



PROPOSALS/RECOMMENDATIONS FOR FEDERAL BUDGET 2023-24

Abstract

A set of recommendations that has been developed by SMEDA, are based on the inputs received from stakeholders across Pakistan, for consideration in the Federal Budget 2023-24.

Small and Medium Enterprises Development Authority (SMEDA)

Proposals/Recommendations for Federal Budget 2023-24

Given below are the recommendations / proposals developed in consultation with key SME stakeholders including Chambers of Commerce and Industry, Trade Associations, Women Chambers and SMEs across Pakistan, for consideration for inclusion in the Federal Budget 2023-2024:

| Sr. | Baseline Situation | Proposed Recommendation | Justification | Expected Impact | Source of Recommendation |
|----------------------------------|---|---|--|---|--|
| Direct and Indirect Taxes | | | | | |
| 1. | Taxation system at federal and provincial level is complex, therefore, businesses have to fulfil various conditions to comply with tax rules and regulations. SMEs lack capability to fulfil legal, regulatory documentation and compliance requirements related to taxation. | Harmonization and amalgamation of taxes and levies rates, numbers and collection systems at provincial and federal levels. | FBR, Punjab Revenue Authority (PRA), Sindh Revenue Authority (SRB), Balochistan Revenue Authority (BRA) and Khyber Pakhtunkhwa Revenue Authority (KPRA), Every Tax Authority (FBR, PRA, BRA and KPRA) has its different statute, rules and procedures. It is difficult for tax payers to maintain tax compliance in this complex tax system. | Harmonization of Federal and Provincial tax system will improve business environment to support greater penetration of SMEs in local market. | National SME Policy 2021 SMEDA Pre Budget Consultative Session with Chambers & Associations |
| 2. | Simplified taxation regime for SMEs: SMEs are classified into the following two categories, and tax on taxable income is required to be computed at the rates given below: <ul style="list-style-type: none"> • Category 1: 7.5% of the taxable income, where annual business turnover does not exceed PKR 100 million. • Category 2: 15% of the taxable income, where annual business | It is proposed that the turnover threshold may be revised as: 1. For Category 1 threshold may be increased from PKR 100 million to 150 million 2. For category 2: the threshold may be defined as the annual turnover exceeds PKR 150 million but does not exceed PKR 800 million | For the purpose of tax facilitation scheme, FBR defines SMEs as a person who is engaged in manufacturing and whose business turnover in a tax year does not exceed PKR 250 million. In the case that annual business turnover exceeds PKR 250 million, it shall cease to be an SME for such tax year and onwards. | The benefit of the scheme will be extended to the wider segment of SME sector. This will contribute to overall sectoral growth and development. | National SME Policy 2021 |

| | | | | | |
|----|--|--|--|---|---------------------------------|
| | <p>turnover exceeds PKR 100 million but does not exceed PKR 250 million.</p> <p>SMEs can also opt to be taxed under the final tax regime (FTR). The said option is required to be exercised at the time of return filing, and the same will be irrevocable for three tax years. The SMEs who opt to be taxed under the FTR shall not be subject to tax audit under sections 177 and 214C. The category-wise rate of tax under the FTR is given below:</p> <ul style="list-style-type: none"> • Category 1: 0.25% of the gross turnover, where annual business turnover does not exceed PKR 100 million. • Category 2: 0.5% of the gross turnover, where annual business turnover exceeds PKR 100 million but does not exceed PKR 250 million. <p>Minimum tax on turnover shall not apply to SMEs</p> | <p>Furthermore, the mentioned SME Facilitation scheme may also be extended to the IT & ITES sector.</p> | <p>The given definition is not in line with the SME definition enunciated in National SME Policy 2021 that limited its benefits to the large population of SMEs operating in the country. Furthermore, the scheme only focuses on manufacturing sector. There is a need to extend this facilitation to services sector specifically IT & ITES sector to support sector growth.</p> | | |
| 3. | <p>Taxation differential between AOPs and LLPs: Definition of Association of Person (AOP) as contained in section 2 read with section 80 of the Income Tax Ordinance, 2001: Section 2(6) "association of persons" means an</p> | <p>It is proposed that issues pertaining to Tax differential between AOPs and LLPs may be addressed. Definition of Association of Person (AOP) as contained in section 2 read with section 80 of the Income Tax Ordinance, 2001 is proposed to be</p> | <p>The proposal is likely to be neutral from a tax revenue perspective in view of the fact that the decrease in revenue resulting from the application of a lower tax rate as applicable on individuals/AOPs is likely to be more than offset</p> | <p>The <i>raison d'être</i> for the formation of LLPs was contained in the Statement of Objects and Reasons annexed to the Draft LLP Bill which envisaged that LLPs would</p> | <p>National SME Policy 2021</p> |

| | | | | | |
|--|--|--|---|--|--|
| | <p>association of persons as defined in section 80; Section 80(2) For the purposes of this Ordinance (a) "association of persons" includes a firm, a Hindu undivided family, any artificial juridical person and anybody of persons formed under a foreign law, but does not include a company;</p> | <p>amended to include LLP therein as it is a partnership. Section 2(6) "association of persons" means an association of persons as defined in section 80; Section 80(2) For the purposes of this Ordinance - (a) "association of persons" includes a firm, a limited liability partnership formed under Limited Liability Partnership Act, 2017, a Hindu undivided family, any artificial juridical person and anybody of persons formed under a foreign law, but does not include a company; (b)"company" means - (i) a company as defined in the Companies Act 2017 (XIX of 2017) (ii) a body corporate formed by or under any law in force in Pakistan except a limited liability partnership formed under Limited Liability Partnership Act, 2017; (iii) a modaraba; (iv) ... (v) ... Being AOPs, LLP be subject to the rate of tax as provided in Division I (Rates of Tax for Individuals and Association of Persons) of Part I of First Schedule</p> | <p>due to the opting of informal businesses for LLP from business structure. The concept of an LLP is not new; it is used in countries all over the world, including Singapore – LLP Act 2005; Malaysia – LLP Act 2012; and India – LLP Act 2018; etc. From a tax perspective, LLPs in Singapore are not taxed at the entity level and profits are treated as part of each partner’s personal income and are taxed at personal income tax rates. In Malaysia, income received from an LLP will be taxed at the LLP level at a tax rate of 24%. Nevertheless, LLP resident in Malaysia with a total capital contribution of RM2.5 million or less will enjoy a preferential tax rate of 19%</p> | <p>provide a new form of business structure which would fill the gap between business firms such as sole proprietorships or partnerships, the liability of whose partner is unlimited, and the companies governed under the Companies Ordinance 1984 (now Companies Act, 2017), whose members enjoy the benefits of limited liability. The introduction of LLP as a new business vehicle was also aimed at documentation of the economy, through the conversion of the informal, undocumented sector into a formal and regulated regime.</p> | |
|--|--|--|---|--|--|

| | | | | | |
|----|---|--|--|---|--|
| | | to the Income Tax Ordinance, 2001. Slab rates of taxation depending upon the level of income are applicable on AOPs | | | |
| 4. | <p>No Exemption on capital gain tax in case of disposal of asset by conversion of company into LLP is available.</p> <p>Chapter IV Common Rules Part III Assets (Section 75(a)) 75. Disposal and acquisition of assets. - (1) A person who holds an asset shall be treated as having made a disposal of the asset at the time the person parts with the ownership of the asset, including when the asset is - (a) sold, exchanged, transferred or distributed; or (b) cancelled, redeemed, relinquished, destroyed, lost, expired or surrendered.</p> | <p>It is proposed to provide exemption on capital gain tax in case of disposal of asset by way of conversion of company into LLP. For the purpose, the following amendment may be made:</p> <p>75. Disposal and acquisition of assets. - (1) A person who holds an asset shall be treated as having made a disposal of the asset at the time the person parts with the ownership of the asset, including when the asset is - (a) sold, exchanged, transferred or distributed; or (b) cancelled, redeemed, relinquished, destroyed, lost, expired or surrendered.</p> <p><u>Provided that transfer of assets in case of conversion of private limited company into limited liability partnership in pursuance of section 26 of limited liability partnership Act, 2017 shall not be considered disposal under this section.</u></p> | <p>As per Income Tax Ordinance (ITO), Transfer of company assets & liabilities to LLP in case of conversion is considered disposal u/s 75(a) of ITO. It is taken as transferred on fair market value and difference of fair market value and book value is considered capital gain. 75% of such capital gain is taxed @ 29% corporate tax in hands of the company.</p> <p>It is suggested asset/liabilities transfer in case of conversion of company into LLP should not be considered disposal of tax purpose as practically no gain is realized. It is change in business structure only.</p> | Business Facilitation shall be ensured. | |
| 5. | Through Finance Act, 2018, income from export of computer software or IT services or IT Enabled Services | It is proposed that exemption already enacted/provided through the Finance Act, 2018 may be restored so | For the purpose of this clause: (a) "IT Services" include software development, | Support will be provided to IT & ITES sector that | |

| | | | | | |
|----|---|---|--|--|--|
| | <p>was exempted from income tax upto period ending on 30th June, 2025. However, through Finance Act, 2022, this exemption was withdrawn. The omitted exemption read as follows: “Income from exports of computer software or IT services or IT enabled services upto the period ending on 30th day of June, 2025: “Provided that eighty per cent of the export proceeds is brought into Pakistan in foreign exchange remitted from outside Pakistan through normal banking channels.”</p> | <p>that exporters can complete their orders without any loss or hardship, especially those who have recently invested or procured orders.</p> | <p>software maintenance, system integration, web design, web development, web hosting, and network design, and (b) “IT enabled services” include inbound or outbound call centres, medical transcription, remote monitoring, graphics design, accounting services, HR services, telemedicine centers, data entry operations, locally produced television programs and insurance claims processing.”</p> <p>Exporters of IT services or IT Enabled Services who have invested or started their business in recent years are suffering a lot due to sudden elimination of exemption available under law.”</p> | <p>will contribute positively to exports of services and economic growth.</p> | |
| 6. | <p>Huge amount of income tax refund has piled up and processing of income tax refund is critically slow. Due to delay in payment of refunds, businesses face shortage of working capital.</p> | <p>Prioritize SMEs for pending payments of sales tax and duty drawback refunds. Process of refunds adjustment needs to be made easier.</p> | <p>Huge amount of sales tax and duty drawback refund has piled up for SMEs. Due to delay in payment of refunds, SMEs face shortage of working capital. Therefore, it is imperative to give preference to SMEs while processing refunds.</p> | <p>Refund payment within the stipulated time period as per law will provide much needed working capital for business to make investments. Resultantly, businesses will grow; enhancing contribution to revenue and tax collected. The size</p> | <p>National SME Policy 2021 SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |

| | | | | | |
|-----|--|--|---|---|---|
| | | | | of the economy will grow. It will also facilitate creation of a business-friendly environment in the country. | |
| 7.. | <p>Withholding Tax (WHT) consisting of 88 lines, out of these 45 lines contribute less than 1% to the direct tax contribution. List of 45 is given as annex:1</p> <p>Furthermore, in case of sale of goods withholding tax of 4% to 4.5% on gross amount payable is imposed on all businesses under u/s 153.</p> | <p>It is proposed that 45 WHT lines be eliminated from the WHT system due to its very small contribution.</p> <p>Furthermore, Withholding tax rates may be gradually reduced for small and medium businesses as defined in the National SME Policy 2021.</p> | <p>Withholding tax is very high for SMEs as they also pay other taxes including turnover tax, sales tax, corporate tax etc. Withholding tax constrains liquidity of SMEs. It will ease businesses in compliance by removing documentation, penalties and fear of trust.</p> | <p>High tax rate affects turnover and production process of small companies. Given their level of operation, reduction in taxes will increase economies of scale and competitiveness of small companies. It will also ensure availability of working capital.</p> | <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |
| 8. | <p>Small companies pay a number of taxes. In this regard, they have to comply with documentation requirements for paying taxes that increases their cost of business management.</p> | <p>Single tax for small companies may be introduced.</p> | <p>Small companies lack resources to comply with documentation requirements to pay taxes. They are also unable to hire tax consultants to get support for tax payments.</p> | <p>It is difficult for the micro, cottage and small businesses to document information and accounts hence single fixed tax regime would made it easier for them to calculate and pay their taxes.</p> | <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |
| 9. | <p>Withholding Agent under Serial # 4 of the Eleventh Schedule to the Sales Tax Act, 1990, are those who collect tax on behalf of FBR and deposit in Government Accounts. Every incorporated Company is WHT Agent in Pakistan.</p> | <p>The concept of withholding agent may be reviewed Sales Tax Laws. Alternate options may be considered.</p> <p>Furthermore, the withholding tax agent may be allowed a tax credit of 10% of tax collected and deposited.</p> | <p>Acting as withholding agent burdens the taxpayers with unnecessary documentation/filings and costs. Companies acting as Withholding agents incur unnecessary cost and maintain</p> | <p>Tax administrations should consider the compliance cost for business when preparing rules. Companies acting as withholding agent incur unnecessary cost and maintain large volumes of</p> | <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |

