

Textile millers assured of tax refund settlement till April

ISLAMABAD: Adviser to the Prime Minister on Finance and Revenue Hafeez Shaikh on Friday assured textile businesses of settling sales tax refunds and export rebates up to next month after they pledged not to lay off their employees, including daily wagers.

Shaikh said general sales tax refunds (GST) of exporters would be cleared within March and export rebates would be granted within April.

“I would like to make a statement here that the government has no desire or policy to keep the money even a day longer that belongs to the exporters and nor do we find any reason to delay the repayments,” he said.

“We shall do whatever possible to ease out the exporters and committed to provide them relief with earlier repayments of export rebates/duty drawback and GST (general sales tax) refunds.”

Finance adviser was discussing, with a delegation of exporters, issues faced by the exporter sector after the outbreak of coronavirus and the evolving position of the global economies and its implications.

Advisers to PM on commerce and textile and austerity and institutional reforms were also present during the meeting. Shaikh directed secretary finance and Federal Board of Revenue chairperson to hold meetings with the relevant stakeholders and provide relief to the export sector as much possible for the government.

Finance adviser appreciated the decision taken by the All Pakistan Textile Mills Association not to lay off their labour in the time of crisis and advised them to take care of their workers “as the government is taking care of them”.

The delegation told the meeting that the global economies have gone into a recessionary phase and the demand for their products especially apparel has reduced to a considerable level due to the outbreak of the coronavirus pandemic.

The meeting was told that exports, which showed an improvement in February and March, would receive a setback in the coming months. It was told that textile mills had been facing problems with their cash flow situation and need help and assistance from the government mainly in expediting the re-payments / refunds to come out of the crisis and could resume business as early as possible.

The delegation presented a list of proposals to the adviser finance that could help in improving on their liquidity position and to run businesses in the current situation when they were not expecting further orders and faster recoveries from their international buyers.

The delegation apprised the government that they had decided not to lay off their daily wage staff in this difficult time.