

## PRGMEA Press Release on DLTL

(Karachi April 11, 2012) Central Chairman, Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA), Shehzad Salim has pointed out that budgetary allocation for the year 2011-12 on account of Duty Drawback of Local Taxes & Levies (DLTL) to the textile sector is about to lapse as only Rs. 3 billion has been paid out to exporters against an allocation of Rs. 7.5 billion.

He further pointed out that approximately Rs. 20 billion of exporters DLTL claims are stuck-up with the government and the government is dragging it's feet over payments while exporters are facing acute liquidity crunch due to decline in exports orders from EU and USA. Although the government makes tall claims for support to the main industrial sector of Pakistan, but infact no support is being provided. The government is holding back our dues of last two years which is a substantial amount and we not seeking anything extra, he said.

At first, only 14.68% of total amount was being reimbursed which was later enhanced to 28.32%, due to which administrative work of State Bank has increased substantially and they now require about 35 days to clear our payments. We, therefore feel that if the balance allocated amount of Rs. 4.5 billion is released not immediately, current allocation will lapse and the industry will again be compelled to beg for new allocation in the next budget.

On one hand we are being pushed to enhance our sagging exports in adverse market conditions while our rightful dues are being withheld, how can we be expected to finance our operations when we don't have the required funds?, he added.