

Exporters insist on zero-rated regime in talks with PM

ISLAMABAD: A meeting on Sunday between Prime Minister Imran Khan and leading businessmen and industrialists of the country ended without any decision on the grant of zero-rated status to the manufacturers of products that are exported.

A participant of the meeting told Dawn on condition of anonymity that although the meeting could not take a final decision on the issue of zero-rating of exportable products, it was emphasised that their sale in the local market should be taxed.

The export-oriented industrial sectors enjoyed the facility of zero-rating from 2005 to 2009, when the government led by the Pakistan Peoples Party withdrew the incentive. The facility was revived in 2015 by the Pakistan Muslim League-Nawaz (PML-N) government.

Sale of exportable goods in local market should be taxed, meeting at Banigala told

The meeting was told that the Federal Board of Revenue (FBR) was of the opinion that export of such products should not be taxed but their sale in the local market should be taxed.

The businessmen have already been told that they will have to pay tax on all their products, including those that are to be exported. However, they will get a refund after they provide details of the products exported, in black and white.

The businessmen attending the meeting held at the Banigala residence of the prime minister said that when the facility of zero-rating was discontinued in 2009, the FBR collected less tax from the industries on their exports than the refunds it paid.

Speaking at the meeting, Prime Minister Khan said the government would formulate business policies in consultation with the business community. "The government wants that policies regarding trade and industries be made in consultation with the businessmen and industrialists so that their problems could be addressed," he said.

The businessmen and industrialists who attended the meeting belonged to the export-oriented sectors of the economy, namely information technology, textile, garment, plastic and pharmaceutical industries.

Mr Khan said the business community should be in the front line when it came to revival of the economy. "While the government will provide facilities to the business community, the community is also expected to do what it should," he added.

The prime minister said it was the government's duty to provide benefits to the taxpayers. He was of the view that the information technology sector should play a leading role in efforts to revive the economy.

The businessmen and industrialists said that major organisations got their refund easily due to their influence but it had become quite difficult for the small and medium enterprises to get their refunds in time.

They also gave some suggestions to the prime minister regarding the federal budget for 2019-20.

The prime minister has said on a number of occasions that the government wants to reduce the gap between exports and imports and cut down billions of dollars in export bill.

The meeting was attended among others by the Prime Minister's Adviser on Finance Dr Abdul Hafeez Shaikh, Special Assistant to the Prime Minister on Overseas Pakistanis and Human Resource Zulfiqar Abbas Bukhari, Minister for Planning Khusro Bakhtiar and Humayun Akhtar.

Syed Irfan Raza