RECORDER REPORT

PRGMEA seeks govt's help for textile industry

KARACHI: Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) has appealed to the Prime Minister of Pakistan Imran Khan for immediate steps to support the textile industry as under the current circumstances of global challenge of Coronavirus Pandemic, readymade garments manufacturers and exporters are facing the greater challenge of raw material procurement.

Shaikh Shafiq Jhokwala Chairman Central and Amir Amin Kothawala Chairman South Zone has said that massive break down in supply chain of raw material and exports to buyers across the globe is anticipating and it will directly hit Pakistan's textile exports particularly readymade garments. "In this crucial time, being an effective business community of Pakistan, readymade garment and textile sector are standing with the government, however, severe liquidity issue needs a prompt support from the government", they added.

They emphasized for issuance of all outstanding refund payment of textile exporters pending with Sales Tax, Custom Duty Drawback, Income Tax, Income Tax Credit (Under Section 65B&E) regime along with textile policy incentives such as Duty Drawback of Taxes, Technology Up-gradation Fund (TUF) and mark-up support subsidy to run the industries.

Moreover, State Bank of Pakistan and Federal Board of Revenue (FBR) should accept all the time barred cases of DLTL cases and immediately release the funds to the exporters. They have requested the ministry of finance to immediate issue directives to SBP and FBR in this regard. This will support the exporters to carry out the production and keep the momentum of exports in this difficult prevailing situation. Otherwise, the crisis may lead towards a huge unemployment level may increase due to the liquidity issue, they warned.

They said that recent reduction of 75 basis points in key policy rate is not supportive therefore there is need to further cut the interest rate. The recent rate cut only a joke to deal with economic crisis, it should be bringing towards the single digit, they added.