



## Towel Manufacturers' Association of Pakistan

Wednesday  
11<sup>th</sup> June 2025

# NEWS TODAY

## Latest News Updates

Zilhaj 14,  
1446 A.H

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**BUSINESS  
RECORDER**  
— PAKISTAN'S PREMIER FINANCIAL DAILY —

### **RS17.6TRN FY26 BUDGET UNVEILED UNDER THE SHADOWS OF IMF CONDITIONS, US TARIFF TENSIONS AND WAR THREAT**

ISLAMABAD: Finance Minister Muhammad Aurangzeb on Tuesday presented the federal budget 2025-26 to the parliament, with a total outlay of Rs17.573 trillion, targeting a GDP growth target of 4.2 percent against 2.7 percent in the outgoing year.

### **PETROLEUM PRODUCTS**

ISLAMABAD: The federal budget 2025-26 envisages a 26.4 percent raise in petroleum levy (PL) on petroleum products after raising its maximum limit to Rs 90 per litre from Rs 70 per litre.

### **POWER SECTOR SUBSIDY SLASHED BY 13PC**

ISLAMABAD: The federal government has reduced subsidy for power sector by 13 percent to Rs 1.036 trillion for FY 2025-26 from Rs 1.190 trillion for FY 2024-25.

### **DEFENCE ALLOCATION RAISED TO RS2.557TRN**

ISLAMABAD: The federal government has increased the allocation for Defence Affairs and Services to Rs2,557.95 billion for the fiscal year 2025-26, showing a 20.2 percent rise from the original budget estimate of Rs2,128.78 billion for 2024-25 and a 16.8 percent increase from the revised estimate of Rs2,189.91 billion for the same year.

### **PETROL, HSD AND FURNACE OIL**

ISLAMABAD: The federal government has proposed to impose a carbon levy of Rs2.5 per litre on petrol, high-speed diesel (HSD) and furnace oil in the next fiscal year 2025-26. The new tax will be implemented alongside the existing petroleum levy on petroleum products and is expected to generate around Rs46 billion revenue for the government during the fiscal year 2025-26.

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### **THE RUPEE PKR: MARGINAL DECLINE**

KARACHI: The Pakistani rupee registered marginal decline against the US dollar, depreciating 0.01% during trading on Tuesday.

### **EXCEEDING RS10M ANNUALLY**

ISLAMABAD: The federal government has introduced a new tax measure targeting high-value pension incomes, as part of its Finance Bill 2025-26 proposals.

### **MASSIVE TARIFF OVERHAUL UNVEILED**

ISLAMABAD: The government has introduced massive tariff rationalisation including abolition/reduction of regulatory duties on the import of 1,149 items, reduction in additional customs duties (ACDs) on the import of 7,523 items and introduced new customs tariff slabs of five percent, 10 percent and 15 percent.

### **BANKS TO ACT AS WHT AGENTS**

KARACHI: The federal government has introduced “Digital Transactions Proceeds Levy” along with necessary changes in Income Tax Ordinance, 2001 to cover domestic vendors supplying digitally ordered goods and digitally delivered services. Banks and courier services have been designated as withholding agents to capture entire payment chain.

### **ANALYSIS BUDGET: FORESIGHT 20/20**

Hindsight maybe 20/20 but Pakistani budgets epitomize foresight as being 20/20 – given previous budgets and with the country on a harsh upfront International Monetary Fund (IMF) programme as at present.

### **ANALYSIS MORE OF THE SAME, JUST TIGHTER**

If the tax rate on bank deposit income is increased by one-third, what exactly is bold about this budget? There is no coherent strategy to broaden the tax base or to plug structural leakages. Instead, the incidence of taxation has simply been increased in selected areas.

### **OVER RS623BN NEW TAXES UNVEILED**

ISLAMABAD: The government has introduced first of its kind of Finance Bill 2025-26 with extraordinary enforcement measures against non-filers and taken new taxation/enforcement measures of over Rs623

billion including tax on payments for digital transactions in e-commerce platforms, increase in withholding tax rate on sales of immovable properties and withdrawal of sales tax exemption on erstwhile tribal areas in phases to meet assigned target of Rs14,131 billion for 2025-26.

## **GOVT OFFERS TAX RELIEF, CUTS RATES FOR SALARIED CLASS**

ISLAMABAD: The government has announced substantial tax relief measure in the federal budget (2025-26) for salaried class taxpayers, and reduced tax rates across all income slabs for salaried individuals, aiming to provide much-needed financial respite amid economic challenges.

