

PAKISTAN

ST on import of machinery: APTMA urges government to notify SRO for zero rating facility

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The All Pakistan Textile Mills Association (APTMA) Chairman Aamir Fayyaz has urged the government to notify zero rating facility of Sales tax on import of machinery. He said issuance of the SRO had already been approved by the outgoing Cabinet and only notification of the same is pending, which require immediate action by the present interim set up. He pointed out the facility has expired since 30th June and the machinery imported for BMR and investment in Greenfield projects are stranded at the customs ports. "Nearly 200 containers are stranded at customs ports and incurring unjust demurrages," he stressed.

The government had extended zero rating facility of sales tax on machinery, not manufactured locally, if imported by the textile industrial units registered with Ministry of Textile Industry, as specified in part IV of 5th schedule to the Customs Act 1959, subject to same conditions as specified therein, at zero percent sales tax, effective from 16th January 2017 until 30th June 2018.

According to him, importers are awaiting for issuance of the SRO to avail the incentive terms of the duty and sales tax free import of machinery. "The SRO should have been issued by the previous government, or immediately after by the interim government, enabling the industry to install machinery for upgrading and further production," he added.

Chairman APTMA has urged the Federal Minister for Finance as well as Federal Minister for Commerce (Textile Division) to take stock of the situation and issue the SRO without further delay. Exports can only be increased by enabling the industry to grow.

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