

Public, goods transport: FBR may review RD on import of tyres

The Federal Board of Revenue may review regulatory duty (RD) to provide relief on the import of tyres, especially for the vehicles engaged in public transport and goods transport, following concerns of tyre importers.

Sources stated that a summary is likely to be moved to the Economic Coordination Committee (ECC) of the Cabinet for consideration and approval in the wake of problems being faced by tyre importers.

They added that according to tyre manufactures, the government's decision to increase RD on tyres increased their prices from Rs 500 to Rs 5,000. However, the importers' contention was that tyres are no longer a luxury items rather have become a necessity. Additionally, they added, as the local manufacturing is not adequate to cater for the domestic needs, the country's reliance is on imported tyres. Moreover, the demand of tyres has also been on the rise due to China-Pakistan Economic Corridor (CPEC) related activities. A significant quantum of tyres is smuggled into the country.

The government's decision to increase RD on tyres was termed unfair by the representatives of tyre importers body, which also approached the finance committee of the Senate. The meeting of the committee held on January 09, 2018 urged the FBR to listen to their concerns and try to resolve them.

Subsequently, the FBR officials convened a meeting of Pakistan Tyre Importers and Dealers Association (PTIDA) and local manufacturers on January 16, 2018; however, General Tyres requested for meeting at a later date because its managing director (MD) was abroad. The meeting, which was also attended by the representatives of Ministry of Commerce, Ministry of Finance, Ministry of Industries, National Tariff Commission (NTC) and Engineering Development Board (EDB), remained inconclusive. Another meeting of the manufacturers and importers was scheduled on 24.1.2018.

The meeting decided that relief would be proposed on the import of radial tyres meant for vehicles engaged in public transport and goods transport.

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