| | | | | | |
|-----|--|---|---|---|--|
| | Under Section 160 & 161, if a person fails to collect tax as required under Division II of this part or deduct tax from a payment as required under Division III or having deducted or collected, fails to pay tax, the person shall be personally liable to pay the amount of tax to the Commissioner who may pass an order to that effect and proceed to recover the same. | | large volumes of data thereby reducing ease of doing business and departing from international best practices The Withholding Tax Agent needs to be compensated for recovery of tax on behalf of the Government and to bear liability in case of being in default. | data thereby reducing ease of doing business and departing from international best practices. Therefore, elimination of withholding tax agent will facilitate ease of doing business. | |
| 10. | In real estate, there is a considerable difference between Actual Market Value, DC Value, and FBR Value of property assessment. Furthermore, government has announced the scheme that if one pays a 3 percent tax on the difference between DC and FBR rates then the property can be legalized. | Revised FBR rates should be rationalized. Higher slab may remain open for the property. For example, if the DC value is PKR 5 million and government allows the tax payer to declare it for PKR50 million by paying the 3 percent tax then at least the price will come close to the real market value. | This will discourage the investors to keep on dumping their money in the real estate which results in enormous rise in housing prices making it difficult for generally public to buy a house or a land. | It may support investment in manufacturing sector or other industrial sectors for revenue generation. | SMEDA Pre Budget Consultative Session with Chambers & Associations |
| 11. | Under section 148 read with part III of the twelfth schedule of Income Tax Ordinance, 2001, an advance tax up to 5.5% is levied on import of goods from all persons. | It is proposed that rate of tax may be reduced from 5.5% to 1% for all Industrial Undertakings. Part III of the twelfth schedule may be abolished and all imports should be categorized as industrial undertakings or in other respective categories. | The introduction of twelfth schedule has unnecessarily increased hassle particularly for industrial undertaking falling in Part III. Hence uniform rate for Industrial Undertaking should be introduced. Revocation of exemption procedure as per clause 72B part IV 2nd | Hassle free business environment will be promoted. | Multan Chamber of Commerce and Industry |

| | | | | | |
|-----|--|---|--|--|---|
| | | | Schedule has increased the cost of doing business for Industrial Undertaking | | |
| 12. | Presently due to the multiplicity of taxes the total tax goes up to 36% for corporate sector, (29% normal tax + 2% Workers' Welfare Fund + 5% Workers Participation Fund). The higher rate and number of taxes discourage local and international investors. | It is proposed that the corporate tax rates may be gradually reduced to 25%. The employer may be given the right to spend Workers Welfare Fund on its employees, being an admissible expenditure. | Relaxation in taxes will encourage the taxpayers to pay their due taxes and will also discourage tax avoidance, ultimately broadening the tax net. | Increase in investment and business formalization will result in accelerated economic growth. | Multan Chamber of Commerce and Industry |
| 13. | 1.25% Minimum Tax on turnover under Section 113 read with Part III of Division IX of First Schedule of the Income Tax Ordinance, 2001 is levied on all registered businesses. | It is proposed that rate of minimum tax on turnover be reduced from 1.25% to 1.0%. | Rate of Minimum tax is a major hindrance towards business expansion. Reduction in tax rate will ease working capital availability to invest funds in productive activities rather than being stuck in refunds. | Rationalization of Minimum tax on turnover will accelerate investment and industrialization process. | Multan Chamber of Commerce and Industry |
| 14. | Section 174 allows the Commissioner to demand the financial documents for the purpose of audit therefore businesses are required to keep records for a period of six years. | It is recommended to reduce the audit period from the existing six years to three years. | Such a long period of audit only adds unnecessary cost and burden to the businesses and gives discretionary powers to the assessing. It also increases the cost of maintaining those records for such a long period. | Simplification of procedures and documentation requirement will be ensured. | Multan Chamber of Commerce and Industry |
| 15. | Section 7B,151- Currently certificates of withholding taxes on profit and Cash Withdrawal provided by tax payer issued by banks for acknowledgment of taxes paid are not being accepted by FBR. | It is proposed that system should accept bank certificates issued by relevant banks in favor of taxpayers for acknowledgment of taxes deducted by the banks. | This will simplify the tax administration and improve the ease of doing business. | Simplification of procedures and documentation requirement will be ensured. | Multan Chamber of Commerce and Industry |

| | | | | | |
|-----|---|--|---|--|--|
| 16. | Under section 8B of the Sales Tax Act, 1990, Input Sales Tax is adjustable at 90% of output sales tax. | Adjustable limit of Input Sales Tax may be increased to 95% of output sales in order to facilitate manufacturers. | Such restriction on legitimate businesses discourages investment that further reduces economic activity. | Proposed amendment will have positive impact of local businesses and will promote investment in construction sector. | Multan chamber of Commerce and Industry |
| 17. | Current tax regime is quite cumbersome as well as costly. This is the reason it is difficult to expand the tax base. | It is suggested that special and differential treatment in matters of taxation, rules and regulations for promoting Small to Medium Enterprises (SMEs) should be developed. Number of taxes paid by SMEs be reduced. Furthermore, tax regime may be made simply so that tax base can be broadened thereby integrating the whole supply chain into tax bracket which will lessen the burden of a single tax payer and everyone will end up paying single digit tax rate. | Rationalization of total number of taxes paid and simplification of documentation procedures will result in encouraging businesses towards formalization. | Formalization of businesses will increase and resultantly lead to high revenue collection. | SMEDA Pre Budget Consultative Session with Chambers & Associations |
| 18. | Currently different sales tax rates on services are applied at provincial level across Pakistan | It is proposed that a uniform sales tax rate may be applied on all services across Pakistan, also try to eliminate double taxation at federal and provincial level. | Double Taxation and high sales tax rate at provincial level results in low investment in service sector. | Local and Foreign Investment in services sector will be encouraged. | Multan Chamber of Commerce and Industry |
| 19. | Under Section 21 of the Sales Tax Act 1990, the Commissioner Inland Revenue holds unlimited power to suspend and black list the sales tax registration number of any tax payer, if it fails to file its sales tax return for continuous two months. | It is proposed that the power of suspension and black listing of registration of taxpayer may be withdrawn from commissioner. | It will encourage the tax payer as the proper procedure for black listing is followed. The taxpayer shall continue its normal business operations because the invoices will be properly entertained for input | The taxpayer will not misrepresent the information and in this way the tax revenue will also increase. | Multan Chamber of Commerce and Industry |

| | | | | | |
|----|--|---|--|--|---|
| | This power is going to be grossly misused by the Commissioner. | | tax credits and tax refund claims. | | |
| 20 | Notices are issued to existing tax payers to force them to pay different taxes/duties resulting in harassment of the tax payers. | It is proposed that existing tax payers may not be harassed by issuing unnecessary show cause and audit notices to fulfill revenue targets. However, a reminder to pay tax may be issued to ensure timely submission of the tax payments. | The tax authorities issue notices to businesses who are already in the tax net in response to pressure from the Government to pick up the pace of revenue collection. Resultantly huge amount of undue tax demand is raised. This practice should be discouraged / avoided to encourage exporters/manufacturing in Pakistan. | Confidence of business community on tax authorities. | Multan Chamber of Commerce and Industry SMEDA Pre Budget Consultative Session with Chambers & Associations |
| 21 | Section 7E of the Income Tax Ordinance, 2001 The Finance Act, 2022, has introduced Section 7E in the ITO, 2001, for imposition of Tax on Deemed Income of a Resident Person calculated at 5% of the fair market value of the capital assets including hereditary assets situated in Pakistan held on the last day of Tax Year and not on value of acquisition. | It is proposed that assets acquired through Inheritance / Succession should be excluded from purview of Section 7E to rationalize implementation of tax on equitable grounds. | Section 7E of ITO does not make any distinction between assets purchased and assets acquired through inheritance. A number of taxpayers might be unable to pay tax on deemed income at current valuation of their hereditary assets and it is not judicious to treat hereditary assets as commercial assets. | It will benefit by allowing separate treatment of hereditary assets on equitable grounds | Sialkot Chamber of Commerce and Industry |
| 22 | Section 115(4) of the Income Tax Ordinance, 2001 FBR has discontinued the facility of Final Tax Regime from the exporters by withdrawing the option to file | It is proposed that Final Tax Regime for the export industry be restored in the best interest of the export business. | SME exporters had been facing several issues with Tax department regarding assessment of their tax liability in the past. This action not only | The proposed provision will have positive impact on exports. | Sialkot Chamber of Commerce and Industry |

| | | | | | |
|----|---|--|---|--|---|
| | <p>return u/s 115(4) of the Income Tax Ordinance, 2001.</p> <p>The Government introduced Final Tax Regime to facilitate exporters. Initially the rate of the income tax was fixed @ 0.50% of the export sales realized by the banks, which was subsequently enhanced to 1%.</p> | | <p>enhanced the government revenue but also provided relief to the exporters from arbitrary decisions of the assessing officer.</p> | | |
| 23 | <p>Section 4 of the Sales Tax Act, 1990</p> <p>The Zero-Rated Sales Tax Regime for five export-oriented sectors had been very beneficial for the export sector in the past and there is dire need to revive the same.</p> | <p>It is proposed that Zero Rating of Sales Tax may be be revived for Five Export Oriented sectors including Sports, Surgical, Leather, Textiles and Carpets to provide relief to the export industry.</p> | <p>This would help exporters utilize their liquid resources for conducting necessary business operations instead of getting their funds stuck in Sales Tax refunds.</p> | <p>This would help in overcoming their liquidity and cash flow problems due to current economic crisis and withholding of Sales Tax at different stages of value addition.</p> | <p>Sialkot Chamber of Commerce and Industry</p> |

| Customs and Tariffs | | | | | |
|----------------------------|---|---|---|--|---|
| 24 | <p>Custom duty on imported finished goods are lower than those on raw materials.</p> <p>High tariff and custom duties are levied on import of raw material and machinery.</p> <p>Furthermore, other taxes such as sales tax, excise duties etc. are also being paid by the importers.</p> | <p>It is proposed that:</p> <ol style="list-style-type: none"> 1. Impose 20 to 25 % custom duty on the import of finished products to promote local industry. 2. Customs Duty and Sales Tax on Import of machinery, raw materials and technical equipment that are not produced locally may be brought down to zero for at least first three years to encourage technology transfer and acquisition on modern technology. | <p>Rationalization of tariff rates, custom duties and other taxes for supporting local industry will improve acquisition of state of the art technology and quality input material that will have positive impact on productivity and competitiveness of local manufacturers.</p> | <p>Local and global productivity and competitiveness of businesses will improve.</p> | <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |

| | | | | | |
|----|---|--|--|---|---|
| | | <p>3. Custom Duty may be rationalized for the import of machinery for facilitating import substitution industry and to support product diversification.</p> <p>4. Plant and Machinery used in Leather, Leather Garments and Leather Goods Production should be exempted from Customs Duty.</p> <p>5. State of the art granite and marble mining and processing machinery may be exemoted from custom duty.</p> | | | |
| 25 | <p>Pakistan Custom Tariff PCT 9910: Samples of No Commercial Value imported by Manufacturers</p> <p>Custom duty is imposed on import of samples.</p> | <p>Samples worth US\$ 10,000 should be exempt from levy of duties and taxes during a year to facilitate the export sector of Pakistan.</p> | <p>Imposition of custom duty on the import of samples makes it difficult for the SME Exporters to manage the cost of import of samples as import of such samples has been a regular feature for the export business.</p> | <p>Samples received from abroad by manufacturers in Pakistan play a vital role in development, innovation and reverse engineering of those items, which would ultimately help in soliciting new orders for similar items developed and manufactured in Pakistan</p> | <p>Sialkot Chamber of Commerce and Industry</p> |
| 26 | <p>Current inflow of cheap imports of cutlery and kitchenware products & printing material are affecting local industry.</p> | <p>It is proposed that regulatory duty/ custom duty on import of cutlery & kitchenware articles and printing material that are produced locally to protect local industry may be increased.</p> | <p>The local industry/units are unable to compete in the same products in other countries, which is a major issue. Due to this reason un-employment rises and the local industry is vulnerable.</p> | <p>Sale of cutlery and kitchenware articles will be increased and in future the production capacity of cottage/small and medium enterprises will be enhanced.</p> | <p>Cutlery Association of Pakistan</p> |

