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PAKISTAN CLOTH MERCHANTS' ASSOCIATION

4TH FLOOR, HASAN ALI CENTRE, HUSSAINI MARKET,
NEAR MERE WEATHER TOWER, M.A. JINNAH ROAD, KARACHI

16th March, 2022

MINUTES OF THE 4TH MEETING OF THE EXECUTIVE COMMITTEE
HELD ON MONDAY THE 14TH MARCH, 2022 AT 04:00 P.M.
IN THE OFFICE OF PCMA

The 4th Meeting of the Executive Committee was held on **Monday the 14th March, 2022 at 04:00 p.m.** in the office of PCMA.

The following were present in the Meeting.

1. Mr. Muhammad Shoaib Sonija (**In Chair**)
2. Mr. Asif Salim (**Senior Vice Chairman**)
3. Mr. Saeedullah Khan. (**Vice Chairman**)
4. Mr. Abdus Samad Shekhani
5. Mr. Muhammad Abid Chinoy.
6. Mr. Muhammad Qasim Sonija.
7. Mr. Muhammad Yaqoob Bawany.

Mr. Arif Ismail, Secretary General was also present.

1. MEETING STARTED WITH TILAWAT-E-KALAMPAK BY MR. ARIF ISMAIL.

Muhammad Shoaib Sonija Chairman welcomed the members of the Executive Committee and thanked them for sparing their valuable time to attend this meeting.

2. CONSIDERED THE CONFIRMATION OF THE MINUTES OF THE LAST MEETING OF CENTRE EXECUTIVE COMMITTEES HELD ON 27TH JANUARY 2022.

THE COMMITTEE UNANIMOUSLY CONFIRMED THE ABOVE MINUTES PROPOSED BY SAEEDULLAHA KHAN & SECONDED BY MUHAMMAD YAQOOB BAWANY.

3. REVIEW TEXTILE EXPORT FOR THE MONTH OF FEBRUARY 2022.

Muhammad Abid Chinoy informed the members that the 11 export-oriented sectors, including value-added textiles, posted double-digit growth in February compared to the same month a year ago. As per data compile by the Ministry of Commerce showed that the growth in the value-added sectors contributed to an increase in overall exports from these sectors. The highest-ever depreciation of the rupee against the dollar and greater demand from the international market are reasons behind this growth.

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The government has announced several measures including cash subsidies for the promotion of value-added sectors. Moreover, the massive depreciation also contributed to enhancing exports to the Western markets. The upward trend was seen for the past few consecutive months. In February, the total export proceeds of these sectors went up by 35.78 percent to \$2.80 billion from \$2.06 billion over the same period last year.

Exports of men's garment products were up by 49 percent to \$460 million in February against \$309 million over the last year, followed by a 28 percent increase in home textiles to \$400 million from \$312 million, 57 percent in cotton fabric to \$233 million from 148 million, and 49 percent in women's garments to \$81 million from \$54 million respectively.

The exports of T-shirts up 41 percent to \$66 million from \$47 million, stocking and socks 34 percent to \$45 million from \$34 million, and synthetic fabric 46 percent to \$39 million from \$27 million, respectively. Among the non-textile products, the exports of rice went up by 42 percent to \$254 million in February 2022 from \$179 million a month last year, 24 percent increase in leather apparel to \$60 million from 48 million, and an increase of 95 percent in plastics to \$51 million from \$26 million respectively.

According to the data, the United States, China, the United Arab Emirates and the Netherlands remained the top destinations of Pakistan's exports in February from a year ago. Exports to the US posted growth of 25pc to \$473.87 million in February against \$379.95 million over the corresponding month of last year, followed by 118 percent increase to the UAE as it stood at \$164.08 million this year against \$75.43 million over the last year and 94 percent increase to the Netherlands as it stood at \$182.34 million against \$93.91 million. The export value to Germany increased by 60 percent to \$179.23 million this year against \$112.08 million last year, followed by an increase of 102 percent to Italy as it reached \$123.62 million against \$61.27 million the last year.

