

Exports crippled by paucity of funds

KARACHI: The government's failure to payback outstanding payments against duty drawback on taxes (DDT) and drawback on local taxes and levies (DLTL) schemes has crippled country's exports during the last 10 years.

Exporter claimed that the approximate outstanding amount against these schemes launched by the previous governments since 2009 has accumulated to Rs72 billion.

Beside the DDT and DLTL amounts, a mammoth amount of around Rs300bn under the sales tax, customs rebate and withholding tax is also outstanding for a long period of time, said Chairman Pakistan Apparel Forum Jawed Bilwani.

Talking to Dawn, he remarked that the previous government released Rs32.18bn for payments against DDT given under Prime Minister's Export Package in 2017 and DLTL given under Textile Policies of 2009-14.

However, he regretted that the incumbent government has not released a single rupee till date. He said that the government's reluctance to release outstanding sums has crippled exports as the entire sector is faced with liquidity crunch and could not fulfill existing orders and is unable to commit to new export orders.

Chairman Pakistan Bedwear Exporters Association Shabir Ahmed lamented that it seems the government is not committed to protect exporters or even enhance exports because no pragmatic measures are being taken to protect country's exporters.

Chairman Pakistan Cotton Fashion and Apparel Exporters Khawaja Usman said that taxes which have to be returned back to exporters after getting export proceeds either be immediately removed or the government should at least link their payments with the receipt of export proceeds received by the State Bank of Pakistan.

On one hand, the government keeps talking about huge trade gap and depleted foreign exchange reserves but on the other hand it has not taken any serious steps to increase exports which are the only source for reducing current account deficit, he added.

The Newspaper's Staff Reporter