| | | | | | |
|----|--|---|--|---|---|
| 27 | <p>Lack of information, inadequate marketing, infrastructural and logistical problems are the main barriers for international as well as local market access for SMEs.</p> <p>With the exception of the main export clusters, such as Sialkot, Faisalabad, Lahore and Karachi, most of the SMEs in the country do not have the resources, capability or competitiveness to access international markets.</p> | <p>It is proposed to provide facilitation to SMEs to enhance their market access:</p> <ul style="list-style-type: none"> • Organize and facilitate participation of small firms in international fairs and exhibitions on subsidized rates. • Organize regular trade fairs and exhibitions in all major cities of Pakistan. • Develop, strengthen & implement National Product Standards. • Expedite approval of applications by local investors to operate payment gateways. | <p>Pakistan's export performance points to the fact that facilitation is required to make enterprises export ready.</p> | <p>SME's share in total exports will increase.</p> | <p>National SME Policy 2021</p> <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |
| 28 | <p>Pakistan's export base is mainly concentrated in few products and few markets. Product diversification and access to nontraditional export markets are main issues that need attention of the Government.</p> | <p>Support may be provided to the sectors including, Artificial Intelligence (AI), Robotics, Animation, Gaming etc. for product diversification: High-value added textiles, electro-medical and diagnostic instruments, Mobile Phone, Computers and Electronics, Automobile and Auto-part etc. Following Incentives may be introduced in this regard:</p> <ul style="list-style-type: none"> • Tax relief and duty free import of machinery and raw material may be granted to SMEs introducing/producing medium to high-tech value-added products. | <p>In Pakistan, product sophistication, diversification and innovation limits production of medium to high tech products that are in high demand in local and international markets. There is a need to provide support to SMEs to develop new products and processes to initiate production of medium to high tech products</p> | <p>Exports and Market access local manufacturers will increase. This will help in tackling issues of current account deficit.</p> | <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |

| | | | | | |
|----|---|--|--|---|---|
| | | <ul style="list-style-type: none"> • Establish IT specific technology zones, • Encourage FDI in high tech industries <p>Facilitation may also be provided to SMEs in areas of technological transformation, research and development, financial assistance to grab emerging opportunities in international market.</p> | | | |
| 29 | <p>The Federal Government facilitates exporters of non-textile sector Drawback on Local Taxes and Levies (DLTL) on exports via “SRO. 711(I)/2018”¹, dated June 8th, 2018 that was valid till June 30th, 2021.</p> <p>procedure and mechanism to claim Drawback of Local Taxes and Levies (DLTL) was complicated resulting in inconvenience in processing and issuance of claims.</p> | <p>It is proposed to extend the scheme till June 30th, 2027. The rate of DLTL may also be increased from 3% to 5% to support exporters.</p> <p>It is proposed that the system for payment of DLTL claims to the exporters should be brought at par with the system for payment of Custom Duty Drawback Claims.</p> | <p>The Incentive Package earlier announced by the Government to help achieve export-led growth had been highly acclaimed by the export sector and it had started showing results through strengthening of the manufacturing cum export sector. However, there is strong need to revive this package and enhance rate to 5% to improve competitiveness in the international market.</p> | <p>Exports to traditional and non- traditional markets will increase.</p> | <p>Pakistan Cutlery and Stainless Manufacturers and Exporters Association</p> <p>Sialkot Chamber of Commerce and Industry</p> |
| 30 | <p>Section 25 of the Custom Act, 1969</p> <p>Duty Drawback against exports is calculated as a certain percentage of the FOB value of the export consignments, whereas Custom Duty, Sales</p> | <p>It is proposed that Custom Duty and other taxes be charged at FOB value of the import shipment.</p> | <p>In the past, this practice had minimal impact due to relatively less quantum of freight but recently the freight charges have been substantially increased by the shipping companies and charging of Duties and Taxes at</p> | <p>Input cost of the industry relating to imported raw materials could be decreased to promote ease of doing business in Pakistan in the current economic crisis.</p> | <p>Sialkot Chamber of Commerce and Industry</p> |

| | | | | | |
|-------------------------------|---|--|--|---|--|
| | Tax etc. is charged at C&F value of the consignment at the time of import. | | C&F value has increased cost of import of inputs and raw materials for the manufacturing sector. | | |
| 31 | Balochistan has 42 registered minerals that can be tapped for international market. | It is proposed to introduce an incentives package to support exports of key minerals products of Balochistan to international market. | High-quality mineral deposits have been discovered in many regions of Balochistan such as Reko Diq, Saindak, and Duddar. The export processing zones for the mineral sector are established in Saindak, District Chagai, Duddar, District Awaran and District Lasbela. An incentive package will further encourage mineral sector exports. | Huge international market potential will be exploited that will result in foreign exchange earnings. | SMEDA Pre Budget Consultative Session with Chambers & Associations |
| 32 | Currently, specific package for the cutlery sector is not available for development and improvement of the Cluster. | It is proposed that an exclusive package for development and improvement of Cutlery Cluster, worth Rs. 5,000/- million may be allocated. <i>(Rs. 3000/- millions be sanctioned as loans without interest for the Establishment new factories, and Rs. 2,000/- millions for availability of raw material and modern technology)</i> | An allocation of funds with the aim to promote the cluster, will help the enterprises to deal with issues of establishment of new businesses and acquisition of modern technology. Cottage and Small, Medium Local Units shall be transferred from Residential Area to the Small Industries Estate. | Productivity and competitiveness of the sector will improve. | Pakistan Cutlery Association |
| SMEs Access to Finance | | | | | |
| 33. | <ul style="list-style-type: none"> There is a need to introduce SME specific schemes | To enhance SMEs access to formal financing, it is proposed that: <ul style="list-style-type: none"> Special financial schemes be designed to offer reduced interest rate to key SME sectors | Given the state of SMEs in Pakistan, there is need to introduce SME specific financial products pertinent to their requirement. | Financial issues of SMEs will be addressed, that will allow SMEs to obtain formal financing at lower interest rates. Such | SMEDA Pre Budget Consultative Session with Chambers & Associations |

| | | | | | |
|-----|--|--|--|--|---|
| | <ul style="list-style-type: none"> • Low working capital or initial expenses discourage SME for industrial development and job creation. • No Specialized Financial Schemes available for IT & ITES sector. • Lack of financial resources for Food processing sector specially for acquiring modern technology and state of the art machinery. • Low interest rate loan schemes may be announced to facilitate food processing sector. | <p>against their performance in terms of paying taxes and exports. They may also be provided Margins against collateral may be flexible.</p> <ul style="list-style-type: none"> • Subsidized loans and working capital products may be provided as part of the SME modernization process on minimum compliance and documentation requirements. • Specialized program financing for IT&ITES sectors, including venture capital be developed. • Financial schemes may be introduced for growers and processors for value addition and acquisition of modern technology. • Specialized financial schemes may also be introduced for potential food sub sectors such as meat processing, fruits and vegetable grading and -packaging and storage of perishable products. | <p>The financial products that are available in the market are not geared to cater to the requirements of the sector. High transaction costs, collateral requirement, non availability of customized financial products are major issues pertaining to finance of local manufacturers.</p> | <p>initiatives will promote new enterprise establishment. The culture of job seeking will turn into job creation. More job opportunities will be available for increasing labor force.</p> | |
| 34. | <p>Due to collateral requirements by banks, SMEs may be denied credit despite having sufficient cash flow or purchase orders,</p> | <p>Collateral Free Lending Schemes such as SAAF scheme, may be introduced for SMEs and banks may also be encouraged to accept movable assets</p> | <p>Banks normally deal in immovable assets when it comes to collateral rather than movable assets. It is relatively easy for SMEs to</p> | <p>Making moveable assets good for collateral will increase the SME borrowing enormously.</p> | <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |

| | | | | | |
|-----|---|--|---|---|--|
| | <p>or SMEs may be able to access only short-term credit facilities and not the type of financial products they need. For instance, such standard banking services as equity finance, factoring or longer-tenure loans are not offered.</p> | <p>as collateral.</p> | <p>collateralize moveable assets hence around 32 economies around the globe have started developing collateral registries twelve of them are in East Asia. Registration of security rights over movable properties can encourage banks to provide loans by taking moveable assets as collateral. The same has already been introduced in Pakistan, however banks may be incentivized to adopt the same. The Personal Property Securities Register in Australia is an example of well-functioning collateral registry.¹</p> | | |
| 35. | <p>Mining across Khyber Pakhtunkhwa is performed via conventional methods which results in massive wastage. Almost 70% of the non-renewable asset is wasted. Therefore, the end product is only acceptable in the local market.</p> <p>Mechanized mining and processing machines are not being manufactured locally</p> | <p>It is proposed to introduce financial schemes for Mining Sector for acquisition of modern machines.</p> <p>Furthermore, collaboration with foreign investors for manufacturing of machines locally may be promoted.</p> | <p>To curtail import burden and high prices of imported machines.</p> | <p>Locally manufactured machines will be less costly and will save foreign exchange</p> | <p>Frontier Mine Owners Association Khyber Pakhtunkhwa</p> <p>Pakistan Stone Development Company</p> |

¹ <https://www.doingbusiness.org/content/dam/doingBusiness/media/Special-Reports/improving-access-to-finance-for-SMEs.pdf>

Skills Development, Technology Up gradation and Infrastructure Development

| | | | | | |
|-----|--|--|--|---|---|
| 36. | <ul style="list-style-type: none"> Limited Presence of SMEs in existing Industrial Estate and Industrial parks Lack of infrastructure availability in existing industrial estates including electricity, gas, sewerage and roads. | <ul style="list-style-type: none"> Develop Plug & play infrastructure for SMEs on lease basis. Allocation for SMEs in existing industrial estates, EPZs, SEZs on land lease-based model with smaller sized plots. Moving manufacturing SMEs from Commercial electricity connections to Industrial electricity connections. Warehouse facility may be established at existing industrial estates. | <p>In Pakistan, around 103 industrial estates/ industrial parks are operating with the total area of 26,378 acres. Around, 6,562 acres area is unutilized and 863 acres allocated but not utilized. These industrial estates are mostly occupied by the large enterprises, offering limited opportunity to SMEs to setup their businesses.</p> | <p>Industrial estates/ industrial parks/ technology parks play an important role in providing SMEs access to state-of-the-art infrastructure, promoting inter form linkages and sub-contracting with the large firms, technology acquisition and enhancing SMEs contribution to production value chain. Allocation of SMEs quota in industrial estate, provision of industrial "Plug and Play" facility will support existing as well as new business in the country.</p> | <p>National SME Policy 2021</p> <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> <p>Rahim Yar Chamber of Commerce and Industry</p> |
| 37. | <ul style="list-style-type: none"> Insufficiently trained labor limits firm's ability of product development/ diversification and, technology acquisition. Issues and gaps in terms of quality, relevance and certification of existing skills training. | <p>Training & capacity building programs for key SME sectors may be conducted nationwide in order to introduce latest curriculum and technical education programs in line with changing technology.</p> | <p>NAVTEC, Provincial TEVTs and Other government departments provide skill development support. However, conventional curriculum, limited TVET access, financial constraints and insufficient data management are the issues that need redressal.²</p> | <p>Provision of skill development support and training will be instrumental in enhancing SMEs productivity in Pakistan.</p> | <p>National SME Policy 2021</p> <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |

² <https://tevt.punjab.gov.pk>

| | | | | | |
|-----|--|---|--|--|---|
| 38. | There is a need to establish Emporiums / Showcasing Hubs for SMEs throughout the country. | Develop Emporiums/ showcasing hubs for SMEs particularly near tourist attractions. | SMEs lack facility to showcase their products at national and international level. Establishments of Emporiums will provide single access point of products produced at SME Level in the country. I will increase awareness about the Pakistan's comparative advantage for exports as well. | SMEs domestic and international outreach will increase. | National SME Policy 2021 |
| 39. | The export Industry lacks internationally accredited, state of the art material testing laboratories for high value-added sectors like footwear, Surgical Instruments, Sports Goods and Sports Wear, Leather products etc. | The Government may establish state of the art materials testing laboratories for high value-added sectors on Public Private Partnership basis. | Due to the absence of laboratories, exporters have to send their samples abroad to get their products tested and certified to be accepted worldwide. This practice ultimately adds to the cost of doing business and is logistically cumbersome. | Exports of high value-added sector will increase. | SMEDA Pre Budget Consultative Session with Stakeholders |
| 40. | Gemstone industry faces issues related to access to International Standard Gems Cutting & Polishing Facilities. | It is proposed to establish Gems Cutting and Polishing Facility Centers at key Gems Clusters especially to provide infrastructural support to SMEs operating in the sector. Furthermore, labs may also be established for gemstone certification. | Pakistan is rich with gems stones that are popular worldwide. Lack of gems cutting and polishing facility results in export of gems in raw form. Therefore, Pakistani gems are sold at low prices as compared with competing nations including India, Thailand and Sri Lanka. | Pakistan has emerged as the fifth frontier for the occurrence of gemstones on the world map but it has been unable to penetrate the international market. With the Government support, Gemstone sector can significantly enhance export revenue. | SMEDA Pre Budget Consultative Session with Stakeholders |

