

## RDs to reduce import bill: FBR

Federal Board of Revenue (FBR) has said the purpose of recently-levied duties is to reduce the import bill, provide enabling atmosphere for competition to local manufacturers and further economic growth of the country. FBR has maintained that during the current financial year, Pakistan has seen a surge in imports. In order to slow down the growth in the import of non-essential items or of the goods whose substitutes are locally produced, the government has imposed Regulatory Duty (RD) on such items.

FBR has issued notification SRO 1035(I)/2017 dated 16th October 2017 in consultation with the Ministry of Commerce, which has imposed new RD on 26 items only (137 tariff lines) including new cars (less than 1800 cc), plastic articles, Dry fruits, sun glasses, cigarette paper, tobacco, wall paper etc. Moreover, rates of RD have been increased on 21 imported items only (219 tariff lines) including betel nuts (Supari), betel leaves (Paan), cosmetics, fruit juices, tiles, footwear, tyres, handbags, tableware, kitchenware, and home appliances like air conditioners, refrigerators etc. The rates of RD range from 10% to 30% on different items, which are generally consumed by affluent segment of the society.

The purpose of these duties is not the generation of revenue but to reduce the import bill of the country. Moreover, the local manufacturers or producers of such items would be able to better compete with the imported products, which are expected to improve Pakistan's economic growth and provide more employment. Moreover, the RD collected would be utilised to finance the export package of the government which would help in enhancing Pakistan's exports.

An impression has been created that Regulatory duty has been imposed on 731 items, which is incorrect. This SRO has replaced eight previous SROs of RD, and most of the items that appear in this notification were already subject to RD in the previous SROs. The superseded notifications include SRO 568(I)/2014 dated 26th June 2014, 482(I)/2009 dated 13th June 2009, SRO 808(I)/2009 dated 19th September 2009, SRO 214(I)/2010 dated 29th March 2010, SRO 1043(I)/2014 dated 25th November 2014, SRO 254(I)/2015 dated 30th March 2015, SRO 393(I)/2015 dated 30th April 2015, and SRO 1248(I)/2015 dated 17th December 2015.-PR

*Copyright Business Recorder, 21/10/2017*