


# Govt fails to pay GST refunds under 'FASTER': FPCCI chief

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## RECORDER REPORT

KARACHI: Federation of Pakistan Chambers of Commerce and Industry (FPCCI) President Mian Anjum Nisar Tuesday said that the number of sales tax refund cases risen considerably after the imposition of 17 percent sales tax on domestic supply chain of five leading export-oriented sectors. The government has failed to make refund payments under 'FASTER' system in 72 hours.

He urged Prime Minister Imran Khan and Advisor to the Prime Minister on Finance to honour their commitments of disbursing sales tax refunds in 72 hours of submission of claims.

He said that according to exporters' associations the stuck-up refunds claims, income tax and duty drawback of five export-oriented sectors have reached Rs250 billion and the FBR has also acknowledged the amount at Rs200 billion. However, out of the total amount of Rs250 billion, pending refunds stand around Rs125 billion and the rest over Rs120 billion are stuck on account of DLTL and customs rebate.

Only Rs103 billion have been released so far.

He apprehended that if the government does not realize the gravity of situation and refunds are not released on war-footing basis, the export sector will completely collapse resulting in huge unemployment in the country.

Nisar said export is largely a function of industrial production, whereas large scale industry has registered a negative growth of 6.45 percent during the first four months of fiscal year 2020-21. Exports have registered a meager 3.2 percent growth during the first half. Exports are almost stagnant, ie, around \$ 23 billion since last year. He said the FBR's strict policy would completely hurt the value added sectors. He urged the government to take all necessary measures to make refund payments immediately and restore zero rating of sales tax that is 'no payment no refund' regime.