Promoting Energy Sector

| | | | | | |
|-----|---|---|---|--|--|
| 41. | <p>According to state bank of Pakistan, it is advised that validity period of the SBP Financing Scheme for Renewable Energy and Islamic Financing Facility for Renewable Energy has been extended for two (02) years i.e. up-to June 30, 2024. But currently no bank is providing this facility. It is claimed that this quota has been consumed.</p> <p>The Scheme facilitate installation of renewable energy-based solutions/ projects under net metering system introduced by National Electric Power Regulatory Authority (NEPRA).</p> | <p>Energy Saving Retrofitting be included in the State bank financing scheme for Renewable Energy having 6% interest rate and funds allocation may be increased due to high demand.</p> | <p>The Green Banking initiative of State Bank of Pakistan was designed to inculcate environmental considerations in banking products, services and operations.</p> <p>For this purpose, the scheme has been amended based on the feedback received from various stakeholders. This scheme provided concessionary financing for large renewable energy power projects as well as for small scale renewable energy solutions.</p> | <p>This financing scheme is one of the most successful and demanding financing scheme in both industrial and commercial consumers. This scheme should also be available for Energy saving Retrofitting (Replacing Conventional appliances with energy efficient appliances).</p> | <p>SMEDA's Consultative Session on Energy Sector</p> |
| 42. | <p>Existing tax structure on import of EE& RE measuring equipment reflects that 18% sales tax and 3% further tax on taxable supplies made to unregistered or non-active taxpayer</p> | <p>Lower the local taxes on Energy Efficiency & Renewable Energy measuring equipment's. (EE & RE)</p> | <p>Reduced taxes shall promote the monitoring of EE & RE practices in Pakistan.</p> | | <p>SMEDA's Consultative Session on Energy Sector</p> |

| | | | | | |
|-----|--|--|---|--|---|
| 43 | National Electric Power Regulatory Authority (NEPRA) in September 2015, issued its net-metering regulations that allow the DISCOs in Pakistan to purchase excess units of electricity produced by the consumers, and net them off against the units consumed from the grid. Renewable Energy is a long-term power solution. The Solar PV Technology gives access to affordable electricity supply during system life. Residential and commercial customers can switch their electricity load to Renewable Energy (RE) and can slash their power bills. | Net metering process may be made easy and digitalize to promote solar energy solution | Net metering is fully operational in Pakistan but the process is lengthy and not user friendly. Currently , process involves online submissions but concerned department still requires hard copies. To avoid delays and bad practices, it should be digitalized. | Adoption of net metering will increase. | SMEDA's Consultative Session on Energy Sector |
| 44. | Currently, limited/no financial support available to small scale solar projects. | There should be interest free financing schemes for small scale solar projects (Less than 5KW) | Utility bill is one of the main concerns for SME's due to increased utility rate. Mostly small businesses and residential consumers have load less than 5kW. So, there should be interest free loans or grants to install solar system solution between 2kW to 5kW. | SMEs will be able to adopt alternate energy solutions. | SMEDA's Consultative Session on Energy Sector |
| 45. | Recent issue of opening of LCs has negative impact of clearance of containers of solar | Stable policy should be defined for the clearance of containers of solar panels (Opening of LCs) | It is uncertainty among the vendors regarding clearance of solar equipment held up at the ports and inability to open Letters | Sustainable supply of solar panels shall be ensured. | SMEDA's Consultative Session on Energy Sector |

| | | | | | |
|---------------------------------------|--|---|---|---|--|
| | panels that resulted into market distortions. | | of Credit (LCs). Government should announce stable policy regarding this issue. | | |
| 46. | 25% investment income tax credit scheme under section 65G of the Income Tax Ordinance, 2001, is available for five year from setting up date for industrial undertakings engaged in manufacturing of plant, machinery, equipment and items with dedicated use (no multiple uses) for generation of renewable energy set up by the 30 th day of June, 2023 | It proposed that the end date for setting up industrial undertaking may be extended to 30th June 2025. | Certain projects are in completing phase which are experiencing delay due to present economic condition of the country, therefore , to make this scheme more effective setting up date for availing income tax credit may be extended. | Will attract more investment in Energy Efficiency and Renewable Energy Sector | SMEDA's Consultative Session on Energy Sector |
| Supporting Women Entrepreneurs | | | | | |
| 47. | Limited facilitation is available for women entrepreneurs. Business Registration, obtaining NTN, compliance with taxation processes, high tax rates, lack of knowledge regarding government procedures are key issues faced by WEs. | One Window /one-stop shops for women, including facilitation desks for WEs may be established at key business registering authorities and FBR to provide information and guidance to WEs. . Female tax officers may be disputed to help women entrepreneurs understand the tax system and simplify the process of filing returns. | Absence of one window operation for facilitation of women coming from low-income groups. More facilitation by regulatory authorities for women Entrepreneurs and especially for women who are coming from micro & cottage background will enable them to avail market opportunities. | Increased women entrepreneur percentage in provinces. | National SME Policy 2021 SMEDA Pre Budget Consultative session with Women Chambers of Commerce and Industry |
| 48. | Women participation in overall economic development becomes more critical in the | It is proposed to provide tax incentives including tax credits to | Women's participation in the labor force in Pakistan is declining. It dropped from 22.17% ³ in 2013- | Women Participation in overall economic activity | SMEDA Pre Budget Consultative session with Women |

³ Labour Force survey 2013-15

| | | | | | |
|-----|--|---|---|--|---|
| | <p>countries where women population contains around 50% of total population. Unfortunately, in Pakistan women are supposed to be the caretaker of household tasks rather to participate in decision making or income generating activities. Furthermore, women are usually reluctant to own property due to procedural issues, taxation and other complication</p> | <p>Corporations/ Enterprises promoting employment of female employees. Furthermore, rebates on stamp duty, annual property tax, and inheritance tax to encourage women entrepreneurs to own property.</p> | <p>14 to 21.35%⁴ in 2020-21 and is well below the rates for competing countries such as Malaysia (51.2%), Bangladesh (34.87%), Sri Lanka (30.9%)⁵. Compared to that, the labor force participation rate for men is 67.86%, indicating one of the highest gender gaps in the labor force participation rate.</p> | <p>as a professional worker will increase.</p> | <p>Chambers of Commerce and Industry</p> |
| 49. | <p>Women entrepreneurs have repeatedly highlighted complicated taxation system as a reason of business informality.</p> | <p>A simplified taxation regime in terms of tax rate and procedures be introduced to encourage women towards business registration and formalization. Incentives may be given to registered Women Owned businesses.</p> | <p>Over the recent past, there has been an increased growth of women owned business, however, most are home based and are unable to scale due to informality of business.</p> | <p>Business formalization/ registration will increase that will lead to documented economy and high revenue.</p> | <p>SMEDA Pre Budget Consultative session with Women Chambers of Commerce and Industry</p> |
| 50. | <p>Branding, marketing, compliances, standardization of products for trade require handholding for women in micro sector.</p> | <p>Support, in terms of matching grant or subsidy, may be provided to Women Entrepreneurs regarding branding, product standardization, quality certification to meet international market requirements.</p> | <p>Access of information, technical support and completion of documentation are the main hurdles that affects exports of women owned businesses.</p> | <p>Increase access to market and sustainable income</p> | <p>National SME Policy 2021</p> <p>SMEDA Pre Budget Consultative Session with Chambers & Associations</p> |

⁴ Labour Force Survey 2020-21

⁵ <https://genderdata.worldbank.org/indicators/sl-tlf-acti-zs/>

| | | | | | |
|-----|--|---|--|---|---|
| | | Furthermore, orientation regarding domestic and international trade processes and border compliance requirements may also be provided through the platform of TDAP. | | | |
| 51. | Currently, there are limited financial schemes available for Women Entrepreneurs. | <p>Financial schemes for women entrepreneurs may be introduced including relaxation in markup rates, loans on soft conditions related to collaterals and guarantees.</p> <p>Furthermore, special attention may be given to Women owned construction and hard-core manufacturing businesses. Lending schemes for WEs for purchase of machinery may also be introduced.</p> | In Pakistan, women participation in enterprise creation is low due to limited financial resources. There is a need to introduce special financial schemes for WEs. | Women Entrepreneurs will be able to get formal finance at lower interest rates. As a result, women participation in overall economic activity will increase. | <p>SMEDA Pre Budget Consultative session with Women Chambers of Commerce and Industry</p> <p>Women Chamber of Commerce and Industry, Hazara</p> |
| 52. | <p>In Pakistan, around 3% of economic establishments are owned by Women Entrepreneurs’.</p> <p>WEs operating in Khyber Pakhtunkhwa and Balochistan need infrastructural support to get connected with buyers directly.</p> | <p>Women Business Complex may be established in Khyber Pakhtunkhwa and Balochistan to provide infrastructural support to WEs operating the province.</p> <p>Furthermore, Emporiums may be established nationwide for women entrepreneurs to showcase their products.</p> | Facilitation will be provided to existing and potential Women Owned Businesses of Khyber Pakhtunkhwa and Balochistan. | It will facilitate Women’s participation in economic activity that will provide much need support to achieve targets of economic development and poverty alleviation. | <p>SMEDA Pre Budget Consultative session with Women Chambers of Commerce and Industry</p> <p>Women Chamber of Commerce and Industry, Hazara</p> |

| | | | | | |
|-----|--|--|---|---|--|
| 53. | Women Chambers of Commerce and Industry provides Research & development / capacity building support to member Women Entrepreneurs. However, they lacks funds to scale up capacity building initiative. | It is proposed that Research and Development and capacity building trainings funds be provided to Women Chambers to promote women entrepreneurship. | The participation of women entrepreneurs in overall entrepreneurial activity is hampered by many critical factors including lack of skill development and capacity building initiatives. In this regard, Chamber of Commerce and Industry may play an important role. | Skill development and capacity building opportunities will help women entrepreneurs to run their businesses successfully. | SMEDA Pre Budget Consultative session with Women Chambers of Commerce and Industry |
| 54. | Limited information regarding national and international market opportunities hamper WEs access to international market. | It is proposed that Digital Marketplace for women should be established to showcase the products produced by women and visible to national and international investors. | Digital technologies is enabling a new generation of women entrepreneurs around the world to make positive contributions to their families and communities. There is a need to support women entrepreneurs by providing access digital market place to showcase their products. | WE's access to international market will increase that will have positive impact on foreign exchange earnings. | SMEDA Pre Budget Consultative session with Women Chambers of Commerce and Industry |
| 55. | There is limited infrastructure support available to Women Entrepreneurs. Women Entrepreneurs have very limited presence in existing Economic Zones/ Industrial park. | It is proposed that Special Economic Zones maybe established at district level which should impart trainings and also be display and incubation centers for women. Furthermore, Economic Zones may provide plots to WEs ton concessional rates. | Lack of adequate infrastructure limits their ability to graduate from micro sized businesses to small and subsequently medium sized enterprises. There is a need to provide women entrepreneurs a infrastructural support in order to facilitate their investment decisions. | Participation of women entrepreneurs in non-traditional economic activity will increase. | SMEDA Pre Budget Consultative session with Women Chambers of Commerce and Industry |

