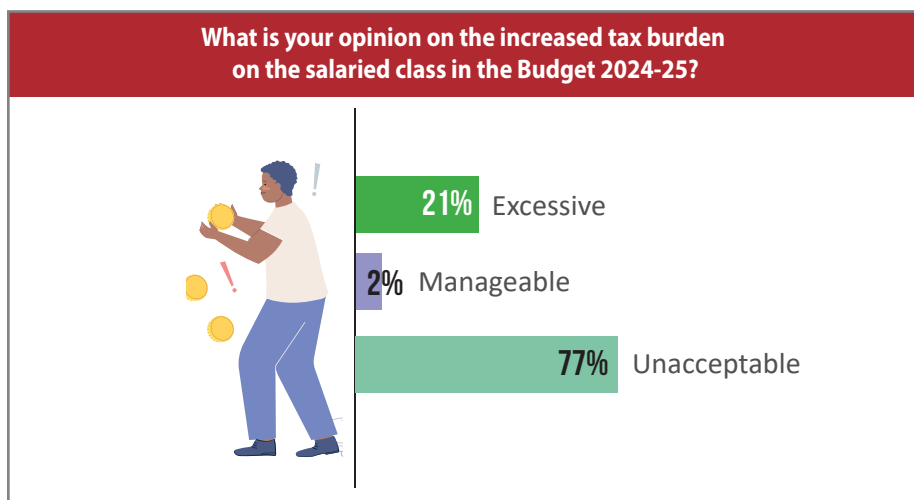


87% believe new taxes unfairly burden lower and middle-income households

When respondents were asked about the new taxation measures in the 2024-25 budget, 87% perceived them as an "unfair burden." Meanwhile, 12% felt the measures "could have been better," and only a small minority, 2%, viewed the taxation measures as "fair and balanced."



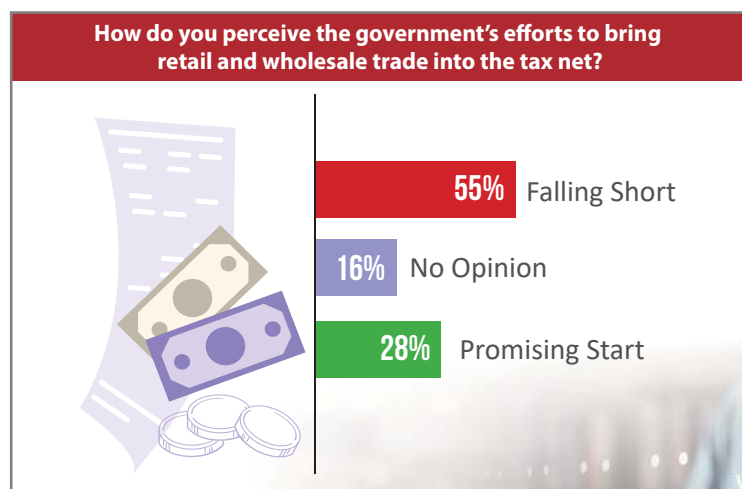
77% view the increased tax on salaried workers as a source of discontent



A vast majority (77%) of respondents have termed the increased tax burden on the salaried class in Budget 2024-25 as 'unacceptable.' Additionally, 21% describe the burden as 'excessive,' while only 2% believe the tax increase is 'manageable.'

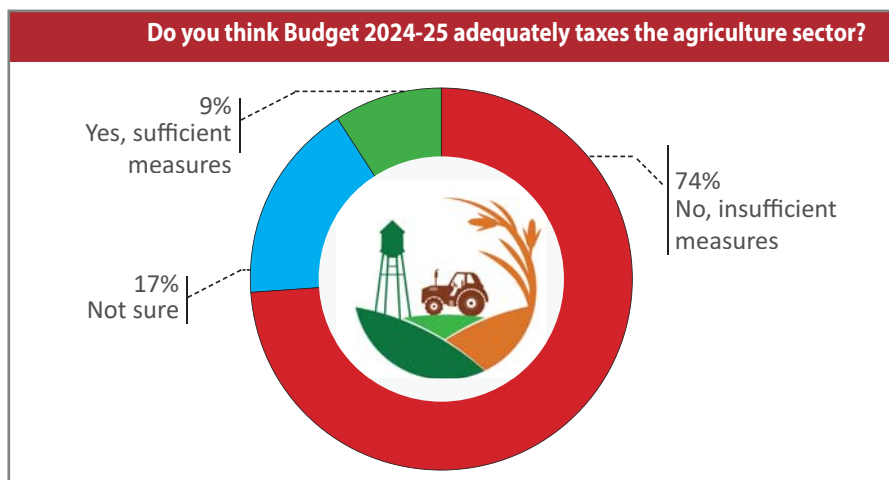
55% feel the government's effort to tax retail and wholesale trade are ineffective

According to the survey, 55% believe the government's efforts to bring retail and wholesale trade into the tax net are "falling short." In contrast, 28% view these efforts as a "promising start," while 16% have "no opinion," indicating either disengagement or uncertainty.

