

Tax collection from exports up 23pc in July-May

KARACHI: The income tax collection from exports grew 23 percent in the first eleven months of current fiscal year on the back of improved monitoring of export consignments, officials said on Wednesday.

According to official statistics, the income tax collection from export receipts increased to Rs6.06 billion during July-May 2019/2020 as compared to Rs4.94 billion in the corresponding period of the last fiscal year.

Officials in the Federal Board of Revenue (FBR) attributed this growth to plugging of revenue leakages during the period by tightening the monitoring of export consignments and depreciation of the local currency.

It is pertinent to mention that the total export receipts of the country fell 7 percent to \$19.8 billion during July-May 2019/2020 as compared with \$21.25 billion in the same period of the last fiscal year.

On the other hand, in terms of rupee the exports registered 8.5 percent growth in the first eleven months of the current fiscal year to Rs3.1 trillion as compared to Rs2.86 trillion in the same period of the last fiscal year.

However, the year-on-year (YoY) collection in the month of May 2020 fell 17 percent to Rs408 million as compared with Rs492 million in the same month of the last year.

The sources pinned the decline in revenue collection in May 2020 on the lockdown and long holidays announced by the government for Eid-ul-Fitr.

The lockdown to prevent spread of coronavirus remained imposed during the month of May 2020, which badly affected the business and port activities. Further, the government announced Eid holidays from May 22 to May 27, which halted the clearance of export consignments.

The officials further said that besides these reasons the exporters had also witnessed rejection of foreign orders due to the pandemic.

The country's exports in the month of May 2020 fell 33 percent to \$1.4 billion as compared with \$2.1 billion in the same month of the last year.