

Uwé Kiri

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Parliament changes the income tax for 2016

Purikali - After three rounds of discussions and voting since last November, the changes in the income taxes were finally approved by the Parliament yesterday. The original proposal of the Party of Progress (PM) was to slightly increase the income taxes in a wide range of wages in order to reduce the taxes paid by companies to social security, from current 15% to 11%, as a measure to stimulate the economy and recover the growth. However, the proposal was rejected by the opposition, especially by the left parties which did not admit a tax increase for the low-income population. The proposal was modified by reducing the burden on these workers and decreasing the advantage for the companies, but still lost the vote for the opposition.

In the first two weeks after the end-of-year break, the Parliament discussed a conciliatory proposal made by Senator Salman Hamukata of the Party of Renovation (PW), which kept unchanged the income taxes for wages up to 85,000 huwas per annum and increasing gradually the taxes above that value up to 42% for salaries above 1,130,000 huwas (the previous tax was up to 35%). On the other side, the proposal would permit a small reduction of the social taxes of the companies from 15 to 13% and not to 11% as initially proposed.

Although being rejected by the National Party (PT), which wanted the original benefit of 11% for the companies, and by Socialists that demanded a reduction in the taxes for the low salaries, the proposal was approved with 64 votes in favour and 23 against.

Defence Budget

In addition to this significant tax change – the second in Wisnupuran’s mandate to stimulate the economy, the other one was the reduction in the import taxes – additional measures were taken by the government to keep the balance in the public accounts. Among them, the reduction of the defence budget from 6.5 to 5.3 billion huwas displeased military sectors. Senator Iduk Dewasakti of the National Party, despite being of the government coalition, disagreed of that decision saying that “we are going to scrap our armed forces. In percentage of the GDP, the budget is half of what it was in the year 2000”. The leader of PM, Senator Ngaru Tawahulu refuted this statement by saying that “this fear is outdated; an economic power is much safer for the country than a military power”. Minister of Defence Yokong Nai said that to adapt to this reduction, most of the decommissioned equipment of the Army, Navy and Air Force will not be replaced in the near future.

FICT GAMES

Together with the approval of 50 million huwas for the FICT Fair that will take place in Guelphia, in the first half of this year, the government also approved the budget of 520 million huwas for the 2017 FICT Games. Investments will be shared with private initiative.

The Games are being planned for June 2017 in Kaupelan and are proposed to have additional sports compared to the Games of 2015 in Île de Romanhe.

Although pending approval of FICT, the proposal is to have football, volleyball, athletics (100 m, 400 m and marathon), cycling, sailing, swimming (100 m, 200 m and water marathon) and triathlon, all of them for both men and women.



Fishing in the Indic Ocean

Port de Boiguenneuc – As commented during the visit of king Kira to Île de Romanhe in 2012, fishery was a potential area for Kaupelanese investments in that country. Now, the fishing company NIHA, the major fish producer of Kaupelan, announced the intention to negotiate with IR authorities the possibility of having a

factory-ship operating there. The idea would be hire local workers to this activity that will consist of fishing, canning and exporting the production from a local base. “It would be beneficial to Ilyaroman economy in terms of labour force, production and export”, added the CEO, Laya Fatumadan.

Exchange Rate



USD: KAH 2.6111 ↓



EUR: KAH 2.8403 ↓

Purikali



Max 32° Min. 24°