

PR

Budget 2020-21, Govt should act upon exporters' proposals, suggestions: PHMA

KARACHI: Government must not repeat the grave mistake of last year and should consider ground realities and act upon the proposals and suggestions of exporters, otherwise, the government's plan to enhance exports will be completely shattered.

Government's economists & financial managers expertise and knowledge have failed due to lack of practical exposure towards the industry and businesses as well as recession caused by pandemic like Covid-19.

The unrealistic and inconsequential measures taken in the last budget have brought devastating effects on the Value-Added Textile Export Industry with the imposition of 17 percent sales tax which brutally injured the export oriented industry destroying its liquidity and has brought it in ICU. To bring back the export industry from ventilator, it is indispensable to surmount their liquidity problem by reinstating SRO1125 to restore GST No Payment No Refund Regime for five export oriented sectors. Last year the economic team totally neglected the demands and proposals of Value-Added Textile Sector whereby exporters expressed strong resistance towards rescinding of SRO1125 which all went deaf on the ears of government's economists & financial managers.

Country is passing through the most difficult times in its history so do the textile industry of Pakistan. Consequently, alarming state of affairs necessitates the government to must consult the genuine stakeholders who practically know better about their problems and propose solutions to incorporate in Budget. Hence, the government must stop experiments on textile industry on the advisory of its economic team and accord priority and genuine considerations to the proposals and suggestions of stakeholders associations of textile industry in the budget 2020-21 likely to be announced in next few days.

Exporters have appreciated the supportive instance of Advisor Commerce & Textile Razak Dawood for restoration of GST Zero-Rating in meeting held with representatives of textile industry, as he being renowned businessman know well about the problems of commerce and industry, however, exporters have strongly deplored FBR Chairperson for her opposing stance, terming it bureaucratic hurdle, as reported in print media.

This was stated by Muhammad Jawed Bilwani, Chief Coordinator & Former Chairman of Pakistan Hosiery Manufacturers & Exporters Association (PHMA).

Bilwani articulated that even after severe resentment of exporters, the government in the last budget imposed 17 percent sales tax which brought detrimental effects on the Value-Added Textile Industry which severely hit their liquidity and precious funds worth billions of rupees were stuck up with the government. Paying the refunds to exporters against the sales tax collected by the FBR which is liquidity of the exporters is not a realistic relief as government releases part payments of the exporters while major amount of the sales tax refund are unnecessarily held by government. During the current financial year, exporters who have promptly filed their claims of sales tax refunds have not yet received their claims which questions the commitment and refund system of FBR.