56. Rationalization of Sales Tax Pakistan Poultry Association

| PCT Code | Description | proposed PCT Code | Existing Rate | Proposed Rate | Suggested Change through SRO or in Tariff | Brief Justification/ rational for change |
|---|---|--------------------|---------------|---------------|---|--|
| 2301.1000,2305.0000,2306.2000,2306.3000,2306.4100,2306.5000 2306.6000,2309.9000,2936.2100,2936.2200,2936.2300,2936.2400 2936.2500,2936.2600,2936.2700,2936.2800,2936.2900, and 2308. 9000(Gaur Meal), 2303.1000(Corn Gluton Feed/Meal),2303.1000 (Residues of starch manufacture & similar residues),3507.9000 (Enzymes-Other),2302.1000(Maize Bran),2302.2000(Rice Bran) 2302.4000(Other Cereals),2302.5000(Bran of leguminous Plants) 2306.7000(Oil cake & other solid residues of Maize (corn germ), 2306.4900(seasame cake) ,2306.9000(seasame meal/other meal) 2842.1000(Double or complex silicates, including aluminosilicates whether or not chemically defined),2301.2090 (Fish Meal),0505.9000(Poultry by product meal),and the following items only of feed Grade:2827.6000(Potassium Lodide), 2833.2990(Manganese Sulphate),2833.2940(Zinc Sulphate), 2817.4000(Zinc Oxide),2833.2500(copper Sulphate),2833.2910 | Ingredients of poultry feed, cattle feed, except soy bean meal of PCT heading 2304.0000 & oil cake of cotton seed falling under PCT heading 2306 . 1000 | Respective Heading | 18% | 5% | 8th Schedule, sales Tax Act,1990 | This reduce rate of sales tax was revoked in supplementary Budget January 2022 which has adversely affected poultry industry causing high increases in cost of production of poultry feed, eggs & chicken. |

| | | | | | | |
|---|---------------------|-------------|-----|-----|---|---|
| (Ferrous Sulphate),2915.5000(Propionic acid, its salts & esters), 2930.4000(DL/L methionine),2930.4000(Methionine Hydroxy Analogue),2922.4100(Lysine Monohydro Chloride/Sulphate), 2923.2000(Lecithins),2923.9010(Betaine),2922.4290(Arganine), 2934.9910(Furazolidin),2922.5000(Threonine),2835.2600(Mono Calcium Phosphate),2835.2500(Di calcium Phosphate), and 2835.2600(Mono Di Calcium Phosphate),2922.4900(L-Isoleucine), 2933.9990(L-Tryptophan),2922.4900(L-Valine) | | | | | | |
| 2304 . 0000 | Soybean Meal | 2304 . 0000 | 18% | 10% | 8th Schedule, Sales Tax Act, 1990 | This reduce rate of sales tax was revoked in Budget 2021-22 which has adversely affected the poultry industry causing high increases in prices of Poultry feed & chicken as Soybean meal is major ingredient of poultry feed |
| 1201 . 1000 | Soybean Seed | 1201 .1000 | 18% | 10% | 8th schedule, Sales Tax Act ,1990 | This reduces rate of sales tax was revoked in Budget 2021- 2022 which has adversely affected the poultry industry causing high increases in cost of production of poultry feed and chicken as soybean seed is used to make soybean meal used as major ingredient of poultry feed. Also, soybean seed is not produced locally hence, no import is necessary. |
| 0105 . 1100 | Grand parent chicks | 0105 . 1100 | 18% | 0% | Table -1 ,6th schedule ,sales Tax Act, 1990 | Grandparent stock (day old chick)is the basic seed(raw material)for entire poultry production. Grand Parent stock is not produced locally that is why poultry sector in Pakistan has to import it totally from abroad to meet the |

| | | | | | | |
|---|--|--|-----|----|---|---|
| 2309 . 9000 | Preparation of a kind used in animal feeding | 2309 . 9000 | 18% | 0% | Table -1 ,6th schedule ,sales Tax Act, 1990 | local requirement. This exemption of sales tax was revoked in supplementary Budget January 2022 which has adversely affected the poultry industry causing high increases in prices of parent stocks and broiler /layer chicks. The exemption of sales tax was revoked (s.no 141, Table 1,6th schedule)in supplementary Budget January 2022 which has adversely affected the poultry industry causing high increase in cost of production of poultry. |
| 8436 . 1000 8436.2100 & 8436 . 2900 | Following machinery for poultry sector | 8436 . 1000 8436.2100 8436 . 2900 | 18% | 7% | 8th schedule, Sales Tax Act ,1990 | The reduce sales tax was revoked in supplementary Budget January 2022 which has adversely affected the poultry industry causing high increases in capital investment as poultry control sheds, feed mills and Hatcheries heavily rely on machinery for effective production of chicken. |
| Respective Heading 9406.1020 & 9406 . 9020 8479 . 6000 8478 . 9010 8479 . 8990 8438 . 5000 | <ul style="list-style-type: none"> • Machinery for preparing feeding staff • Incubators, brooders and other poultry equipment • Insulated sandwich panels • Poultry sheds • Evaporative air cooling system • Grain storage silos | 9406.1020 9406 . 9020 8479 . 6000 8478 . 9010 8479 . 8990 8438 . 5000 | | | | |

- Evaporative air cooling pad
- Poultry meat Processing machinery

57. Rationalization of Custom Duty (Pakistan Poultry Association): Custom duty may be rationalized on the given products:

| Description | proposed PCT Code | Existing Rate | Proposed Rate | Suggested to be Changed through SRO or in Tariff | Brief Justification/rational for change |
|--|---|---------------|---------------|--|---|
| Growth promotor premix vitamin premix Mineral premix Vitamin B12(feed grade) Choline Chloride Vitamin H2 (Feed grade) Poultry Feed Preparation (Coccidiostats) | 2309 . 9000 | 10% | 5% | S. No 20,21,22,23 ,25,26,&28,Part III 5th schedule, Customs Act ,1969 (IV of 1969) | This premixes for poultry are at reduce rate of CD at 5% for feed manufacturers at S.No 30 ,Part III of 5th schedule whereas same premixes are chargeable at CD 10% for poultry farmers & importers of poultry sector , against S.No 20,21,22,23,25,26 & 28, part III ,5th schedule. Since there is no other use of these premixes other than poultry sector. It is proposed that rate may be rationalized to 5% for both as manufacturer and poultry farmer/importers. |
| Medicaments for poultry Sector | 3004 .1090 3004 . 2000 3004 . 3900 3004 . 4900 3004 . 5090 3004 . 9099 | 3% | 3% | S.No.30A, Part III, 5th schedule, Customs Act 1969, (IV of 1969) | This concessionary rate of custom was provided for medicaments for poultry sector in Budget 2021-22 but the correct PCT code was not mentioned against this serial in 5th schedule. Therefore, the correct PCT Code may please be mentioned against this serial. |

58. Rationalization of Custom Duty : (Sialkot Chamber of Commerce and Industry) Custom duty may be rationalized on the given products:

| S. No. | PCT Code | Description | Existing Duty Rate | Proposed Duty Rate | Quantify benefit consumer / industry |
|--------|----------|-------------|--------------------|--------------------|--------------------------------------|
|--------|----------|-------------|--------------------|--------------------|--------------------------------------|

