

Government urged not to withdraw zero rating regime

Pakistan Tanners Association (PTA) Chairman Agha Saiddain has termed any move to withdraw zero rating as imprudent and unthinking decision. Talking to Business Recorder, PTA Chairman said that withdrawal of zero rating at the cost of revenue collection would be a historical disaster and our exports will drop by about 35 percent. This would be irreparable loss and country may be forced to declare default, he maintained.

The FBR should remove the dust from its files before 2009 and see how much government was collecting in shape of sales tax and how much was refunded back. The amount refunded was much bigger than what FBR was collecting, he said. The present state of economy cannot afford any such imprudent experiments. The country needs exports to address menace of our trade balance which is mother of all economic ailments such as exchange rate, inflation, conditionalities of IMF, begging bowl, current account deficit. He expressed his disappointment saying that if our economic manager don't have any plan they can simply learn from successful models of Bangladesh, Vietnam, India, and Turkey.

Agha Saiddain said that during previous two governments the people shifted their investments to other countries due to anti export policies and law and order situation in the country. Our textile exporters set up their factories in Bangladesh as a result the exports of Bangladesh reached to US\$ 39 billion with 80 percent exports of textile whereas our exports dropped from US\$ 24.110 billion in 2013-14 to US\$ 20 billion in 2016-17, he said.

He said that the FBR should check newspapers after zero rating was introduced in 2009 and they can see that people involved in flying invoices started protesting in the streets of Faisalabad and big processions rushed on the roads.

He advised the economic managers to introduce policies which are export friendly and strategic in nature. Playing same disc from other side is not solution. The economic managers need to come up with new creative ideas in consultation with stake holders.

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