

'Textile sector totally ignored'

KARACHI: Pakistan Cloth Merchants Association (PCMA) has said that it is unethical and inappropriate that the foreign exchange earnings and provision of employment opportunities in the textile sector has been completely ignored in the budget, a statement said on Tuesday.

PCMA Chairman Ahmed Chinoy said stuck up sales tax refunds are causing liquidity problems for the exporters since from July 2019 when 17 percent GST was imposed by the government in the previous budget.

The country is passing through the most difficult time due Covid-19 and the textile industry is facing difficulties by not getting their sales tax refunds, he added.

The cost of manufacturing is also getting higher due to high utility charges, he said, adding that the sector is facing eight to nine hours electricity and gas load-shedding.

Chinoy said the government launched Faster system for the payment of sales tax refunds within 72 hours, but to no avail. The FBR must consult the associations and chamber for recommendations before launching the faster system to make it more accurate, he said.

The PCMA chairman demand the government to restore zero rating regime on GST – no-payment no-refund system or reduction in GST from 17 percent to 4 percent.