Protecting the consumer

On World Consumer Rights day, it comes as good news that the next budget is expected to provide some substantial relief for the poor, reinforcing the government's stated commitment to ensure that the benefits of economic progress and prosperity reach the people. Also significant is the rate of inflation being predicted: around eight percent against the original target of five percent.

There is thus every compelling reason to insulate consumers from the impact of this inflation as much as possible. Poverty alleviation will take time, but meanwhile, direct measures do need to be taken in the budget to reduce the financial burden on the consumer and protect the incomes.

It is encouraging that Prime Minister Shaukat Aziz takes time off his busy schedule to visit a weekly bazaar, as he did on Sunday in the capital, and obtain first hand knowledge about market prices. His interaction with consumers, who usually belong to the poor and the middle-income groups, should help him get a clearer idea about the precise price behaviour. During the current financial year, inflation, especially of food, has been high. Policy initiation is required to contain it. The central bank should also tighten its monetary policy as credit to private sector has been excessively high and needs to be moderated.

Essentially the ratio of indirect taxes should be gradually reduced and that of direct taxes increased. With considerable improvement in resource mobilisation, it should also be possible to further enhance the government's annual development programme from this year's level of Rs202 billion. At the same time, it is also necessary that a good part of it be allocated for accelerating social sector development. Relief for the underprivileged is also due in terms of lowering the prices of utilities and petroleum and its products. Subsidies should continue to be given where they are needed. Some significant and substantial relief for the poor is long overdue and would be well deserved — and well received.