| | | | 2022-23 | | |
|----|-----------|---|----------------|----|--|
| 1 | '27101999 | Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, n.e.s: other: other | 20 | 16 | Increased competitiveness by 5 % (531.92 Thousand USD) based on the Imported value for FY21 |
| 2 | '27129090 | Paraffin wax, microcrystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured (excluding petroleum jelly and paraffin wax containing < 0,75% by weight of oil): other | 16 | 11 | Increased competitiveness by 5.95 % (158.8 Thousand USD) based on the Imported value for FY21 |
| 3 | '28272000 | Calcium chloride | 3 | 0 | Increased competitiveness by 3.09 % (32.58 Thousand USD) based on the Imported value for FY21 |
| 4 | '28470000 | Hydrogen peroxide, whether or not solidified with urea | 11 | 6 | Increased competitiveness by 5.62 % (234.3 Thousand USD) based on the Imported value for FY21 |
| 5 | '29141100 | Acetone | 16 | 11 | Increased competitiveness by 5.95 % (67.45 Thousand USD) based on the Imported value for FY21 |
| 6 | '29151100 | Formic acid | 16 | 11 | Increased competitiveness by 5.95 % (295.1 Thousand USD) based on the Imported value for FY21 |
| 7 | '29153300 | N-butyl acetate | 20 | 16 | Increased competitiveness by 5 % (0.08 Thousand USD) based on the Imported value for FY21 |
| 8 | '32021000 | Synthetic organic tanning substances | 3 | 0 | Increased competitiveness by 3.09 % (472.8 Thousand USD) based on the Imported value for FY21 |
| 9 | '32029010 | Inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning: tanning substances, tanning preparations based on chromium sulphate | 16 | 11 | Increased competitiveness by 5.95 % (375.7 Thousand USD) based on the Imported value for FY21 |
| 10 | '32029090 | Inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning: other | 11 | 6 | Increased competitiveness by 5.62 % (100.85 Thousand USD) based on the Imported value for FY21 |
| 11 | '32041200 | Synthetic organic acid dyes, whether or not metallised, and synthetic organic mordant dyes; preparations based on synthetic organic acid or mordant dyes of a kind used to dye fabrics or produce colorant preparations (excluding preparations of heading 3207, 3208, 3209, 3210, 3213 and 3215) | 16 | 11 | Increased competitiveness by 5.95 % (867.8 Thousand USD) based on the Imported value for FY21 |
| 12 | '32041400 | Direct synthetic organic dyes; preparations based on direct synthetic organic dyes of a kind used to dye fabrics or produce colorant preparations (excluding preparations of heading 3207, 3208, 3209, 3210, 3213 and 3215) | 16 | 11 | Increased competitiveness by 5.95 % (258.95 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|----|-----------|---|----|----|---|
| 13 | '32041510 | Synthetic organic vat dyes, incl. those usable in that state as pigments; preparations based on synthetic organic vat dyes of a kind used to dye fabrics or produce colorant preparations (excluding preparations of heading 3207, 3208, 3209, 3210, 3213 and 3215): indigo blue | 3 | 0 | Increased competitiveness by 3.09 % (1375.83 Thousand USD) based on the Imported value for FY21 |
| 14 | '32041590 | Synthetic organic vat dyes, incl. those usable in that state as pigments; preparations based on synthetic organic vat dyes of a kind used to dye fabrics or produce colorant preparations (excluding preparations of heading 3207, 3208, 3209, 3210, 3213 and 3215): other | 16 | 11 | Increased competitiveness by 5.95 % (325.15 Thousand USD) based on the Imported value for FY21 |
| 15 | '32041600 | Synthetic organic reactive dyes; preparations based on synthetic organic reactive dyes of a kind used to dye fabrics or produce colorant preparations (excluding preparations of heading 3207, 3208, 3209, 3210, 3213 and 3215) | 16 | 11 | Increased competitiveness by 5.95 % (5047.8 Thousand USD) based on the Imported value for FY21 |
| 16 | '32041910 | Synthetic organic colouring matter (excluding disperse dyes, acid dyes, mordant dyes, basic dyes, direct dyes, vat dyes and reactive dyes and organic pigments); preparations of the kind used for colouring any materials or for the production of prepared colours, based thereon (excluding preparations in heading 3207, 3208, 3209, 3210, 3212, 3213 and 3215); mixtures of colouring matter in subheading 3204.11 to 3204.19: dyes, sulphur | 11 | 6 | Increased competitiveness by 5.62 % (947.25 Thousand USD) based on the Imported value for FY21 |
| 17 | '32041990 | Synthetic organic colouring matter (excluding disperse dyes, acid dyes, mordant dyes, basic dyes, direct dyes, vat dyes and reactive dyes and organic pigments); preparations of the kind used for colouring any materials or for the production of prepared colours, based thereon (excluding preparations in heading 3207, 3208, 3209, 3210, 3212, 3213 and 3215); mixtures of colouring matter in subheading 3204.11 to 3204.19: dyes, synthetic | 11 | 6 | Increased competitiveness by 5.62 % (192.8 Thousand USD) based on the Imported value for FY21 |
| 18 | '32042000 | Synthetic organic products of a kind used as fluorescent brightening agents, whether or not chemically defined | 20 | 16 | Increased competitiveness by 5 % (305.76 Thousand USD) based on the Imported value for FY21 |
| 19 | '32049000 | Synthetic organic products of a kind used as luminophores, whether or not chemically defined | 16 | 11 | Increased competitiveness by 5.95 % (38.3 Thousand USD) based on the Imported value for FY21 |
| 20 | '32062090 | Pigments and preparations of a kind used for colouring any material or used as ingredients in the manufacture of colouring preparations based on chromium compounds (excluding preparations of headings 3207, 3208, 3209, 3210, 3212, 3213 and 3215): other | 16 | 11 | Increased competitiveness by 5.95 % (42.85 Thousand USD) based on the Imported value for FY21 |
| 21 | '32081090 | Paints and varnishes, incl. enamels and lacquers, based on polyesters, dispersed or dissolved in a non-aqueous medium; solutions based on polyesters in volatile organic solvents, containing > 50% solvent by weight: other | 20 | 16 | Increased competitiveness by 5 % (154.6 Thousand USD) based on the Imported value for FY21 |
| 22 | '32082090 | Paints and varnishes, incl. enamels and lacquers, based on acrylic or vinyl polymers, dispersed or dissolved in a non-aqueous medium; solutions based on acrylic or vinyl polymers in volatile organic solvents, containing > 50% solvent by weight: other | 20 | 16 | Increased competitiveness by 5 % (252.6 Thousand USD) based on the Imported value for FY21 |
| 23 | '32089019 | Paints and varnishes based, incl. enamels and lacquers, on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium, and solutions of products of headings 3901 to 3913 in volatile organic solvents, | 11 | 6 | Increased competitiveness by 5.62 % (92.95 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|----|-----------|--|----|----|--|
| | | containing > 50% solvent by weight (excluding those based on polyesters and acrylic or vinyl polymers and solutions of collodion): based on polyamides: other | | | |
| 24 | '32089090 | Paints and varnishes based, incl. enamels and lacquers, on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium, and solutions of products of headings 3901 to 3913 in volatile organic solvents, containing > 50% solvent by weight (excluding those based on polyesters and acrylic or vinyl polymers and solutions of collodion): other | 20 | 16 | Increased competitiveness by 5 % (660.88 Thousand USD) based on the Imported value for FY21 |
| 25 | '32121000 | Stamping foils of a kind used in the printing of book bindings or hatband leather | 16 | 11 | Increased competitiveness by 5.95 % (207.8 Thousand USD) based on the Imported value for FY21 |
| 26 | '32141010 | Glaziers' putty, grafting putty, resin cements, caulking compounds and other mastics; painters' fillings: glaziers putty (mastic based on oil) | 20 | 16 | Increased competitiveness by 5 % (23.6 Thousand USD) based on the Imported value for FY21 |
| 27 | '32141020 | Glaziers' putty, grafting putty, resin cements, caulking compounds and other mastics; painters' fillings: grafting putty (mastic based on wax) | 20 | 16 | Increased competitiveness by 5 % (0.12 Thousand USD) based on the Imported value for FY21 |
| 28 | '32149090 | Non-refractory surfacing preparations for facades, inside walls, floors, ceilings and the like: other | 20 | 16 | Increased competitiveness by 5 % (229.36 Thousand USD) based on the Imported value for FY21 |
| 29 | '32151190 | Black printing ink, whether or not concentrated or solid: other | 20 | 16 | Increased competitiveness by 5 % (159.16 Thousand USD) based on the Imported value for FY21 |
| 30 | '32151990 | Printing ink, whether or not concentrated or solid (excluding black ink): other | 20 | 16 | Increased competitiveness by 5 % (1426.16 Thousand USD) based on the Imported value for FY21 |
| 31 | '34029000 | Surface-active preparations, washing preparations, incl. auxiliary washing preparations and cleaning preparations (excluding those put up for retail sale, organic surface-active agents, soap and organic surface-active preparations in the form of bars, cakes, moulded pieces or shapes, and products and preparations for washing the skin in the form of liquid or cream) | 20 | 16 | Increased competitiveness by 5 % (315.08 Thousand USD) based on the Imported value for FY21 |
| 32 | '34031110 | Textile lubricant preparations and preparations of a kind used for the oil or grease treatment of leather, furskins or other material containing petroleum oil or bituminous mineral oil (excluding preparations containing, as basic constituents, >= 70% petroleum oil or bituminous mineral oil by weight): of a kind used in the leather or like industries | 16 | 11 | Increased competitiveness by 5.95 % (90.8 Thousand USD) based on the Imported value for FY21 |
| 33 | '34031910 | Lubricant preparations, incl. cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould-release preparations, based on lubricants and containing petroleum oil or bituminous mineral oil (excluding preparations containing, as basic constituents, >= 70% of petroleum oil or bituminous mineral oil by weight and preparations for treating textiles, leather, furskins and other materials): greases | 16 | 11 | Increased competitiveness by 5.95 % (112.35 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|----|-----------|--|----|----|---|
| 34 | '34039110 | Textile lubricant preparations and preparations of a kind used for the oil or grease treatment of leather, furskins or other material not containing petroleum oil or bituminous mineral oil: of a kind used in the leather or like industries including fat liquors | 20 | 16 | Increased competitiveness by 5 % (718.84 Thousand USD) based on the Imported value for FY21 |
| 35 | '34039990 | Lubricant preparations, incl. cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould-release preparations, based on lubricants but not containing petroleum oil or bituminous mineral oil (excluding preparations for the treatment of textiles, leather, furskins and other materials): other | 20 | 16 | Increased competitiveness by 5 % (334.2 Thousand USD) based on the Imported value for FY21 |
| 36 | '34049090 | Artificial waxes and prepared waxes (excluding poly"oxyethylene" [polyethylene glycol] waxes): other | 11 | 6 | Increased competitiveness by 5.62 % (512.9 Thousand USD) based on the Imported value for FY21 |
| 37 | '34059000 | Glass or metal polishes, whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations | 20 | 16 | Increased competitiveness by 5 % (79 Thousand USD) based on the Imported value for FY21 |
| 38 | '35052090 | Glues based on starches, dextrans or other modified starches (excluding those put up for retail sale and weighing net <= 1 kg): other | 20 | 16 | Increased competitiveness by 5 % (33.64 Thousand USD) based on the Imported value for FY21 |
| 39 | '35061000 | Products suitable for use as glues or adhesives put up for retail sale as glues or adhesives, with a net weight of <= 1 kg | 20 | 16 | Increased competitiveness by 5 % (140.68 Thousand USD) based on the Imported value for FY21 |
| 40 | '35069110 | Adhesives based on polymers of heading 3901 to 3913 or on rubber (excluding products suitable for use as glues or adhesives put up for retail sale as glues or adhesives, with a net weight of <= 1 kg): shoe adhesives | 11 | 6 | Increased competitiveness by 5.62 % (225.65 Thousand USD) based on the Imported value for FY21 |
| 41 | '35069190 | Adhesives based on polymers of heading 3901 to 3913 or on rubber (excluding products suitable for use as glues or adhesives put up for retail sale as glues or adhesives, with a net weight of <= 1 kg): other | 16 | 11 | Increased competitiveness by 5.95 % (1251.05 Thousand USD) based on the Imported value for FY21 |
| 42 | '35069990 | Glues, prepared, and other prepared adhesives, n.e.s: other | 20 | 16 | Increased competitiveness by 5 % (195.16 Thousand USD) based on the Imported value for FY21 |
| 43 | '38099300 | Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs, and other products and preparations, e.g. dressings and mordants of a kind used in the leather or similar industries, n.e.s. (excluding those with a basis of amylaceous substances) | 16 | 11 | Increased competitiveness by 5.95 % (401.9 Thousand USD) based on the Imported value for FY21 |
| 44 | '38140000 | Organic composite solvents and thinners, n.e.s.; prepared paint or varnish removers (excluding nail varnish remover) | 16 | 11 | Increased competitiveness by 5.95 % (296.45 Thousand USD) based on the Imported value for FY21 |
| 45 | '38249993 | Chemical products and preparations of the chemical or allied industries, incl. those consisting of mixtures of natural products, n.e.s: other: coated or treated calcium carbonate | 3 | 0 | Increased competitiveness by 3.09 % (88.26 Thousand USD) based on the Imported value for FY21 |
| 46 | '38249999 | Chemical products and preparations of the chemical or allied industries, incl. those consisting of mixtures of natural products, n.e.s: other: other | 3 | 0 | Increased competitiveness by 3.09 % (3023.31 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|----|-----------|--|----|----|---|
| 47 | '39041010 | Poly"vinyl chloride", in primary forms, not mixed with any other substances: emulsion grade | 11 | 6 | Increased competitiveness by 5.62 % (1811.25 Thousand USD) based on the Imported value for FY21 |
| 48 | '39042200 | Plasticised poly"vinyl chloride", in primary forms, mixed with other substances | 20 | 16 | Increased competitiveness by 5 % (310.36 Thousand USD) based on the Imported value for FY21 |
| 49 | '39069090 | Acrylic polymers, in primary forms (excluding poly"methyl methacrylate"): other | 11 | 6 | Increased competitiveness by 5.62 % (4328.45 Thousand USD) based on the Imported value for FY21 |
| 50 | '39073000 | Epoxide resins, in primary forms | 11 | 6 | Increased competitiveness by 5.62 % (676.25 Thousand USD) based on the Imported value for FY21 |
| 51 | '39119000 | Polysulphides, polysulphones and other polymers and prepolymers produced by chemical synthesis, n.e.s., in primary forms | 20 | 16 | Increased competitiveness by 5 % (125.2 Thousand USD) based on the Imported value for FY21 |
| 52 | '39161000 | Monofilament of which any cross-sectional dimension > 1 mm, rods, sticks and profile shapes, of polymers of ethylene, whether or not surface-worked but not further worked | 20 | 16 | Increased competitiveness by 5 % (6.92 Thousand USD) based on the Imported value for FY21 |