## **BUSINESS, INDUSTRY GIVE MIXED RESPONSE TO FEDERAL BUDGET**

KARACHI: Business and industrial community have given a mixed response to the federal budget for fiscal year 2025–26 presented by Finance Minister Muhammad Aurangzeb at National Assembly on Tuesday.

## **GOLD PRICES TUMBLE**

KARACHI: Gold prices tumbled on Tuesday, as global market downtrend has dragged down bullion value under \$3,350 per ounce, traders said.

## **TAX EXPERTS DESCRIBE TAX RELIEF AS ‘TOO LITTLE, TOO LATE’**

LAHORE: Tax experts have termed tax reliefs as “too little too late” because of stringent economic conditions and irrational revenue target.

## **TAX FRAUDS**

ISLAMABAD: The Federal Board of Revenue (FBR) has introduced major changes in tax laws to check tax frauds with increased penalties on “abettors” of such frauds.

## **FIRM TREND ON COTTON MARKET**

LAHORE: The local cotton market on Tuesday remained steady and the trading volume remained low.

## **MARKETS.COTTON & TEXTILE**

KARACHI: official KCA spot rates for local dealings in Pakistan rupees on Tuesday, (June 10, 2025)

<b>RATE FOR</b>	<b>EX-GIN PRICE</b>	<b>UPCOUNTRY EXPENSES</b>	<b>SPOT RATE EX-KARACHI</b>	<b>SPOT RATE EX,KHI, AS ON 05.06.25</b>	<b>DIFFERENCE EX-KARACHI IN RUPEES</b>
37.324 KG Equivalent	16,700	285	16,985	16,985	Nil
40 kgs	17,897	305	18,202	18,202	Nil

## **KCCI SAYS BUDGET LACKS STEPS FOR ECONOMIC GROWTH**

KARACHI: The Karachi Chamber of Commerce and Industry (KCCI) has criticised the federal budget 2025-26, describing it as a “more enforcement, less progressive” budget that lacks substantial measures for economic growth.

## **TAXMEN GET MORE POWERS TO TARGET UNREGISTERED TAXPAYERS**

ISLAMABAD: The government, through the Finance Bill 2025-26, has proposed to grant extensive discretionary powers to tax officers and Commissioners to restrict the operations of bank accounts or transfer of immovable property for any individual who fails to register under the Federal Sales Tax Act.

## **TEACHERS, RESEARCHERS**

ISLAMABAD: In a significant move providing much-needed relief to the academic community, the federal government has announced the restoration of a 25 percent tax rebate against tax payable by full-time teachers and researchers under the Finance Bill 2025-26.

## **TAX ARREARS RECOVERY PERIOD SLASHED**

ISLAMABAD: To immediately recover disputed tax from taxpayers, the federal government has drastically reduced time period for the recovery of tax arrears when a high court rules in favor of the tax department.

## **FPCCI OFFERS MIXED REACTION TO BUDGET**

ISLAMABAD/ KARACHI: The business community of the country has expressed mixed reaction on the presentation of federal budget 2025-26, saying the government has totally ignored women entrepreneurs.

## **CORPORATE TAX RATE ISSUE**

KARACHI: The Overseas Investors Chamber of Commerce and Industry (OICCI) has expressed disappointment over the government’s limited progress in addressing inequitable corporate tax rate in the recent budget.

## **FBR WILL NOTIFY CATEGORIES INELIGIBLE FOR BANK ACCOUNTS**

ISLAMABAD: The Federal Board of Revenue (FBR) will notify category of persons, who will not be able to open new bank accounts or operate existing bank accounts under the Finance Bill 2025-26.

## **MARKETS CHEER TAX STABILITY AS INDUSTRY VOICES CONCERNS**

KARACHI: Market analysts shared mixed reactions to the federal budget proposals presented in the National Assembly on Tuesday, with most welcoming its stability for capital markets but expressing concerns about its impact on local industries.

### **KEY ECONOMIC SECTORS**

LCCI disappointed over lack of broader relief

LAHORE: The Lahore Chamber of Commerce and Industry (LCCI) acknowledged some positive measures in the federal budget 2025-26 but expressed disappointment over the lack of broader relief for key economic sectors.

### **FBR RESTORES TWO APPEALS REGIME**

ISLAMABAD: The Federal Board of Revenue (FBR) has restored two appeals regime covering Commissioner (Appeals) and Appellate Tribunal Inland Revenue (ATIR) for the taxpayers through the Finance Bill 2025-26.

