

RD on import of telecom equipment increased

The government has increased regulatory duty (RD) on the import of wide range of telecom items/equipment including cellular set which would increase its prices. According to the SRO 1035 (I)/2017 issued by the Federal Board of Revenue (FBR), RD has been imposed on cellular mobile phone at the rate of Rs 250 per set.

Further, five percent RD has been imposed on line telephone sets with cordless handsets, 20 percent on telephone cables, 20 percent on optical fibre cables, 40 percent on LCD & LED, 50 percent on video game consoles and machines, articles for funfair, table or parlour games, including pintables, billiards, special tables for casino games and automatic bowling alley equipment and 30 percent on articles and equipment for general physical exercise, gymnastics or athletics.

The import of mobile phone sets witnessed a phenomenal growth of 39.57 percent in the current fiscal year (July-August) 2017-18 as it remained \$129.392 million compared to \$92.707 million during the same period of 2016-17 (July-August).

Analysts were attributing this growth to the cut in customs duty in the budget 2017-18 from Rs 1,000 to Rs 650 on smart/android phone sets in the budget 2017-18 as well as to high penetration of 3G/4G.

Mobile phones were chargeable to sales tax at the rates of Rs 300, Rs 1,000 and Rs 1,500 per mobile phone set depending upon the categories of mobile phones. The government merged sales tax rates of Rs 300 and Rs 1,000 per set into Rs 650 per set. In order to encourage the use of smart/android phones, customs duty was reduced from Rs 1,000 to Rs 650.

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