

## Press Release

### Khilafah to End Destructive Levels of Taxation

## **Pakistan's Rulers Deprive Us of Revenues from Energy Sector and Then Chase Us for Taxes**

In his budget speech of 26 May 2017, Pakistan's Finance Minister boasted about huge increases in taxation, "In fiscal year 2012-13 FBR collection was Rs.1,946 billion. For the current year the target is Rs.3,521 billion. This represents a historic increase of 81% in the last 4 years... Concessions and tax exemptions above Rs.300 billion were withdrawn in three years." However, as with all of the Bajwa-Nawaz regime's economic boasts, the huge increases in taxation are a source of despair of our present and a cause for deep concern for our future. The huge increase in taxation has burdened industry and agriculture to the extent that many local producers have had to abandon production and trade in foreign produce instead. Whilst the Ummah is burdened with huge taxation, the regime ensures that foreign companies are granted huge concessions and tax exemptions, under the banner of encouraging Foreign Direct Investment, increasing foreign domination of our economy. Moreover, in Democracy, the parliament manipulates laws to decrease taxation upon the ruling elite, whilst the masses are drowned by indirect taxation. Increased taxation is a consequence of the regime depriving Pakistan of substantial revenues through the privatization of the energy sector. As just one example in the Financial Year 2013-2014, the Oil and Gas Development Company posted a record Rs, 124 billion after tax profit. **Indeed, privatization of the energy sector and then increasing taxation is like striking your own feet with a hammer and then asking other people to carry you!!!**

Privatization of the energy sector is not for our benefit, it is a key demand of the Bajwa-Nawaz regime's masters, the colonialists. As with every budget every year, it was not made until the Finance Minister met the International Monetary Fund (IMF) staff team in Dubai, this time led by Harald Finger from March 28 to April 5, 2017. At the conclusion of the mission, Mr. Finger focused the Finance Minister on "challenges in the fiscal, external, and energy sectors" (IMF Press Release No. 17/11). Through decades of colonialist supervised privatization of the energy sectors, private owners are continuously securing great profit, whilst back breaking taxation is continuously increased. Even the increased taxation is not for our benefit, as it is mostly raised to pay back foreign interest based loans, even though Pakistan has paid back the principle sums of such colonialist loans many times over. Privatization of the energy

sector is part of the colonialist trap, which is designed to prevent Pakistan from ever escaping and rising as an economic power.

The cure to Pakistan's economic illness does not lie in privatization, foreign investment or colonialist loans for they are the disease itself. The only cure is the implementation of Islam's economic system, which alone would generate more than enough revenue to revolutionize the economy. Unlike Capitalism and Communism, Islam has declared that energy is neither a private nor a state property but a public property for all the Muslims. RasulAllah (saw) said, «المسلمون شركاء في ثلاث الماء والكلاء والنار» **“Muslims are partners in three things: water, pastures and fire (energy)”** [Abu Dawood.]. Thus, although the Khilafah state takes charge of managing the public property and state property, it is not permitted for the Khalifah to grant the ownership of the public property to any private party, whether an individual or group, as it is a property for all Muslims. Revenues are for the public, looking after its affairs and securing its interests, and not for the state. This applies to all the abundant wealth of public property, whether energy, such as petroleum, gas, electricity or replenishable minerals, such as copper and steel, or water, such as seas, rivers and dams, or pastures and forests. Indeed, the entire Ummah is known to possess the lion's share of the world's energy and mineral resources, but without Islam's economic system, the Muslims are drowned in poverty and the Ummah carries no weight in world affairs, even when compared to states that possess a small fraction of her material wealth.

**O Muslims of Pakistan!** Our dire economic situation will continue to worsen as long as we accept to live under the rule of Kufr which grants the colonialists mastery over our affairs. We will suffer regardless of who comes to rule in this system of oppression and deprivation, whether it is PML-N, PPP or PTI. Affliction awaits not only those who rule by Kufr, but also anyone of us who witnesses it and does nothing to change it. Allah (swt) says, ﴿وَاتَّقُوا فِتْنَةً لَا تُصِيبَنَّ الَّذِينَ ظَلَمُوا مِنْكُمْ خَاصَّةً وَاعْلَمُوا أَنَّ اللَّهَ شَدِيدُ الْعِقَابِ﴾ **“And fear the Fitnah (affliction and trial) which affects not only those of you who oppress (but it will afflict everyone) and know that Allah is Severe in punishment.”** [Surah al-Anfaal: 25]. Thus it is upon each and every one of us to make our full contribution for the Khilafah project, striving with the brave and aware Shabab of Hizb ut Tahrir to restore Islam as a way of life.

## Media Office of Hizb ut Tahrir in Wilayah Pakistan