| 53 | '39172390 | Rigid tubes, pipes and hoses, of polymers of vinyl chloride: other | 20 | 16 | Increased competitiveness by 5 % (126.84 Thousand USD) based on the Imported value for FY21 |
| 54 | '39172900 | Rigid tubes, pipes and hoses, of plastics (excluding those of polymers of ethylene, propylene and vinyl chloride) | 20 | 16 | Increased competitiveness by 5 % (64.16 Thousand USD) based on the Imported value for FY21 |
| 55 | '39173910 | Flexible tubes, pipes and hoses, of plastics, reinforced or otherwise combined with other materials (excluding those with a burst pressure of >= 27,6 mpa): heat shrinkable sleeves and tubes | 3 | 0 | Increased competitiveness by 3.09 % (69.15 Thousand USD) based on the Imported value for FY21 |
| 56 | '39191090 | Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, in rolls <= 20 cm wide: other | 20 | 16 | Increased competitiveness by 5 % (450.92 Thousand USD) based on the Imported value for FY21 |
| 57 | '39199010 | Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls > 20 cm wide (excluding floor, wall and ceiling coverings of heading 3918): oriented polypropylene (opp) packing tapes | 20 | 16 | Increased competitiveness by 5 % (53.16 Thousand USD) based on the Imported value for FY21 |
| 58 | '39199090 | Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls > 20 cm wide (excluding floor, wall and ceiling coverings of heading 3918): other | 20 | 16 | Increased competitiveness by 5 % (2154.72 Thousand USD) based on the Imported value for FY21 |
| 59 | '39206200 | Plates, sheets, film, foil and strip, of non-cellular poly"ethylene terephthalate", not reinforced, laminated, supported or similarly combined with other materials, without backing, unworked or merely surface-worked or merely cut into squares or rectangles (excluding those of poly"methyl methacrylate", self-adhesive products, and floor, wall and ceiling coverings of heading 3918) | 16 | 11 | Increased competitiveness by 5.95 % (325.7 Thousand USD) based on the Imported value for FY21 |
| 60 | '39209900 | Plates, sheets, film, foil and strip, of non-cellular plastics, n.e.s., not reinforced, laminated, supported or similarly combined with other materials, without backing, unworked or | 20 | 16 | Increased competitiveness by 5 % (387.8 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|----|-----------|--|----|----|--|
| | | merely surface-worked or merely cut into squares or rectangles (excluding self-adhesive products, floor, wall and ceiling coverings of heading 3918 and sterile surgical or dental adhesion barriers of subheading 3006.10.30) | | | |
| 61 | '39211100 | Plates, sheets, film, foil and strip, of cellular polymers of styrene, unworked or merely surface-worked or merely cut into squares or rectangles (excluding self-adhesive products, floor, wall and ceiling coverings of heading 3918 and sterile surgical or dental adhesion barriers of subheading 3006.10.30) | 20 | 16 | Increased competitiveness by 5 % (5.56 Thousand USD) based on the Imported value for FY21 |
| 62 | '39211300 | Plates, sheets, film, foil and strip, of cellular polyurethanes, unworked or merely surface-worked or merely cut into squares or rectangles (excluding self-adhesive products, floor, wall and ceiling coverings of heading 3918 and sterile surgical or dental adhesion barriers of subheading 3006.10.30) | 16 | 11 | Increased competitiveness by 5.95 % (265.25 Thousand USD) based on the Imported value for FY21 |
| 63 | '39211900 | Plates, sheets, film, foil and strip, of cellular plastic, unworked or merely surface-worked or merely cut into squares or rectangles (excluding those of polymers of styrene, vinyl chloride, polyurethanes and regenerated cellulose, self-adhesive products, floor, wall and ceiling coverings of heading 3918 and sterile surgical or dental adhesion barriers of subheading 3006.10.30) | 20 | 16 | Increased competitiveness by 5 % (104.8 Thousand USD) based on the Imported value for FY21 |
| 64 | '39219090 | Plates, sheets, film, foil and strip, of plastics, reinforced, laminated, supported or similarly combined with other materials, unworked or merely surface-worked or merely cut into squares or rectangles (excluding of cellular plastic; self-adhesive products, floor, wall and ceiling coverings of heading 3918): other | 20 | 16 | Increased competitiveness by 5 % (673.76 Thousand USD) based on the Imported value for FY21 |
| 65 | '39232900 | Sacks and bags, incl. cones, of plastics (excluding those of polymers of ethylene) | 20 | 16 | Increased competitiveness by 5 % (208.04 Thousand USD) based on the Imported value for FY21 |
| 66 | '39239090 | Articles for the conveyance or packaging of goods, of plastics (excluding boxes, cases, crates and similar articles; sacks and bags, incl. cones; carboys, bottles, flasks and similar articles; spools, spindles, bobbins and similar supports; stoppers, lids, caps and other closures): other | 20 | 16 | Increased competitiveness by 5 % (108.56 Thousand USD) based on the Imported value for FY21 |
| 67 | '39249000 | Household articles and toilet articles, of plastics (excluding tableware, kitchenware, baths, shower-baths, washbasins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware) | 20 | 16 | Increased competitiveness by 5 % (78.04 Thousand USD) based on the Imported value for FY21 |
| 68 | '39262090 | Articles of apparel and clothing accessories produced by the stitching or sticking together of plastic sheeting, incl. gloves, mittens and mitts (excluding goods of 9619): other | 20 | 16 | Increased competitiveness by 5 % (38.48 Thousand USD) based on the Imported value for FY21 |
| 69 | '39269099 | Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s (excluding goods of 9619): other: other | 20 | 16 | Increased competitiveness by 5 % (1936.28 Thousand USD) based on the Imported value for FY21 |
| 70 | '40051090 | Rubber, unvulcanised, compounded with carbon black or silica, in primary forms or in plates, sheets or strip: other | 3 | 0 | Increased competitiveness by 3.09 % (131.07 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|----|-----------|--|----|----|--|
| 71 | '40081190 | Plates, sheets and strip of cellular rubber: other | 16 | 11 | Increased competitiveness by 5.95 % (26.3 Thousand USD) based on the Imported value for FY21 |
| 72 | '40081990 | Rods and profile shapes, of cellular rubber: other | 16 | 11 | Increased competitiveness by 5.95 % (5.55 Thousand USD) based on the Imported value for FY21 |
| 73 | '40082990 | Rods, tubes and profile shapes, of non-cellular rubber: other | 20 | 16 | Increased competitiveness by 5 % (9.72 Thousand USD) based on the Imported value for FY21 |
| 74 | '40151900 | Gloves, mittens and mitts, of vulcanised rubber (excluding surgical gloves) | 20 | 16 | Increased competitiveness by 5 % (1315.76 Thousand USD) based on the Imported value for FY21 |
| 75 | '40159000 | Articles of apparel and clothing accessories, for all purposes, of vulcanised rubber (excluding hard rubber and footwear and headgear and parts thereof, and gloves, mittens and mitts) | 20 | 16 | Increased competitiveness by 5 % (114.04 Thousand USD) based on the Imported value for FY21 |
| 76 | '40161090 | Articles of cellular rubber, n.e.s: other | 20 | 16 | Increased competitiveness by 5 % (118.48 Thousand USD) based on the Imported value for FY21 |
| 77 | '48099000 | Transfer papers, incl. coated or impregnated paper for duplicator stencils or offset plates, whether or not printed, in rolls of a width > 36 cm or in square or rectangular sheets with one side > 36 cm and the other side > 15 cm in the unfolded state (excluding self-copy paper) | 16 | 11 | Increased competitiveness by 5.95 % (364.25 Thousand USD) based on the Imported value for FY21 |
| 78 | '48101390 | Paper and paperboard used for writing, printing or other graphic purposes, not containing fibres obtained by a mechanical or chemi-mechanical process or of which <= 10% by weight of the total fibre content consists of such fibres, coated on one or both sides with kaolin or other inorganic substances, in rolls of any size: other | 20 | 16 | Increased competitiveness by 5 % (87.28 Thousand USD) based on the Imported value for FY21 |
| 79 | '48109900 | Paper and paperboard, coated on one or both sides with kaolin "china clay" or other inorganic substances, with or without a binder, and with no other coating, whether or not surface-coloured, surface-decorated or printed, in rolls or in square or rectangular sheets, of any size (excluding that for writing, printing or other graphic purposes, kraft paper and paperboard, multi-ply paper and paperboard, and with no other coating) | 20 | 16 | Increased competitiveness by 5 % (161.92 Thousand USD) based on the Imported value for FY21 |
| 80 | '48114900 | Gummed or adhesive paper and paperboard, surface-coloured, surface-decorated or printed, in rolls or in square or rectangular sheets, of any size (excluding self-adhesive and goods of heading 4810) | 20 | 16 | Increased competitiveness by 5 % (36.08 Thousand USD) based on the Imported value for FY21 |
| 81 | '48115990 | Paper and paperboard, surface-coloured, surface-decorated or printed, coated, impregnated or covered with artificial resins or plastics, in rolls or in square or rectangular sheets, of any size (excluding bleached and weighing > 150 g/m ² , and adhesives): other | 20 | 16 | Increased competitiveness by 5 % (1200.28 Thousand USD) based on the Imported value for FY21 |
| 82 | '48191000 | Cartons, boxes and cases, of corrugated paper or paperboard | 16 | 11 | Increased competitiveness by 5.95 % (430.85 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|----|-----------|--|----|----|---|
| 83 | '48211090 | Paper or paperboard labels of all kinds, printed: other | 20 | 16 | Increased competitiveness by 5 % (83.72 Thousand USD) based on the Imported value for FY21 |
| 84 | '48219000 | Paper or paperboard labels of all kinds, non-printed | 16 | 11 | Increased competitiveness by 5.95 % (55.25 Thousand USD) based on the Imported value for FY21 |
| 85 | '49089000 | Transfers "decalcomanias" (excluding vitrifiable) | 20 | 16 | Increased competitiveness by 5 % (25.2 Thousand USD) based on the Imported value for FY21 |
| 86 | '52041900 | Sewing thread, containing predominantly, but < 85% cotton by weight (excluding that put up for retail sale) | 16 | 11 | Increased competitiveness by 5.95 % (2.7 Thousand USD) based on the Imported value for FY21 |
| 87 | '52081100 | Plain woven fabrics of cotton, containing \geq 85% cotton by weight and weighing \leq 100 g/m ² , unbleached | 11 | 6 | Increased competitiveness by 5.62 % (2.4 Thousand USD) based on the Imported value for FY21 |
| 88 | '52084900 | Woven fabrics of cotton, containing \geq 85% cotton by weight and weighing \leq 200 g/m ² , made from yarn of different colours (excluding those in three-thread or four-thread twill, incl. cross twill, and plain woven fabrics) | 11 | 6 | Increased competitiveness by 5.62 % (12.7 Thousand USD) based on the Imported value for FY21 |
| 89 | '52093200 | Woven fabrics of cotton, containing \geq 85% cotton by weight and weighing > 200 g/m ² , in three-thread or four-thread twill, incl. cross twill, dyed | 11 | 6 | Increased competitiveness by 5.62 % (21.8 Thousand USD) based on the Imported value for FY21 |
| 90 | '52115900 | Woven fabrics of cotton, containing predominantly, but < 85% cotton by weight, mixed principally or solely with man-made fibres and weighing > 200 g/m ² , printed (excluding those in three-thread or four-thread twill, incl. cross twill, and plain woven fabrics) | 11 | 6 | Increased competitiveness by 5.62 % (32.9 Thousand USD) based on the Imported value for FY21 |
| 91 | '52122300 | Woven fabrics of cotton, containing predominantly, but < 85% cotton by weight, other than those mixed principally or solely with man-made fibres, weighing > 200 g/m ² , dyed | 16 | 11 | Increased competitiveness by 5.95 % (4.35 Thousand USD) based on the Imported value for FY21 |
| 92 | '54023300 | Textured filament yarn of polyester (excluding that put up for retail sale) | 11 | 6 | Increased competitiveness by 5.62 % (12787.6 Thousand USD) based on the Imported value for FY21 |
| 93 | '54072000 | Woven fabrics of strip or the like, of synthetic filament, incl. monofilament of \geq 67 decitex and with a cross sectional dimension of \leq 1 mm | 11 | 6 | Increased competitiveness by 5.62 % (181.05 Thousand USD) based on the Imported value for FY21 |
| 94 | '54074200 | Woven fabrics of filament yarn containing \geq 85% nylon or other polyamides by weight, incl. monofilament of \geq 67 decitex and a maximum diameter of \leq 1 mm, dyed | 16 | 11 | Increased competitiveness by 5.95 % (327.1 Thousand USD) based on the Imported value for FY21 |
| 95 | '54074400 | Woven fabrics of yarn containing \geq 85% by weight of filaments of nylon or other polyamides by weight, incl. monofilament of \geq 67 decitex and a maximum diameter of \leq 1 mm, printed | 16 | 11 | Increased competitiveness by 5.95 % (1.65 Thousand USD) based on the Imported value for FY21 |
| 96 | '54075100 | Woven fabrics of yarn containing \geq 85% by weight of textured polyester filaments, incl. monofilament of \geq 67 decitex and a maximum diameter of \leq 1 mm, unbleached or bleached | 11 | 6 | Increased competitiveness by 5.62 % (213.15 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|-----|-----------|--|----|----|--|
| 97 | '54075200 | Woven fabrics of yarn containing $\geq 85\%$ by weight of textured polyester filaments, incl. monofilament of ≥ 67 decitex and a maximum diameter of ≤ 1 mm, dyed | 16 | 11 | Increased competitiveness by 5.95 % (717.25 Thousand USD) based on the Imported value for FY21 |
| 98 | '54075400 | Woven fabrics of yarn containing $\geq 85\%$ by weight of textured polyester filaments, incl. monofilament of ≥ 67 decitex and a maximum diameter of ≤ 1 mm, printed | 16 | 11 | Increased competitiveness by 5.95 % (224 Thousand USD) based on the Imported value for FY21 |
| 99 | '54076100 | Woven fabrics of yarn containing $\geq 85\%$ by weight of non-textured polyester filaments, incl. monofilament of ≥ 67 decitex and a maximum diameter of ≤ 1 mm | 16 | 11 | Increased competitiveness by 5.95 % (306 Thousand USD) based on the Imported value for FY21 |
| 100 | '54076900 | Woven fabrics of yarn containing $\geq 85\%$ by weight of mixtures of textured and non-textured polyester filaments, incl. monofilament of ≥ 67 decitex and a maximum diameter of ≤ 1 mm | 16 | 11 | Increased competitiveness by 5.95 % (46.2 Thousand USD) based on the Imported value for FY21 |
| 101 | '54077200 | Woven fabrics of yarn containing $\geq 85\%$ synthetic filament by weight, incl. monofilament of ≥ 67 decitex and a maximum diameter of ≤ 1 mm, dyed (excluding those of polyester, nylon or other polyamide filaments or monofilaments, and of mixtures of textured and non-textured polyester filaments) | 16 | 11 | Increased competitiveness by 5.95 % (39.25 Thousand USD) based on the Imported value for FY21 |
| 102 | '55081000 | Sewing thread of synthetic staple fibres, whether or not put up for retail sale | 11 | 6 | Increased competitiveness by 5.62 % (52.2 Thousand USD) based on the Imported value for FY21 |
| 103 | '55095900 | Yarn containing predominantly, but $< 85\%$ polyester staple fibres by weight, other than that mixed principally or solely with cotton, wool, fine animal hair or artificial staple fibres (excluding sewing thread and yarn put up for retail sale) | 11 | 6 | Increased competitiveness by 5.62 % (282.15 Thousand USD) based on the Imported value for FY21 |