“UNANIMOUSLY RESOLVE THAT UNITED STATES, CHINA, UNITED ARAB EMIRATES NETHERLANDS REMAINED THE TOP DESTINATIONS OF PAKISTAN’S EXPORTS IN FEBRUARY FROM A YEAR AGO. EXPORTS TO THE US POSTED GROWTH OF 25 PC TO \$473.87 M IN FEBRUARY AGAINST \$379.95 MILLION OVER THE CORRESPONDING MONTH OF LAST YEAR, FOLLOWED BY 118 PERCENT INCREASE TO THE UAE AS IT STOOD AT \$164.08 MILLION THIS YEAR AGAINST \$75.43 MILLION OVER THE LAST YEAR AND 94 PERCENT INCREASE TO THE NETHERLANDS AS IT STOOD AT \$182.34 MILLION AGAINST \$93.91 MILLION. THE EXPORT VALUE TO GERMANY INCREASED BY 60 PERCENT TO \$179.23 MILLION THIS YEAR AGAINST \$112.08 MILLION LAST YEAR, FOLLOWED BY AN INCREASE OF 102 PERCENT TO ITALY AS IT REACHED \$123.62 MILLION AGAINST \$61.27 MILLION THE LAST YEAR.

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4. DISCUSS SALES TAX RETURN SERIOUS ISSUE FACE BY THE INDUSTRIALIST SHIFTING TO IRIS.

Muhammad Yaqoob Bawany, informed the members that the Sales Tax Return is a serious issue face by the Industrialist shifting to IRIS the industrialists are still faced with severe issues, even after shifting of monthly sales tax return on the IRIS from December 2021 after passing of two and half months.

This new Portal on IRIS replaced the old system of (PRAL) by the Federal Board of Revenue which was more user-friendly and its users have become well aware of its functions. But we are unable to understand why the FBR has shifted it to a new portal and created problems for its users. He said that the FBR has claimed that the refund of sales tax through the newly installed system to the exporters swiftly. However, the exporters are facing lots of problems in filing their monthly sales tax returns to get refunds.

They are unable to submit their sales tax returns timely, he said that the IRIS system is not working properly because 'annexure H' in the system has many imperfections. The FBR has extended the date of monthly sales Tax for the month of January 2022 up to 25-02-2022 but the exporters are still unable to complete their job on time due to problems.

The individual supplier business names are not appearing in both annexures A and C. The users are not getting sum of total amount in last row of annexures. When users record sales in this portal, suppliers' names do not appear there. They are also unable to know the total of annexure H because sum of total is not appearing in annexure H last row. After the submission of the sales tax return, users cannot see the supplier's and customer's names like as annexure A and C of earlier return of PRAL.

The FBR from time to time changed the procedure of sales tax refund, which ultimately creates problems as well as delay in the process of exporters refund amounts. Exporters' huge amount is stuck with the FBR, which makes them face financial crunch, leading to a huge impediment to complete orders of the international buyers. "We, on behalf of the Export oriented industry, strongly demand the continuation simultaneously of the both systems of Sales tax refunds to the exporters," The FBR first of all should take all its stakeholders on board and take their feedback. Then the new IRIS system should be relaunched after a proper testing to make it user friendly.

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“UNANIMOUSLY RESOLVE THAT THE FBR FROM TIME TO TIME CHANGED THE PROCEDURE OF SALES TAX REFUND, WHICH ULTIMATELY CREATES PROBLEMS AS WELL AS DELAY IN THE PROCESS OF EXPORTERS REFUND AMOUNTS. EXPORTERS’ HUGE AMOUNT IS STUCK WITH THE FBR, WHICH MAKES THEM FACE FINANCIAL CRUNCH, LEADING TO A HUGE IMPEDIMENT TO COMPLETE ORDERS OF THE INTERNATIONAL BUYERS. “WE, ON BEHALF OF THE EXPORT ORIENTED INDUSTRY, STRONGLY DEMAND THE CONTINUATION SIMULTANEOUSLY OF THE BOTH SYSTEMS OF SALES TAX REFUNDS TO THE EXPORTERS.”

5. There being no other item on the Agenda, the meeti0ng thereafter ended with a vote of thanks to the Chair.

**ARIF ISMAIL
SECRETARY GENERAL**