

**Traders, exporters term budget disappointing, mere lip service**

KARACHI: Traders and exporters on Friday dubbed the federal budget 2020-21, 'disappointing' for the lockdown affected businesses, saying that "it [budget] will follow more budgets this fiscal year".

Calling the budget discourse a 'lip service', traders reacted that the country's next financial plan widely ignored the traders who are in 'deep' recession from Covid-19 lockdown, for economic relief. "No financial package for small traders and the cottage industry," All Pakistan Organization of Small Traders and Cottage Industry president Mehmood Hamid termed the fiscal plan as 'fruitless'.

Reacting to the budget propositions, he said the government has also failed to understand the problems of small traders and cottage industry as the lockdown poured in economic troubles for them 'unprecedentedly'. "This is not a budget. Original budgets will come later," he opined.

However, he lauded the PTI government for increasing the slab of turnover tax from Rs 50, 000 to Rs 100,000, saying that the finance ministry should also abolish the condition of identity card for traders on their turnover tax. Mehmood Hamid said the government, although did not add new taxes to the budget, increased the taxation target, which it will try to meet at any cost.

He expressed concerns over the proposed budgetary subsidy for K-Electric, which is a private power supply entity, and called the proposition as 'usurp' of public wealth. He urged the government to complete the Green Line project on M.A. Jinnah Road, which not only disturbed the public commuting but also affected trade and businesses. He also sought Rs200 billions of development package for Karachi.

"Benefits of fuel oil price slump on the world market should be extended to the industries," Council of All Pakistan Textile Associations chairman Zubair Motiwala reacted to the budget 2020-21, saying that the financial plan has to play a role to reduce the cost of production, which is very 'important'. He said "No propositions are seen in the budget to focus on reducing the cost of industrial output," he showed sorry.

Motiwala said the cost of industrial production should be reduced by 40 percent if the government wants jobs and better output from the industrial sector. Similarly, he said, the budget also failed to seek a reduction in unemployment. However, he appreciated the government for scaling down duty on the import of raw material and industrial machinery.

"This budget is disappointing for the export sectors," Pakistan Apparel Forum's Muhammad Javed Bilwani said while reacting to the new financial plan 2020-21, saying that the government unheard several of the proposals the textile apparel sector had set

forth for the budget. "The exports sectors really demanded of the government to restore zero-rating status," that was also shrugged off. He said that if the government could not restore the zero-rating status to the exports sectors then it should have reduced the sales tax to four percent at least.

"Absolutely, ridiculous budget with a reference to the textile and overall manufacturing sectors," leading textile exporter, Fawad Anwer of Alkaram Textile said, adding that the growing issues from Covid-19, the country's textile exports will collapse under the 17 percent sales tax burden. "No systems in place for a refund whatsoever," he said.

"Energy cost is not sustainable," to support the industrial growth, he said, adding that the companies under huge financial losses from Covid-19 will have to pay turnover tax as well. "This will result in a lot of companies going bankrupt," he said, adding that the making of tax target achievable without stimulus will remain 'impossible'. He was of the view that the budget 2020-21 will only benefit the construction sector of the country.