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APPEAL

HONORABLE PRIME MINISTER

As a result of COVID-19

Demand for Textile Exports will remain at 50% to 60% for the foreseeable future.

Price competition to retain markets will be intense.

Pakistan's Exporters will require highly competitive pricing.

Capacity of \$ 8-9 billion remains unutilized

SOLUTION

Continuation of Regionally Competitive Energy as 35% of Conversion Cost is Energy

- Electricity tariff @ 7.5 cents/KWh
- RLNG @ US\$ 6.5/MMBTU
- Inline with reduction in international oil prices reduce indigenous gas tariff for export oriented sectors.

1.5% Turnover Tax Rate

- 80% of Pakistan's Textile Sector is segregated. Exports are subject to multiple application of turnover tax resulting in a 5% increase in export price.
- No profitability expected this year hence no rationale to charge advance refundable tax.

Restoration of Zero Rating / Reduction in Sales Tax

- Lower tax rate will garner higher revenues as greater volumes will be subject to a lower Sales Tax rate.
- Incentive to smuggle / cheat discouraged.
- Domestic Market will be documented and largely "Made in Pakistan".
- Organized Retail Sector can only capture the \$ 12 billion domestic textile retail market if there is a lower Sales Tax Rate.

**Honorable Prime Minister only your urgent intervention
will sustain exports and jobs in COVID-19**

YOU ENABLE, WE DELIVER

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ALL PAKISTAN
TEXTILE MILLS ASSOCIATION