

### **SITE announces closure of industries on gas outage**

KARACHI: Sindh Industrial Trading Estate (SITE) Association of Industry on Friday announced a plan to shut down factories in the industrial area from Monday in a protest against gas outage.

“If gas supply does not improve by Sunday, December 30, 2018, all factory owners have decided to close down their factories from Monday and would stage protest at the Governor House on Tuesday,” Salem Parekh, president SITE Association of Industry (SAI) said at a meeting.

The meeting was held to discuss low gas pressure and non-availability of gas. Members in large number attended the meeting.

Parekh, in a statement said, SITE is the largest industrial area of Karachi, accounting for 52 percent of the country’s exports and generating 64 percent of total tax revenue.

Despite complaints at the federal and provincial levels, both the governments are least concerned to protect employment, exports and tax revenue.

Industry officials said low gas pressure is equivalent to having no gas at all. It is a 360-degree turn from the government policy of industrialisation, export-led growth and development of import substitution industry.

Out of 45 days, there was extreme low pressure during 33 days and total gas load shedding in 12 days in SITE area.

SITE industries are losing about Rs2.5 billion each day due to mismanagement of Sui Southern Gas Company Limited.

While the government is allowing heavy unaccounted for gas and high fixed rate of return to gas utilities, gross mismanagement by gas utilities is a cause of huge loss to exchequer in shape of substantial foreign exchange loss and tax revenue loss.

Exporters are losing orders and are unable to full fill their yearend export commitments, which will further decrease the country’s export, which has been flat since the last five months of the current fiscal year despite rupee devaluation and incentives announced by the government.

Parekh said industrialists of Karachi are unable to understand why the Sindh government is not concerned to fight for the province’s rights under the law.

SITE Association requested federal finance minister to give same subsidy to Sindh as given to Punjab on re-gasified liquefied natural gas price on weighted average mix.

Sindh only requires subsidy on 50 million metric cubic feet/day (mmcf) of RLNG, whereas Punjab is enjoying subsidy for 200 mmcf.

Textile industry is already facing liquidity crunch due to stuck refunds.

All Pakistan Textile Mills Association said current and deferred sales tax refunds of Rs100 billion are lying pending at various large taxpayer units and regional tax offices mainly due to the cross-matching of invoices.

Textile exporters said the government has not released a single rupee on account of duty drawback of taxes (DDT) and drawback of local taxes and levies (DLTL) since it came into power four months back.

Value-added textile exporters said the previous government released Rs32.18 billion on account of payment of DDT under the Prime Minister's Trade Enhancement Package and DLTL claims under the textile policies of 2009/14 and 2014/19.

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