### **FINANCE BILL, 2025.**

BILL to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2025, and to amend certain laws WHEREAS, it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2025, and to amend certain laws for the purposes hereinafter appearing;



### **NON-FILERS` TO FACE THE MUSIC AS INCOME TAX RATES COME DOWN**

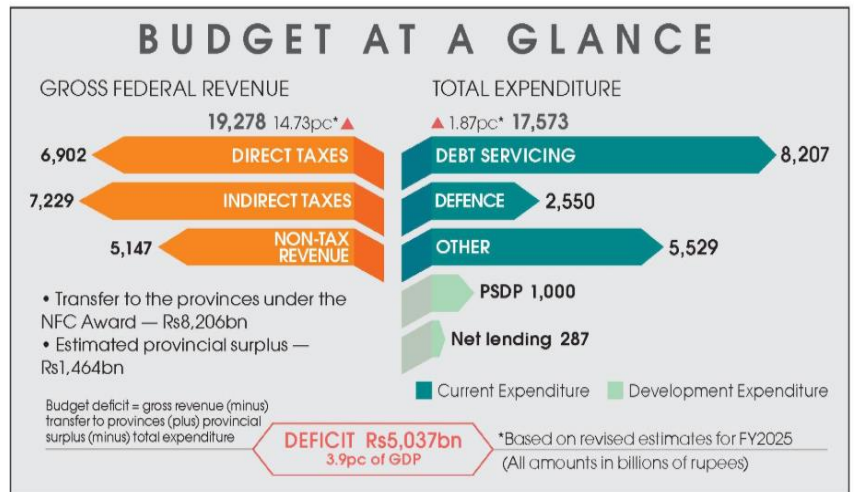
ISLAMABAD: The government has announced sweeping tax reforms in the federal budget 2025-26, offering tax cuts of up to 80 per cent for low-income salaried individuals while limiting relief for higher earners to just 3pc. A new 5 per cent tax has also been proposed on high-value pensions exceeding Rs10 million annually.

#### **INCOME TAX ON YOUR SALARY**

Monthly Income	Monthly Income Tax
Rs50,000 or less	No tax
Rs50,001 to Rs100,000	1% of amount above Rs50,000
Rs100,001 to Rs183,333	Rs500 + 11pc of amount above Rs100,000
Rs183,334 to Rs266,667	Rs9,677 + 23pc of amount above Rs183,333
Rs266,668 to Rs341,667	Rs28,833 + 30pc of amount exceeding Rs266,667
Rs341,668 or more	Rs51,333 + 35pc of amount exceeding Rs341,667

## **AN IMF-MANDATED BALANCING ACT**

NEXT year's budget struggles to balance the IMF programme's goal of fiscal consolidation with its desire to expand the economy at a moderate growth rate of 4.2 per cent from the three-year average of 1.65pc without offering a credible roadmap for a longstanding structural shift.



## **BUDGET GRANTS 10PC PAY RAISE, 7PC PENSION INCREASE FOR GOVT EMPLOYEES**

ISLAMABAD: The government has increased the salaries of federal employees (Grade-1 to Grade-22) by 10 per cent, while the retired government servants will be eligible for a 7pc pension raise in light of the budget for the financial year 2025-26 tabled on Tuesday. The government also introduced pension reforms, in a bid to reduce the expenditure under this head, as it eliminated multiple allowances and limited the family pension period to 10 years in case of the death of the actual beneficiary.

## **AUSTERITY BUDGET OFFERS `CRUMBS` FOR RELIEF**

ISLAMABAD: Maintaining an aggressive stance on fiscal consolidation, as required by the International Monetary Fund (IMF), Finance Minister Muhammad Aurangzeb on Tuesday still managed to offer some notional relief to the salaried class in the federal budget for fiscal year 2025-26, along with incentives for the real estate and construction sectors, in an effort to revive the struggling industrial sector and stimulate economic growth.

## **BUDGET LACKS STEPS TO CURE ECONOMIC ILLS, COMPLAIN INDUSTRY LEADERS**

KARACHI: Some businessmen have extended a cautious welcome while others have labelled it a 'camouflage budget' due to its unrealistic targets and the lack of meaningful relief for both the business community and the general public.

## **TAX RELIEF FOR PROPERTY BUYERS, BUT NOT FOR SELLERS**

LAHORE: The government has finally announced tax relief for the real estate sector by reducing various taxes on property transactions.

## **SUBSIDIES SLASHED TO RS1.18TR**

ISLAMABAD: The federal government has reduced subsidies for the upcoming fiscal year by Rs192 billion or 14 per cent to Rs1.18 trillion, mainly by cutting financial support to the Ramazan package and the agri tube wells in Balochistan.

