

Five exporting sectors, Textile industry urges govt to restore zero-rating regime

LAHORE: The value-added textile industry has asked the government to immediately restore zero-rating regime for the five exporting sectors, which is facing severe liquidity crunch owing to non-payment by the international buyers for indefinite period amidst worldwide lockdown due to pandemic.

Pakistan Readymade Garments Manufacturers and Exporters Association regional chairman Sohail A Sheikh and chief coordinator Ijaz A Khokhar, on Wednesday appealed to PM Imran Khan to announce the previous system of 'No Payment No Refund' at least for one year to save the export industry, as FBR claim of instant refunds release has totally failed, especially in the challenging time of global epidemic when the foreign buyers have also held the payments for indefinite time.

"It is feared that thousands of SMEs may close down in next few months with drastic downfall in country's exports and foreign exchange earnings, resulting into unemployment of hundreds of thousands of workers, as only textile sector earns 60 percent of total export in Pakistan," Ijaz Khokhar added.

He also said the already businesses were limited, as most of the orders had been cancelled or put on hold. As a result, majority of industrial units are running at minimum capacity of 25 percent but still they continue to retain the workers on jobs without any work and with full wages.

"This is really a huge burden on the industry and very difficult circumstances to survive to retain the whole labour for a long period. To keep the industry live major problem is cash flow and the zero-rating facility is the only way for survival," Khokhar said.

He proposed that Pakistan export industry could also survive through switching over to the production of protective equipment, capturing the ever-increasing post-coronavirus global market share.