

### **Import duty collection slips 7.4pc to Rs453bln in FY2020**

KARACHI: Pakistan Customs saw duty collection fall 7.4 percent to Rs453 billion during the last fiscal year of 2019/20 as imports were seen declining due to administrative and regulatory measures, official data showed on Thursday.

Three collectorates, namely Model Customs Collectorate (MCC) Appraisement (East), MCC Appraisement (West) and MCC Port Qasim collected Rs489.3 billion in the preceding fiscal year.

Sources said falling duty collection might be attributed to slowdown in economic activities early in the fiscal year and adverse impact of lockdown during the last four months of the fiscal year.

Since the start of 2019/20, the government made efforts to reduce import bills by imposing restriction on non-essential and luxury items. This also helped the government to curtail current account deficit for the year. Rupee also lost value against the US dollar to make imports expensive.

Total import bill of the country fell 18.6 percent to \$44.57 billion during the last fiscal year. That was compared with \$54.76 billion in the preceding fiscal year.

Trade deficit also significantly shrank 27 percent to \$23.18 billion. That was compared with the deficit of \$31.8 billion in the preceding fiscal year.

Furthermore, the three-month lockdown following the coronavirus outbreak adversely hurt the trade and Pakistan's import bill was also reduced significantly during the last four months of the fiscal year. The lockdown brought the economic activities to halt. The partial easing lockdown is expected to lead to the recovery.

Current account deficit of the country was reduced by 74 percent during the first 11 months of 2019/20. The current account deficit fell to \$3.2 billion during July-May from \$12.4 billion in the corresponding period of the preceding fiscal year.

The breakup of duty collection by the collectorates revealed that only MCC Port Qasim posted 7.88 percent growth during the fiscal year. The collection of MCC Port Qasim increased to Rs197 billion during 2019/20 from Rs182.6 billion in the preceding fiscal year.

The collection of MCC Appraisement East witnessed 11 percent decline to Rs157 billion during the year under review. That was compared with Rs176.58 billion in preceding fiscal year.

The collection of MCC Appraisement West posted 24 percent decline to Rs99 billion. That was compared with Rs130 billion in the preceding fiscal year.

The duty collection of the three collectorates fell 5.54 percent to Rs45 billion in June. That was compared with Rs47.64 billion in the same month of the last fiscal year.