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**EXCELLENCY
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Honourable Prime Minister



ASAD UMAR
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**M. HAMMAD
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APPEAL

Value Added Textile Export Sector conveys gratitude and best compliments to the Prime Minister of Pakistan and his economic team, for taking prompt measures to facilitate the Textile Industry and ease the liquidity pressure, by releasing part of their long overdue refunds stuck with the Government to support the export industry in the prevailing challenging scenario amid COVID19.

In view of global business slowdown, Textile Export Industry of Pakistan has suffered colossal losses, therefore, we recommend our proposals to consider in the forthcoming Budget FY 2020-21.

- Restore Zero Rating on GST - "No Payment No Refund Regime" through revival of SRO 1125 in letter & spirit.
- Duty Drawback of Taxes (DDT) has been reduced to half, should be increased to previous level and paid upfront instead of 2 phases.
- Withholding Tax (WHT) should be reduced from 1% to 0% for exporters who fall under final tax regime u/s 154(3B).
- Reinstate the omitted sub-section (b) and (c) of clause 10 of SRO 327 of Export Oriented Units vide SRO 747(I)/2019.
- Custom Rebate should be refunded electronically through SBP along with Export Proceeds.
- Proposed reduction in duties and taxes on import of raw material used by Textile Export Industry should be considered proactively.
- Reduce tariff of Gas and Electricity and align them with reduced POL prices internationally.
- Suspend collection Export Development Surcharge till unutilized amount of Export Development Fund (EDF) is exhausted.
- Outstanding payments of Technology Up-gradation Fund (TUF) Schemes and reinstate TUF Scheme in upcoming Textile Policy for BMR.
- Restoration of Income Tax Credit u/s 65(B) to encourage BMR and also include Proprietorship & AOP with companies
- EOBI & Social Security contributions should be borne by Government on behalf of textile industry for FY 2020-21.



**PAKISTAN HOSIERY MANUFACTURERS &
EXPORTERS ASSOCIATION**

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