## **RS200BN RELIEF UNVEILED IN MAJOR TARIFF OVERHAUL**

ISLAMABAD: The government has unveiled a comprehensive fiveyear tariff reform plan aimed at fostering export-led growth and revitalising industrial development through a series of tariff rationalisation measures. The plan includes the gradual elimination of additional customs duties (ACD) and regulatory duties (RD) on over 7,000 tariff lines.

## **NEW TAXES TO MAKE ONLINE SHOPPING COSTLIER**

KARACHI: The government has introduced new taxes on local and foreign e-commerce marketplaces, making online shopping costlier for Pakistani customers.



## **SALARIES OF GOVT EMPLOYEES INCREASED BY 10PC, PENSIONS 7PC**

ISLAMABAD: At a time when the salaries of cabinet ministers, parliamentarians, the Senate chairman and the National Assembly speaker have been significantly increased, the federal government has proposed a 10 percent raise in the salaries of government employees from Grade-1 to Grade-22 for the fiscal year 2025-26.

## **PROPOSAL TO CUT TAX RATE FOR FIRST SLAB OF SALARIED CLASS TO 1PC REJECTED**

ISLAMABAD: The federal cabinet has turned down a proposal to reduce the tax rate for the first income tax slab for salary earners from Rs0.6 million to Rs1.2 million, from 5pc to 1pc.

## **RS2.5 PER LITRE CARBON LEVY IMPOSED ON POL PRODUCTS**

ISLAMABAD: The government has slapped a carbon levy of Rs2.5 per litre in the budget under the IMF conditions.

## **ONLINE SHOPPING COMES INTO TAX NET**

ISLAMABAD: The FBR has brought online shopping into the tax net in the Finance Bill 2025-26.

Under 165C, the Finance Bill says every payment intermediary and courier service responsible for deducting tax under sub-section (2A) of section 153 of the Ordinance shall file a quarterly withholding statement to the Commissioner for tax deduction regarding sale of digitally ordered goods and services

### **BAN ON KEY TRANSACTIONS BY NON-FILERS**

ISLAMABAD: The FBR has proposed a ban on making massive transactions by “ineligible persons”, such as purchasing of immovable property, vehicles and securities, in the Finance Bill 2025-26.

### **GOVT PLANS 10PC POWER BILL SURCHARGE TO CURB SOARING CIRCULAR DEBT**

ISLAMABAD: Pakistan plans to slap a 10% surcharge on electricity bills in a bid to rein in its ballooning circular debt, a politically risky move aimed at rescuing the ailing power sector and staying on track with IMF-backed reforms.

### **FY26 BUDGET MAY EXERT MINOR ADVERSE EFFECT ON BANKS: ANALYSTS**

KARACHI: The Pakistani government on Tuesday unveiled its budget for the next fiscal year starting in July, aimed at boosting economic growth while reducing the fiscal deficit and expanding the tax base.

### **BUSINESS LEADERS DELIVER MIXED REACTIONS TO BUDGET 2025-26**

KARACHI: The business community has delivered a mixed response to the federal budget for the fiscal year 2025-26, with business leaders from various forums expressing divergent views.

### **GOLD PRICES DROP RS6,100 PER TOLA**

KARACHI: Gold prices fell by Rs6,100 per tola on Tuesday in the local market following a decline in international rates. According to the All Pakistan Sarafa Gems and Jewellers Association, gold prices dropped to Rs352,300 per tola.

### **TDAP HOSTS FINANCE, MARKETING SEMINAR FOR WOMEN ENTREPRENEURS**

KARACHI: The Trade Development Authority of Pakistan (TDAP), in collaboration with the State Bank of Pakistan (SBP) and the Women Chamber of Commerce and Industry (WCCI), hosted a seminar in Peshawar to support women entrepreneurs with access to finance, marketing tools and business networks.

