

NKATI chief calls for imposing sales tax at retail stage

KARACHI: President, North Karachi Association of Trade and Industry (NKATI) Naseem Akhtar has suggested the government to impose sales tax at retail stage instead of manufacturers and industries in budget 2020-21.

He urged the government to take measures for industrialization to overcome crises due to Covid-19 so that the country can move faster on the path of economic development and create more employment opportunities.

He said that the promotion of industries should be the top priority of the government in the upcoming budget as only if new industries are set up, unemployment will be eliminated and tax targets be achieved.

Strategies for industrialization should be formulated and investors should be encouraged by providing incentives.

“Banning the import of finished items for the promotion of industries and allowing import of all non-finished items, including chemicals, machinery and all other items imported into Pakistan in CKD so that value-added products could be produced in the country.

The manufacture of CKD should be encouraged while the brand should be registered in Pakistan as it has been successfully tested in India. Therefore, rapid development of industries in the country can be made possible through CKD,” he suggested.

Patron-in-chief NKATI, Capt A Moiz Khan (Retd) said that the manufacturers should be required to gradually manufacture 80% of the components in the country in the next 3 years and they should be given a margin of 20%. So that it can be given an import license for the next 6 months.

Khan suggested that the sales tax should be levied at the retail stage and abolish sales tax on manufacturers and industries so that the cost of 17% sales tax on manufacturers could be reduced.

“We think retail sector will be fully integrated into the tax net and the government will have easy tax targets while the biggest benefit will be that people may be included in the income tax net,” he added.