

KCCI demands withdrawal of RD on imported items

KARACHI: President Karachi Chamber of Commerce & Industry (KCCI) Junaid Esmail Makda has demanded an immediate withdrawal of Regulatory Duty (RD) on essential imported items.

He also urged the Federal Board of Revenue (FBR) to hold meetings with all stakeholders on regular basis to avoid the adverse impact on consumer prices and cost of doing business for trade and industry.

While denouncing the imposition of RD on 570 items, stated that this step would terribly hit the common man due to exorbitant upsurge in prices of many imported items being widely used in every household of the country and would also affect the local production as the RD list carries numerous raw materials and industrial inputs as well.

President KCCI pointed out that this step was likely to have an adverse impact on the overall industrial performance and the economy as it will clearly trigger the inflation and raise the cost of many products being produced locally which will have to be borne by the middle and lower segments of society.

Junaid Makda elaborated that Regulatory Duty in between 5 to 90 percent has been imposed on a wide range of products, including essential items used by average consumer or by domestic industry as raw material for producing various consumer products, FMCG and exportable items, which means that this move will not only escalate prices of many products being manufactured within the country and supplied to the local markets but will also make Pakistan's exports uncompetitive due to additional costs.

He said that many of these products were either not being produced in Pakistan at all or being produced in limited quantities, leaving no other choice but to go for importing them in order to overcome the huge demand.

He said that many of these essential items in the RD list simply cannot be labelled as luxury products and it was a matter of grave concern that the same old practice of finalizing RD list without consulting the stakeholders and without considering the ground realities was being followed.

The whole process of imposing RD is tantamount to just fire-fighting and lacks any long term vision to overcome the mounting trade deficit and external debt, he added.

Junaid Makda reiterated that this step would intensify the hardships for the common man and the industry only whereas the difficult but favourable decisions to implement tax reforms, remove exemptions and concessions along with effective strategies to stop misuse of Afghan Transit Trade were being avoided by the decision-makers which was the basic reasons why the economy continues to stay in hot water.

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