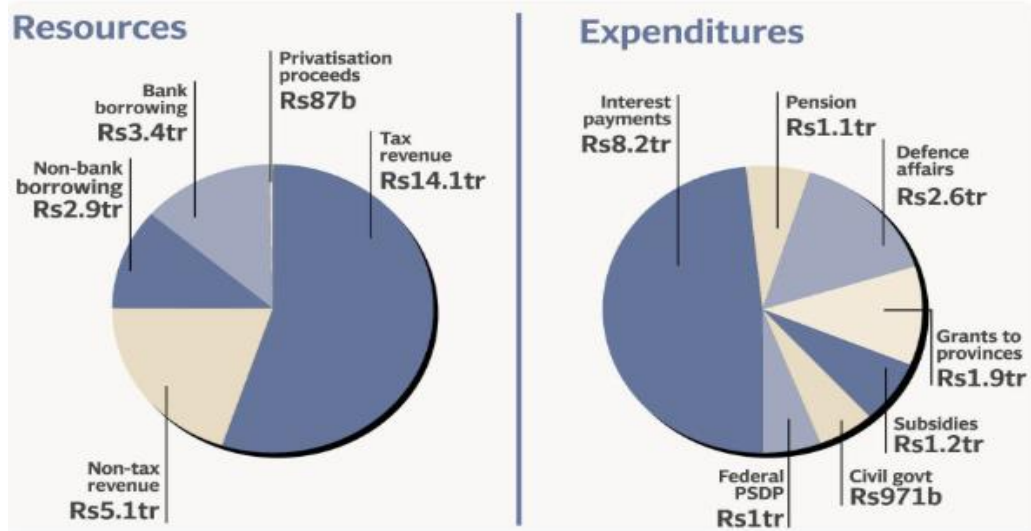
## **LCCI WEIGHS IN ON BUDGET MEASURES, ECONOMIC OUTLOOK**

LAHORE: The Lahore Chamber of Commerce and Industry (LCCI) has welcomed the federal government's decision to increase the defence budget, calling it the need of the hour in the wake of the successful Bunyaanal Marsoos operation against India. It also expressed support for the withdrawal of tax exemptions for the Pata/Fata regions of Khyber Pakhtunkhwa and Balochistan, as well as the inclusion of online businesses in the tax net.



## **ANTI-DIGITAL, PRO-REALTY SECTOR BUDGET**

FinMin presents Rs17.6tr budget; Gross federal revenues estimated at Rs19.3tr; Provinces to get Rs8.2tr share in taxes



## **SALARIED CLASS GETS TAX RELIEF**

**Pay and pensions of govt employees raised by 10%, 7% respectively**

In a much-needed relief for the tax-burdened and inflation-stricken government employees, the government jacked up their salaries by 10% along with a 4% cut in income tax rate across various slabs in the federal budget unveiled on Tuesday.

## **TAXMEN GET POWERS AKIN TO SHO**

**Budget mandates social media platforms to submit revenue details**

The federal budget for fiscal year 2025-26 has proposed a significant expansion of the Federal Board of Revenue (FBR) powers, including introducing strict enforcement measures aimed at tightening the tax regime and curbing financial irregularities.

## **SINDH BUDGET ON FRIDAY 13TH**

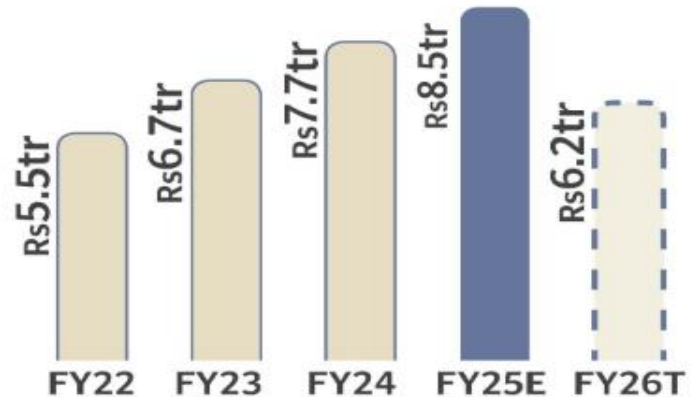
The budget was finalised during a three-day session chaired by Provincial Minister for Planning and Development

## **GOVT SLAPS RS415B TAXES TO RAISE RS2.2TR**

Middle class to feel heat as digital platforms, solar panels, cars and couriers among key targets

The government on Tuesday proposed over Rs415 billion worth of new tax measures to extract an additional Rs2.2 trillion from the sluggish economy by taxing digital earnings, online services, solar panels, and cars used by the middle class. It also proposed drastic reductions in import taxes to open the economy to foreign competition.

### **Federal budget deficit**



## **YOUTH PREFERRING TO SHOP AND EARN ONLINE TAXED**

In a highly unusual move, the government has proposed to extract Rs64 billion in the next fiscal year by taxing the digital, online platforms as well as courier services, which may discourage digitalization of the economy and youth of the country.

## **BUSINESSMEN AIR CONCERN OVER BUDGET MEASURES**

Reacting to the federal budget for fiscal year 2025-26, business leaders and industrialists raised concerns, citing increased burden on taxpayers and the lack of incentives for economic growth.

Thanks & Regards,

T.M.A Secretariate