

## **TMA lauds PM's directive on export facilitation and refunds**

**KARACHI:** The Towel Manufacturers Association of Pakistan (TMA) has lauded the firm resolve of the Honourable Prime Minister Shehbaz Sharif, to revive the country's declining exports, ensure timely facilitation for exporters, and accelerate institutional reforms to support the national export sector.

**Chairman TMA, Ather Bari,** appreciated the Prime Minister's clear directive that negligence in ensuring timely payment of tax refunds to exporters will not be tolerated. He stated that this commitment is highly encouraging and reflects the Government's seriousness in resolving long-standing challenges faced by the export community. He added that persistent delays in Sales Tax and Customs Duty Drawback refunds have severely affected exporters' cash flows and significantly increased the cost of doing business, adversely impacting production, employment, and global competitiveness at a time when Pakistan's exports are already under pressure.

He further urged that deferred sales tax refunds currently held under manual processing, must also be released immediately to prevent further liquidity crises and industrial disruption.

With overall exports declining by 8.7 percent during the first half of the current fiscal year, Chairman Ather Bari emphasized that urgent corrective measures are indispensable. To support the Prime Minister's vision for export-led economic revival, he stressed the need for essential policy reforms aimed at restoring competitiveness and strengthening Pakistan's textile and towel export sector.

He called for the restoration of the Final Tax Regime (FTR) at 1 percent, including for indirect exporters, as the system previously ensured predictability, simplicity, and reduced compliance burdens, particularly for SMEs, enabling them to focus on export enhancement and foreign exchange generation.

Highlighting the high cost of energy as one of the most critical challenges facing the export industry, he noted that electricity tariffs remain significantly higher than those of regional competitors following the withdrawal of the Regionally Competitive Energy Tariff (RCET). He appealed for the restoration of regionally competitive industrial tariffs to bring Pakistan at par with competing economies such as India, Bangladesh, Vietnam, and China.

He also stressed the importance of facilitating renewable energy adoption through concessional financing for solar power, which will help stabilize production costs and ensure sustainable industrial growth.

Chairman TMA also emphasized the need for a one-window compliance system to streamline multiple overlapping federal and provincial regulatory requirements, which currently increase operational costs and administrative inefficiencies. He proposed a uniform and simplified framework for worker CESS, including SESSI and EOBI, through a 0.03 percent turnover-based deduction from exporters for labour compliance, following the successful Bangladesh model.

He explained that this approach would have a dual positive impact: it would allow exporters to focus on production rather than dealing with 25–30 government departments, while ensuring that the government secures adequate funds for labour welfare, reducing administrative expenses and strengthening the national exchequer. Centralized issuance of Health Insurance and EOBI cards, along with simplified contribution mechanisms, would enhance worker welfare, reduce unnecessary inspections, promote formalization, and significantly improve the ease of doing business in Pakistan.

Bari reaffirmed TMA's unwavering commitment to supporting the government in policy formulation and implementation aimed at strengthening Pakistan's export base. He expressed confidence that with timely reforms, restoration of competitive policies, resolution of refund delays—including manual cases—and enhanced facilitation, Pakistan's textile and towel export sector will regain momentum, boost foreign exchange earnings, create employment opportunities, and significantly contribute to national economic growth. TMA expresses its sincere gratitude to the Honourable Prime Minister for prioritizing the export sector and adopting a reform-driven approach to ensure sustainable economic progress for Pakistan.—PR