

### **Customs duty collection up 9.2pc to Rs45.9bln in August**

ISLAMABAD: Customs duty collection increased 9.2 percent to Rs45.9 billion in August compared to July despite the coronavirus challenges that hampered revenue collection efforts, the official data showed on Wednesday.

The Federal Board of Revenue (FBR) had reported customs duty collection of Rs42 billion in July. The customs duty target for August was Rs44.3 billion, indicating that there was a 3 percent increase in duty collection compared to the target, according to the FBR.

"Outbreak of COVID-19 within the country has caused administrative problems in collection of revenue," the FBR said in a statement. "However, Pakistan Customs has performed tremendously well towards achieving the revenue target of customs duty assigned for the month of August."

During the first two months of the current financial year, Pakistan Customs collected customs duty amounting to Rs93.9 billion against the assigned target of Rs87.3 billion, up 7.5 percent compared to the assigned target.

"The revenue target has been achieved despite slow clearance of imported goods at Karachi port due to heavy rains and Muharram holidays in the last week of August," the FBR said.

In July-August, overall FBR's revenue amounted to Rs594 billion, up 2 percent in the corresponding period last year. Revenue collections in July and August were 7 percent higher than the FBR's target of Rs551 billion.

The government lifted lockdown associated with the coronavirus outbreak earlier this month.

The lockdown since late March adversely affected the economic activity. The growth contracted to 0.7 percent in FY2020, according to the Institute of International Finance.

The Washington-based global association of financial institutions said the economy could grow 1.8 percent in FY2021 buoyed by some recovery in private consumption.

According to figures released by FBR, revenue collected in FY2020 amounted to Rs4.1 trillion, compared to Rs3.9 trillion in FY2019.

The government set a revenue target at Rs4.9 trillion in FY2021, up 24.4 percent year-over-year.

Analysts termed the revenue target unrealistic and unlikely given the lack of capacity and absence of political will.

"We base this on real GDP change of -1 to 0 percent and an inflation of 6 percent in FY2021," the Pakistan Business Council said. "Even on IMF's (International Monetary Fund) real GDP projection of 2 percent growth and inflation of 8 percent – hence nominal growth of 10 percent – this much increase in tax collection is unlikely."