

**Budget 2020-21 reaction, Demands, proposals of textile export sector ignored in budget: exporters**

KARACHI: The Textile Export Industry has been left in isolation without providing any remedy, in federal budget 2020-21, to combat against the 'virus' of 17 percent Sales Tax which was created in FBR labs last year and its widespread has cause fatal injuries to textile exports by means liquidity crunch resulted in shape of stuck up refunds worth billions of rupees.

Genuine demands and proposals of textile export sector have gone deaf on the ears of government's financial managers who, seemingly, performing as the 'obedient servants' of IMF rather government.

The textile exporters have expressed complete disappointment and dissatisfaction over federal budget 2020-21 terming it 'beyond your understanding.' This was stated by Muhammad Jawed Bilwani, Pakistan Apparel Forum chairman and chief coordinator and former chairman of Pakistan Hosiery Manufacturers & Exporters Association in a post-budget statement to press and media.

He was of the view that the budget 2020-21 will only benefit the construction sector of the country, however textile sector which is the backbone of economy and exports, the labour-intensive, also provide huge employment to the female workers and particularly to the lower class in the Garment units are deprived from the relief in this budget.

Further, textile export industry will face another new challenge due to global 40 to 50 percent recession, where price war would be the name of game as according to predictions by 'economic pandits' across the globe market size would reduce by minimum 40 percent that means 40 percent surplus capacity for exporting countries resulting in to higher cost of manufacturing, which cannot be afforded by SME exporters and such situation may compel for closure.

Govt had allocated funds to control pandemic but had not provided any relief to textile export industry which is also affected with FBR-made virus of 17 percent GST which has brought the textile export industry over ventilator. The Ex-Chairman FBR who created this GST virus had left without suggesting any 'vaccine'. Several of export industries have been closed and after this unreasonable budget many exporters will also close their industries and they no more afford to run their industries due to non-availability of liquidity.

If the affairs of Finance Ministry are to be governed on the IMF dictation, the prime minister's vision to provide 50 lacs houses and 1 crore jobs will end in smokes and instead millions of citizens will lose their jobs as well as houses.

He said exporters think that government's financial managers have made this budget in closed room, without any consultations and meetings with the real stakeholders; perhaps, Adviser Finance Hafeez Shaikh might have invited some industrialist friends to seek their suggestions, as learned from some source.

Exporters have noted that PM Imran Khan had changed the ministries of non-performing ministers and are surprised as to why Advisor Finance is sitting on the post and have not replaced him as he has miserably failed to streamline the economic affairs and achieve revenue targets of previous budget. While FBR needs no introduction for its inefficiency as it has also failed to increase tax-to-GDP ratio and just multiplying additional burden of taxes on taxpayers who are already in the tax-net.

He said, it is an irony that during last budget, govt had imposed 17 percent sales tax over us saying that they would bring domestic sector into the tax network, but Government has failed to do so and 60 percent of exporters precious liquidity stuck with FBR in carry forward or deferred.

He informed that exporters warn the government to accord serious consideration to the demand of textile exporters to restore zero-rating as they are not demanding anything from the Government but are of the principal opinion - why the government takes their precious money as GST, which they have arranged to operate their industries, if can't return? Exporters demand the Government to reconsider restoring zero-rating OR slash down the percentage of GST from 17 percent to 4 percent.—PR