

Govt urged to resolve GIDC issue

KARACHI: In a joint statement Mian Muhammed Ahmed Patron In-chief & Founder President, Senior Vice President Iftikhar Ahmed and Vice President of Bin Qasim Association of Trade & Industry (BQATI) Haider Amin on Monday urged the government to resolve the long outstanding issue of Gas and Infrastructure Development Cess (GIDC) in consultation with the stakeholders and BQATI.

The Supreme Court has already declared GIDC up to 2014 illegal, it is a wrong perception that any of the local industries or zero-rated sector has passed it on or collected from consumers because the market dynamics do not allow such a hefty cost to be passed on in the market. Absolutely none of the local or export industries has collected GIDC so far from consumers. It has been categorically denied the governments stand that local or export industries have charged the consumers.

The government has already offered amnesty and settled GIDC at 50 percent with the two business sectors that had passed GIDC in their product price and collected from consumers. On the basis of this all local industries and export sector must be completely exempted from previous and future GIDC because they have not charged the customers.

They clarified that GIDC was imposed to develop gas infrastructure for Pak Iran gas pipeline etc. They were of the view that as no work was being done on project, in fact funds were utilized to overcome budget deficit and Metro Bus project the levy has become uncalled for and has proved to be an extra burden on the trade and industry.

He added that the imposition of GIDC resulted in high cost of doing business for the indigenous industries thus rendering them uncompetitive both in local and global markets and now they were on the verge of collapse.

Terming the GIDC as an anti-business initiative they said the gas price in Pakistan, as compared to its regional competitors is much higher; Haider Amin requested Prime Minister, Finance Minister and Advisor to reduce the cost of production enabling to compete with regional competitors.

They said resolving the issue is necessary so that the element of uncertainty that has been prevailing in both the investors - local and foreign - is removed and their confidence in the government policies is restored, which is a pre-requisite for the success of any scheme.

In view of the above, they urged the government to immediately withdraw the levy of GIDC completely on gas consumption to provide relief to the all sectors of trade and industries.—PR