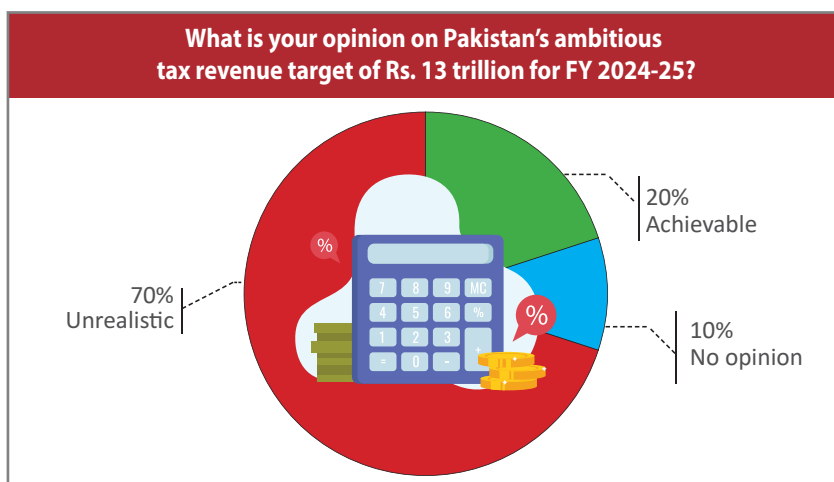


74% feel a need for strong call for more effective taxation policies in agriculture sector

The survey respondents were asked to share their opinions on how adequately Budget 2024-25 addresses taxation of the agriculture sector. Seventy-four percent consider the measures to be "insufficient," while 17% are "not sure," and only 9% believe there are "sufficient measures" in the budget.



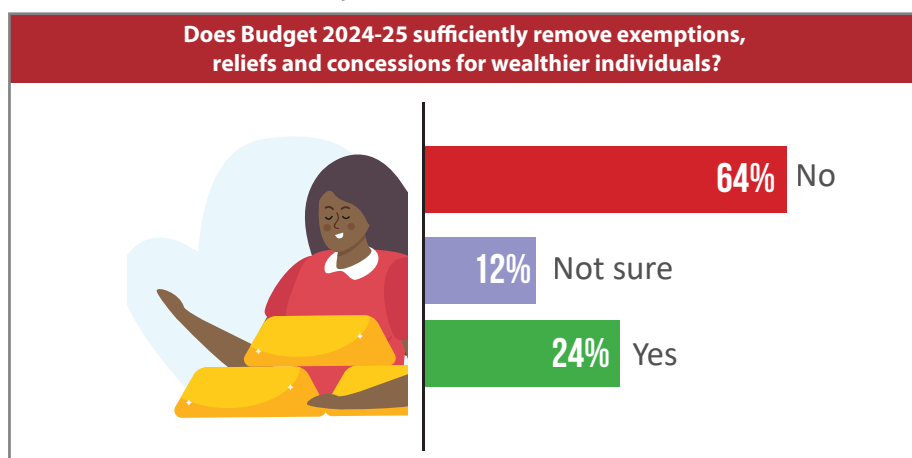
70% find FY 2024-25 tax collection target "Unrealistic"



The survey results indicate that 70% of respondents view Pakistan's tax revenue target of Rs. 13 trillion for FY 2024-25 as "unrealistic," reflecting widespread skepticism about the feasibility of meeting such an ambitious goal. Meanwhile, 10% consider the target "achievable," showing some confidence in the government's ability to reach it.

