

FBR imposes 2pc duty on cotton imports

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KARACHI: The Federal Board of Revenue (FBR) on Thursday imposed two percent customs duty on imports of cotton and yarn to encourage use of the local crop and save foreign exchange reserves.

The FBR, in a statement, said the additional customs duty of two percent will be effective from July 15.

The FBR imposed the duty on all the imports, except various goods, including raw materials used for manufacturing and exports.

The Federal Board of Revenue also withdrew exemption of additional customs duty on import of the basic raw materials for textile industry.

The country spent foreign exchange to the tune of \$915 million on import of raw cotton during the July-May period of 2017/18, showing an increase of around 20 percent.

Cotton output grew 11.8 percent to 11.935 million bales in the last fiscal year of 2017/18. Cotton production stood at 10.671 million bales during the previous fiscal year of 2016/17.