



Textile Exports Growth Stifled by Liquidity and Taxation Challenges

- Textile exports saw a 15% month-on-month growth in August, but this figure could have easily reached 25% if liquidity and taxation issues for exporters had been resolved.
- Exporters are facing immense pressure due to the requirement of paying double the advance income tax, while a significant portion of their equity is tied up in the refund regime, incurring a financial cost of 19%.
- This financial strain is severely impacting margins and limiting the ability to reinvest and expand operations.

To fully capitalize on the current global opportunities, it is imperative to reverse this cycle. Immediate action is needed to prioritize liquidity for the export sector by fast-tracking refunds and resolving taxation issues

Below are the key categories of pending refunds:

Regular GST Refunds	Approx. Rs. 55 billion	Refund Cycle Reached More Than 200 Days
Deferred GST Refunds	Approx. Rs. 105 billion	
Income Tax Refunds	Approx. Rs. 100 billion	
Duty Drawback	Approx. Rs. 25 billion	
Drawback of Local Taxes and Levies (DLTL)	Approx. Rs. 35.5 billion	PKR 10 Billion Budgetary Allocation will not even cover Refunds Claims of December 2022

Exporters are the driving force behind the entire value chain. We urgently request the immediate disbursement of our legitimate, due refunds.

COMMITTED TO PROSPERITY

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