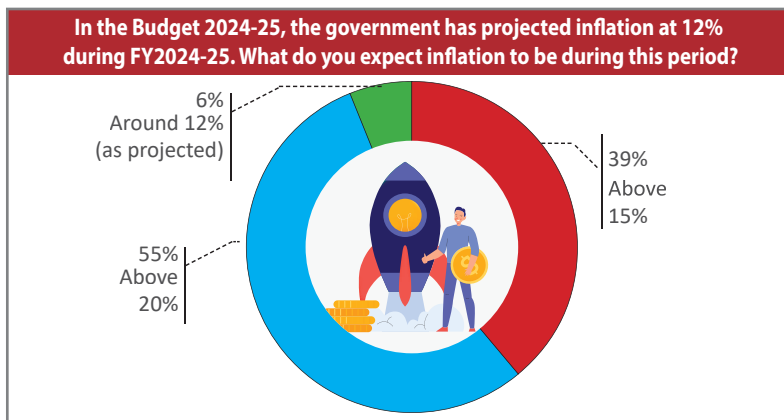
64% concerned that Budget 2024-25 lacks measures to curb exemptions for the wealthy

The survey asked respondents about their perception of the budget's measures concerning exemptions for the elite class of society. The results revealed that 24% agree with the measures, while only 12% are "not sure."



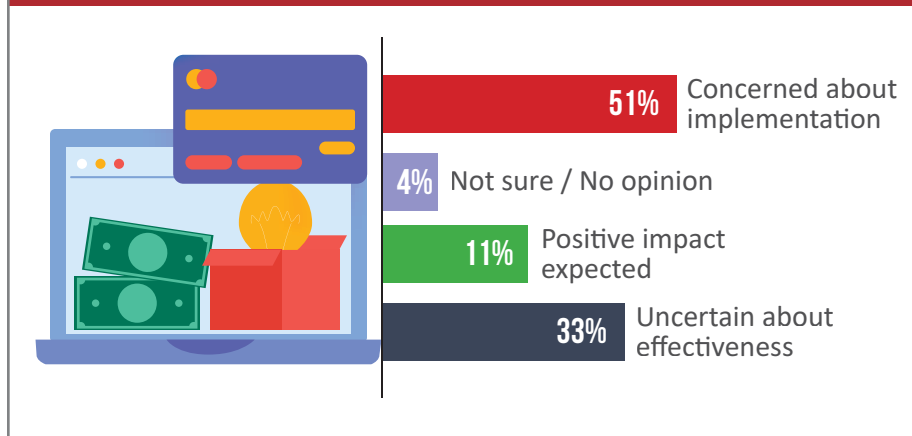
55% expect inflation to surpass 20%, doubting the government's 12% projection

The survey revealed significant concerns about inflation for FY 2024-25, with 39% of respondents anticipating rates above 15%. Only a small minority, 6%, believe it will align with the projected 12%.



51% are concerned about the funds allocated for digitizing the FBR in Budget 2024-25

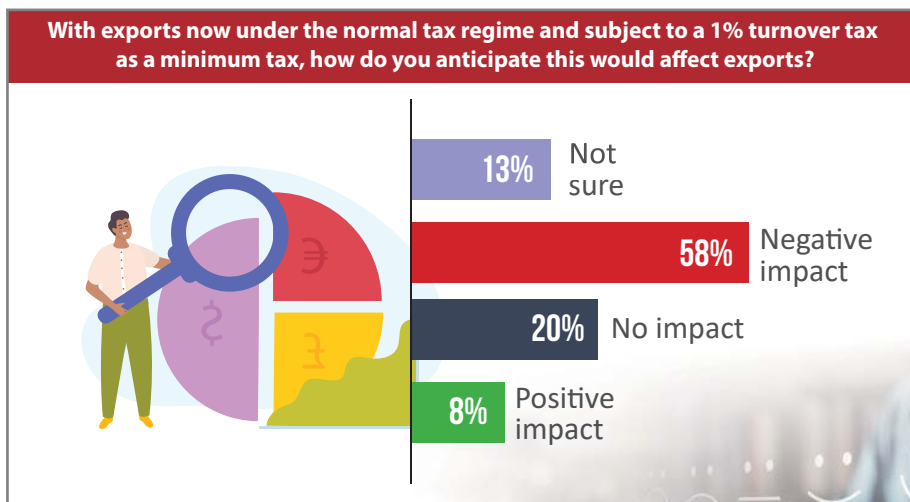
What is your opinion on the government's allocation of funds in the Budget 2024-25 for digitizing FBR to address leakages, corruption, and theft?



A majority of respondents, 51%, are "concerned about implementation," indicating doubts about the government's ability to execute this initiative effectively. Additionally, 33% are "uncertain about effectiveness," reflecting a lack of confidence in the digitization efforts. Only 11% expect a "positive impact," while 4% are "not sure/no opinion," highlighting overall uncertainty.

