

**PHMA urges government to simplify export facilitation scheme**

Pakistan Hosiery Manufactures & Exporters Association (PHMA) has proposed the government to simplify the export facilitation scheme and rationalize cost of doing business.

In a letter to Director General (Trade Policy) in reply to a letter of Commerce Division titled "enhancement of export competitiveness," PHMA Central Chairman Jawed Bilwani said that Export Facilitation Schemes (EFS) including Duty & Tax Remission for Exporters (DTRE), Export Oriented Units (EOU), Manufacturing Bond, Temporary Importation & Duty Drawback for textile exporters.

Commerce Division, in its letter has sought proposals from the Chambers of Commerce and Industry and all Associations to send their proposals for enhancement of export competitiveness aimed at incorporating suggestions of business community prior to finalization of trade policy. According to PHMA, export facilitation schemes are government's temporary importation scheme, which allows exporters to import duty-free goods only if they re-export them. Presently textile exporters apply to Customs, FBR for approval of imports. The rules of export facilitation schemes are quite complicated and have cumbersome procedures and take months to import raw materials and intermediate goods.

The Association further stated that exporters are facing great difficulties and their cost of doing business is higher compared to regional countries making them uncompetitive in the global market.

"We recommend that permission for import of raw materials and intermediate goods for manufacturing of finished goods meant for export under the export facilitation schemes be allowed to licence holders (textile exporters) of Ministry of Textile Industry whose licence is renewed after every two years. All textile units should submit application to Ministry of Textile Industry through their respective Association instead of Customs (FBR) for permission of import of Raw Materials and intermediate goods," Bilwani said, adding that a cell should be established at the office of Ministry where Customs officials should be deployed for the purpose. Consequently, Ministry of Textile Industry and Customs may jointly approve the permission for import of raw materials - (especially fibre, yarn, accessories, packing materials and dyes & chemical) and intermediate goods (specially greige & dyed & printed finished fabric) under the schemes within 48 hours and this permission should be processed on fast track, accordingly.

He further stated that EFS rules need to be simplified and revisited for exporters as proposed to make them export friendly so that they can acquire / import their prime raw materials and intermediate goods easily at international prices without any bottlenecks which would lead to considerable increase in exports.

"We are confident that our proposal would surely be taken up and considered most seriously and included in the upcoming exercise in the larger interests of our exports," Bilwani added.

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