

'Blaming textile sector of misuse of taxpayers money incorrect'

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24/5

KARACHI: The political parties of a country usually exchange controversial arguments against each other through statements and counter statement on various issues of their county and parties through electronic and print media. Now, the same practice is here in our country as well. This is a part of democratic system which vogues around the globe.

Just like political parties of the county, a tendency is being seemed from various government departments blaming Textile Sector of misuse of taxpayers money which is not only harm them, but also prolonging uncertainty in enhancement of textile exports.

Law and order situation in the country has already blocked the way of foreign importers because of that, exporters of the county have to go usually abroad to meet their buyers in third county like UAE and

Singapore in search of markets for their products. It is an added factor in enhancement of cost of our products.

Resultantly, Textile Sector faces more hurdles in keeping cost of products cheaper compared to those of our neighbouring countries.

A new trend from several government departments has recently been noticed that at first, State Bank released a statement against Textile Exporters blaming that they misused taxpayers money. In a counter statement, CBR, while joining hands with State Bank, released a study accusing Textile Sector that its share in taxes is worthless. Ministry of Commerce has also released a statement similar to the State Bank and CBR.

As far as blame of State Bank, CBR and Ministry of Commerce of non-payment of taxes by Textile Sector is concerned, it is totally

wrong. The question of evading tax by the Textile Sector does not arise at all since 1 percent withholding tax is deducted at source which goes directly to the Exchequer.

Last year, we exported Towels and made-ups worth 1.0 billion dollar on which 1 percent tax was deducted. Besides indirect exporters like suppliers of accessories, weavers and processors related to Towel Industry also contributed tax, which was either deducted at source or paid on turn ever as full and final discharge of liabilities as per Law at each stage.

The government claim of extending financial relief through R&D to the exporters is correct but it is quite minimal as compared to the high cost of doing business like high utility charges, wages, taxes, finance charges etc, with comparison to the neighbouring countries India, Bangladesh and Sri Lanka.—PR