

## **PHMA seeks advance payments facility**

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KARACHI: Pakistan Hosiery Manufacturers and Exporters Association (PHMA) on Thursday asked the State Bank of Pakistan (SBP) to allow export-oriented industrial units to make advance payments against imports.

The SBP on July 14, 2018, had withdrawn the facility to make advance payments against irrevocable letters of credit (L/C) up to 100 percent of the value of the goods and up to \$10,000/invoice for the import of all eligible items without the requirement of L/C or bank guarantee from the supplier abroad.

However, if authorised dealers deem that a request on the subject merits consideration, they might approach the central bank along with appropriate recommendations on a case to case basis, the PHMA said.

The association in its request to the SBP said that the withdrawal would severely affect the export-oriented industries and create hurdles in meeting the export commitments in time, increasing the cost of doing of business.

Generally exporters import trim and accessories from the buyers nominated by the foreign supplier via advance payments, because foreign suppliers only begin working after the receipt. The export-orientated unit has to abide by the buyers' requirements; otherwise future orders would not be placed.

PHMA's Jawed Bilwani said, "We understand that such withdrawal of advance payment against imports by commercial importers is to curtail imports of local/ domestic needs. Therefore, for the export-orientated industrial units, the permission of advance payment for accessories and trims to be used in export-based products must be continued as the temporary imports are for export purposes only, otherwise, all the goods requiring imported accessories will face major hurdles causing a significant blow to the export industry."