

PM urged to revive SRO 1125

KARACHI: Khawaja Muhammad Usman, chairman of the Pakistan Cotton Fashion Apparels Manufacturers and Exporters Association, on Tuesday urged the prime minister to restore the “No Payment No Refund” regime by reviving SRO 1125 for the export-oriented sector.

He said that due to the withdrawal of the zero-rating system, the entire textile industry had suffered a severe setback, with approximately Rs20 billion per month (sales tax input) being shifted from the industry to the FBR.

“This amount could have been spent on new projects, upgrading and expansion of the industrial base which in turn could have resulted in increased exports from the country,” he said.

He said that it was on record that the Federal Board of Revenue (FBR) had failed in refunding sales tax claims of exporters on time, and the new “FASTER” system had not been working properly either.

The government should honor the commitment made by Adviser to PM on Finance Abdul Hafeez Shaikh during the last budget that if the new system of refund did not work, the government would re-assess its policy.

Covid-19 had changed the situation drastically for the industry as its export orders had been canceled, and payments due against LCs delayed while fresh orders were not forthcoming, he said.