

Towel exports likely to go down

KARACHI: The country's towel manufacturers' fear that the Federal Board of Revenue's (FBR) new rules to process refund claims will result in liquidity crunch in the sector and stall exports.

The Towel Manufacturers' Association of Pakistan (TMA) warned that the enforcement of new rules would decrease towel sector exports by 25 per cent within the next quarter.

In a letter addressed to FBR Chairman Shabbar Zaidi, TMA Chairman Furrukh Maqbool said the towel industry is 100pc export-oriented and would suffer immensely after the implementation of new rules.

He pointed out that after going into the details of FBR draft on the 17pc general sales tax (GST) refund rules, TMA firmly believes the proposed mechanism will increase cost of doing business for export-oriented sectors.

Mabgool urged the FBR to evolve separate mechanism in consultation with TMA for 100pc export-oriented towel industry to ensure its competitiveness in the international market.

By Our Staff Reporter