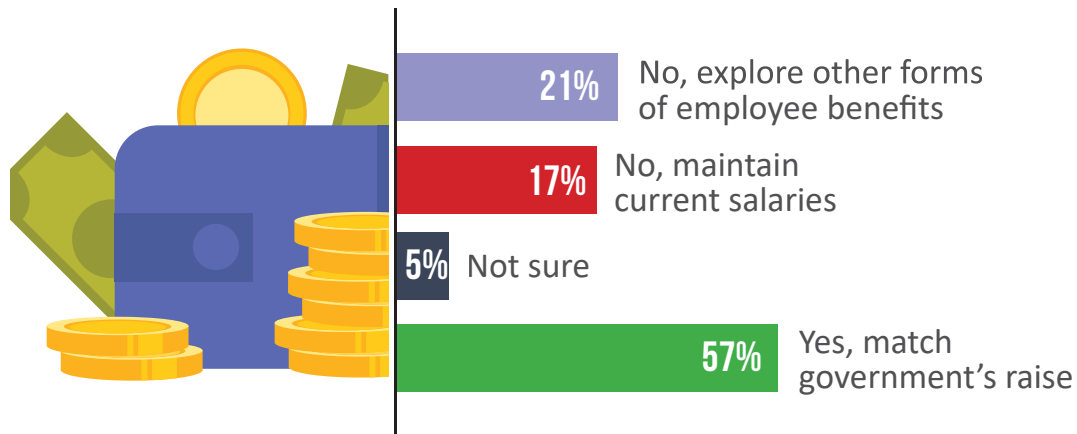
58% fear the tax could harm exporters' competitiveness and growth

While 20% believe there will be "no impact," and only 8% expect a "positive impact," the majority view reflects skepticism about the tax's effects. The 13% who are "not sure" suggest uncertainty and indicate a need for clearer communication on the tax's potential implications.



57% believe the private sector should align its salary increases with the government's recent raise

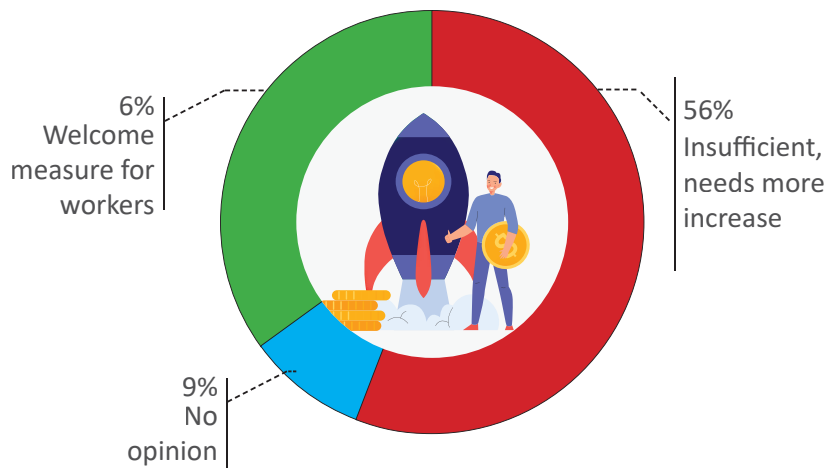
Should the private sector also implement salary increases similar to the government's recent raise of 25% for grades 1-16 and 20% for higher grades?



When asked about their opinions on the proposed salary increase for the private sector mentioned in the budget, 21% favored exploring alternative benefits, indicating some flexibility in compensation preferences. Only 17% think current salaries should be maintained, while 5% are uncertain.

56% believe the minimum wage hike doesn't address living costs or inflation

What do you think about the government's increase of the minimum wage from Rs. 32,000 to Rs. 37,000 in Budget 2024-25?



When respondents were asked about the increase in the minimum wage from Rs. 32,000 to Rs. 37,000, 35% welcomed the increase as a positive step, while 9% had no opinion on the matter. This highlights a general sentiment that, although the raise is seen as beneficial, it may not be sufficient to meet economic needs.

DISCLAIMER: The views expressed by the survey participants do not necessarily reflect the official position of the Institute of Cost and Management Accountants of Pakistan. Additionally, Gallup Pakistan conducted this poll in accordance with the ESOMAR Code of Ethics and internationally recognized principles of scientific polling. The results of this report do not represent the views of the authors or Gallup Pakistan but rather reflect public opinion, based on the responses of anonymous participants.