

By Imran Rana

Businessmen demand swift steps to avert crisis

FAISALABAD: The liquidity position of textile exporters has received a severe blow from the Covid-19 pandemic and the government should announce immediate measures to save businessmen from a looming financial crisis, said Pakistan Textile Exporters Association (PTEA) Chairman Sohail Pasha.

In a post-budget statement on Friday, Pasha highlighted core demands of textile exporters, saying their liquidity position was earlier dented by the withdrawal of zero-rating facility and now the pandemic had exacerbated their problems.

He pointed out that late submission of monthly tax returns by goods suppliers was a major reason behind the delay in release of sales tax refunds.

Pasha stressed that tax refunds should be processed on the basis of filing of Annex-C (sales) by the goods suppliers and refunds should not be linked with the submission of tax returns because in that case the suppliers could not make any changes in particulars of sales, as claimed by buyers.

He demanded that 80% of sales tax refunds of gold and platinum category exporters and taxpayers should be released upfront. "The remaining 20% should be paid on consumption," he said.

"In order to curb the late filing of returns by registered persons, there is a need to enhance penalties and halt unnecessary extension in deadlines for the submission of monthly tax returns."

He lamented that textile sub-sectors with very limited value addition and those with high-end value addition were treated equally in relation to exports, which ignored the extent of value addition.

Demanding a significant increase in the threshold on realistic grounds, he said production, quality assurance and administrative costs had increased amid Covid-19.

He termed the manufacturing bond schemes under SRO 327(I)/2008 and SRO 450(I)/2001 as programmes dedicated to enhancing exports and urged the government to continue offering such incentives to promote exports. He called for launching a new scheme to facilitate indirect exporters.

Pointing to the reduction in customs duty on certain dyes and chemicals, Pasha stressed that the duty on other kinds of dyes and chemicals should also be slashed, which fell within the same classifications and were used for similar purposes.