| 104 | '55142200 | Woven fabrics containing predominantly, but $< 85\%$ polyester staple fibres by weight, mixed principally or solely with cotton and weighing > 170 g/m ² , in three-thread or four-thread twill, incl. cross twill, dyed | 16 | 11 | Increased competitiveness by 5.95 % (12.55 Thousand USD) based on the Imported value for FY21 |
| 105 | '55151190 | Woven fabrics containing predominantly, but $< 85\%$ polyester staple fibres by weight, mixed principally or solely with viscose staple fibres: other | 16 | 11 | Increased competitiveness by 5.95 % (93.3 Thousand USD) based on the Imported value for FY21 |
| 106 | '56031100 | Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s., of synthetic or man-made filaments, weighing ≤ 25 g/m ² | 11 | 6 | Increased competitiveness by 5.62 % (1297.6 Thousand USD) based on the Imported value for FY21 |
| 107 | '56031300 | Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s., of man-made filaments, weighing > 70 g/m ² but ≤ 150 g/m ² | 11 | 6 | Increased competitiveness by 5.62 % (288.7 Thousand USD) based on the Imported value for FY21 |
| 108 | '56039200 | Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s., weighing > 25 g/m ² but ≤ 70 g/m ² (excluding of man-made filaments) | 11 | 6 | Increased competitiveness by 5.62 % (526.8 Thousand USD) based on the Imported value for FY21 |
| 109 | '56039300 | Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s., weighing > 70 g/m ² but ≤ 150 g/m ² (excluding of man-made filaments) | 11 | 6 | Increased competitiveness by 5.62 % (108.7 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|-----|-----------|---|----|----|--|
| 110 | '56050000 | Metallised yarn, whether or not gimped, being textile yarn, or strip or the like of heading 5404 or 5405, of textile fibres, combined with metal in the form of thread, strip or powder or covered with metal (excluding yarns manufactured from a mixture of textile fibres and metal fibres, with anti-static properties; yarns reinforced with metal wire; articles with the character of trimmings) | 11 | 6 | Increased competitiveness by 5.62 % (1663.6 Thousand USD) based on the Imported value for FY21 |
| 111 | '56079000 | Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics (excluding that of synthetic fibres and of sisal or other textile fibres of the genus agave) | 11 | 6 | Increased competitiveness by 5.62 % (28.85 Thousand USD) based on the Imported value for FY21 |
| 112 | '58019000 | Woven pile fabrics and chenille fabrics (excluding those of man-made fibres, wool or fine animal hair, terry towelling and similar woven terry fabrics, tufted textile fabrics and narrow woven fabrics of heading 5806) | 11 | 6 | Increased competitiveness by 5.62 % (205.8 Thousand USD) based on the Imported value for FY21 |
| 113 | '58062000 | Narrow woven fabrics of textile materials, containing >= 5% elastomeric yarn or rubber thread by weight, with a width of <= 30 cm (excluding woven pile fabrics, incl. terry towelling and similar terry fabrics, chenille fabrics, and labels, badges and similar articles) | 11 | 6 | Increased competitiveness by 5.62 % (52.5 Thousand USD) based on the Imported value for FY21 |
| 114 | '58063200 | Narrow woven fabrics of man-made fibres, with a width of <= 30 cm, n.e.s. | 11 | 6 | Increased competitiveness by 5.62 % (316.25 Thousand USD) based on the Imported value for FY21 |
| 115 | '58071020 | Labels, badges and similar articles, of textile materials, in the piece, in strips or cut to shape or size, woven, not embroidered: ribbons | 11 | 6 | Increased competitiveness by 5.62 % (358.65 Thousand USD) based on the Imported value for FY21 |
| 116 | '58071030 | Labels, badges and similar articles, of textile materials, in the piece, in strips or cut to shape or size, woven, not embroidered: tapes | 11 | 6 | Increased competitiveness by 5.62 % (85.45 Thousand USD) based on the Imported value for FY21 |
| 117 | '58071040 | Labels, badges and similar articles, of textile materials, in the piece, in strips or cut to shape or size, woven, not embroidered: webbing | 11 | 6 | Increased competitiveness by 5.62 % (50.6 Thousand USD) based on the Imported value for FY21 |
| 118 | '58079000 | Labels, badges and similar articles, of textile materials, in the piece, in strips or cut to shape or size, not embroidered (excluding woven) | 11 | 6 | Increased competitiveness by 5.62 % (63 Thousand USD) based on the Imported value for FY21 |
| 119 | '58110000 | Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise (excluding embroidery of heading 5810 and quilted fabrics for bedding and furnishings) | 11 | 6 | Increased competitiveness by 5.62 % (70.8 Thousand USD) based on the Imported value for FY21 |
| 120 | '59019090 | Tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations (excluding plastic-coated textile fabrics): other | 11 | 6 | Increased competitiveness by 5.62 % (164.35 Thousand USD) based on the Imported value for FY21 |
| 121 | '59031000 | Textile fabrics impregnated, coated, covered or laminated with poly"vinyl chloride" (excluding wallcoverings of textile materials impregnated or covered with poly"vinyl chloride"; floor coverings consisting of a textile backing and a top layer or covering of poly"vinyl chloride") | 16 | 11 | Increased competitiveness by 5.95 % (1088.5 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|-----|-----------|---|----|----|---|
| 122 | '59032000 | Textile fabrics impregnated, coated, covered or laminated with polyurethane (excluding wallcoverings of textile materials impregnated or covered with polyurethane; floor coverings consisting of a textile backing and a top layer or covering of polyurethane) | 16 | 11 | Increased competitiveness by 5.95 % (1243.95 Thousand USD) based on the Imported value for FY21 |
| 123 | '59039000 | Textile fabrics impregnated, coated, covered or laminated with plastics other than poly"vinyl chloride" or polyurethane (excluding tyre cord fabric of high-tenacity yarn of nylon or other polyamides, polyesters or viscose rayon; wallcoverings of textile materials impregnated or covered with plastic; floor coverings consisting of a textile backing and a top layer or covering of plastics) | 16 | 11 | Increased competitiveness by 5.95 % (270.2 Thousand USD) based on the Imported value for FY21 |
| 124 | '59069900 | Rubberised textile fabrics (excluding knitted or crocheted textile fabrics, adhesive tape of a width of <= 20 cm, and tyre cord fabric of high-tenacity yarn of nylon or other polyamides, polyesters or viscose rayon) | 11 | 6 | Increased competitiveness by 5.62 % (61.4 Thousand USD) based on the Imported value for FY21 |
| 125 | '59070000 | Impregnated, coated or covered textile fabrics; painted canvas being theatrical scenery, studio backcloths or the like, n.e.s. | 11 | 6 | Increased competitiveness by 5.62 % (404.55 Thousand USD) based on the Imported value for FY21 |
| 126 | '59119090 | Textile products and articles, for technical purposes, specified in note 7 to chapter 59, n.e.s: other | 3 | 0 | Increased competitiveness by 3.09 % (113.07 Thousand USD) based on the Imported value for FY21 |
| 127 | '60019290 | Pile fabrics of man-made fibres, knitted or crocheted (excluding "long pile" fabrics): other | 11 | 6 | Increased competitiveness by 5.62 % (5846.55 Thousand USD) based on the Imported value for FY21 |
| 128 | '60041000 | Knitted or crocheted fabrics, of a width of > 30 cm, containing >= 5% by weight elastomeric yarn (excluding containing rubber thread, pile fabrics, incl. "long pile", looped pile fabrics, labels, badges and similar articles, and knitted or crocheted fabrics, impregnated, coated, covered or laminated) | 11 | 6 | Increased competitiveness by 5.62 % (835.75 Thousand USD) based on the Imported value for FY21 |
| 129 | '60049000 | Knitted or crocheted fabrics, of a width of > 30 cm, containing >= 5% by weight elastomeric yarn and rubber thread or rubber thread only (excluding pile fabrics, incl. "long pile", looped pile fabrics, labels, badges and similar articles, and knitted or crocheted fabrics, impregnated, coated, covered or laminated) | 11 | 6 | Increased competitiveness by 5.62 % (41.25 Thousand USD) based on the Imported value for FY21 |
| 130 | '60053500 | Warp knit fabrics of synthetic fibres, antimalarial, of a width of > 30 cm | 11 | 6 | Increased competitiveness by 5.62 % (48 Thousand USD) based on the Imported value for FY21 |
| 131 | '60053700 | Dyed warp knit fabrics of synthetic fibres "incl. those made on galloon knitting machines", of a width of > 30 cm (excl. those containing by weight >= 5% of elastomeric yarn or rubber thread, and pile fabrics, incl. "long pile", looped pile fabrics, labels, badges and similar articles, and knitted or crocheted fabrics, impregnated, coated, covered or laminated) | 11 | 6 | Increased competitiveness by 5.62 % (194.65 Thousand USD) based on the Imported value for FY21 |
| 132 | '60059090 | Warp knit fabrics "incl. those made on galloon knitting machines", of a width of > 30 cm (excluding of cotton, man-made fibres, those containing by weight >= 5% of elastomeric yarn or rubber thread, and pile fabrics, incl. "long pile", looped pile fabrics, labels, badges and similar articles, and knitted or crocheted fabrics, impregnated, coated, covered or laminated): other | 11 | 6 | Increased competitiveness by 5.62 % (42.95 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|-----|-----------|--|----|----|---|
| 133 | '60063200 | Dyed fabrics, knitted or crocheted, of synthetic fibres, of a width of > 30 cm (excluding warp knit fabrics "incl. those made on galloon knitting machines", those containing by weight >= 5% of elastomeric yarn or rubber thread, and pile fabrics, incl. "long pile", looped pile fabrics, labels, badges and similar articles, and knitted or crocheted fabrics, impregnated, coated, covered or laminated) | 11 | 6 | Increased competitiveness by 5.62 % (765.1 Thousand USD) based on the Imported value for FY21 |
| 134 | '60064200 | Dyed fabrics, knitted or crocheted, of artificial fibres, of a width of > 30 cm (excluding warp knit fabrics "incl. those made on galloon knitting machines", those containing by weight >= 5% of elastomeric yarn or rubber thread, and pile fabrics, incl. "long pile", looped pile fabrics, labels, badges and similar articles, and knitted or crocheted fabrics, impregnated, coated, covered or laminated) | 11 | 6 | Increased competitiveness by 5.62 % (0.6 Thousand USD) based on the Imported value for FY21 |
| 135 | '63079090 | Made-up articles of textile materials, incl. dress patterns, n.e.s: other | 20 | 16 | Increased competitiveness by 5 % (540.08 Thousand USD) based on the Imported value for FY21 |
| 136 | '68051000 | Natural or artificial abrasive powder or grain, on a base of woven textile fabric only, whether or not cut to shape, sewn or otherwise made up | 11 | 6 | Increased competitiveness by 5.62 % (259.8 Thousand USD) based on the Imported value for FY21 |
| 137 | '68052000 | Natural or artificial abrasive powder or grain, on a base of paper or paperboard only, whether or not cut to shape, sewn or otherwise made up | 20 | 16 | Increased competitiveness by 5 % (215.04 Thousand USD) based on the Imported value for FY21 |
| 138 | '68053000 | Natural or artificial abrasive powder or grain, on a base of materials other than woven textile fabric only or paper or paperboard only, whether or not cut to shape, sewn or otherwise made up | 20 | 16 | Increased competitiveness by 5 % (126.56 Thousand USD) based on the Imported value for FY21 |
| 139 | '68141000 | Plates, sheets and strips of agglomerated or reconstituted mica, whether or not on a support of paper, paperboard or other materials, in rolls or merely cut into square or rectangular shapes | 20 | 16 | Increased competitiveness by 5 % (10.68 Thousand USD) based on the Imported value for FY21 |
| 140 | '68159990 | Articles of stone or other mineral substances, n.e.s. (excluding containing magnesite, dolomite or chromite and articles of graphite or other carbon): other | 20 | 16 | Increased competitiveness by 5 % (73.36 Thousand USD) based on the Imported value for FY21 |
| 141 | '70181000 | Glass beads, imitation pearls, imitation precious or semi-precious stones and similar glass smallwares, and articles thereof (excluding imitation jewellery); glass eyes (excluding prosthetic articles); statuettes and other ornaments of lamp-worked glass (excluding imitation jewellery); glass microspheres with a diameter of <= 1 mm | 16 | 11 | Increased competitiveness by 5.95 % (692.2 Thousand USD) based on the Imported value for FY21 |
| 142 | '70182000 | Glass microspheres <= 1 mm in diameter | 3 | 0 | Increased competitiveness by 3.09 % (18.54 Thousand USD) based on the Imported value for FY21 |
| 143 | '72221100 | Bars and rods of stainless steel, only hot-rolled, only hot-drawn or only hot-extruded, of circular cross-section | 3 | 0 | Increased competitiveness by 3.09 % (65.49 Thousand USD) based on the Imported value for FY21 |
| 144 | '72222000 | Other bars and rods of stainless steel, not further worked than cold-formed or cold-finished | 3 | 0 | Increased competitiveness by 3.09 % (32.91 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|-----|-----------|---|----|----|--|
| 145 | '72223000 | Other bars and rods of stainless steel, cold-formed or cold-finished and further worked, or not further worked than forged, or forged, or hot-formed by other means and further worked, n.e.s. | 3 | 0 | Increased competitiveness by 3.09 % (83.82 Thousand USD) based on the Imported value for FY21 |
| 146 | '72230000 | Wire of stainless steel, in coils (excluding bars and rods) | 11 | 6 | Increased competitiveness by 5.62 % (273.3 Thousand USD) based on the Imported value for FY21 |
| 147 | '72282090 | Bars and rods of silico-manganese steel (excluding semi-finished products, flat-rolled products and hot-rolled bars and rods in irregularly wound coils): other | 11 | 6 | Increased competitiveness by 5.62 % (13.55 Thousand USD) based on the Imported value for FY21 |
| 148 | '73042400 | Casing and tubing, seamless, of a kind used for drilling for oil or gas, of stainless steel | 16 | 11 | Increased competitiveness by 5.95 % (49.3 Thousand USD) based on the Imported value for FY21 |
| 149 | '73044900 | Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, not cold-drawn or cold-rolled "cold-reduced" (excluding line pipe of a kind used for oil or gas pipelines or of a kind used for drilling for oil or gas) | 3 | 0 | Increased competitiveness by 3.09 % (250.38 Thousand USD) based on the Imported value for FY21 |
| 150 | '73064000 | Tubes, pipes and hollow profiles, welded, of circular cross-section, of stainless steel (excluding products having internal and external circular cross-sections and an external diameter of > 406,4 mm, and products of a kind used for oil or gas pipelines or of a kind used in drilling for oil or gas) | 16 | 11 | Increased competitiveness by 5.95 % (277.15 Thousand USD) based on the Imported value for FY21 |
| 151 | '73069000 | Tubes, pipes and hollow profiles "e.g., open seam, riveted or similarly closed", of iron or steel (excluding of cast iron, seamless or welded tubes and pipes and tubes and pipes having internal and external circular cross-sections and an external diameter of > 406,4 mm) | 16 | 11 | Increased competitiveness by 5.95 % (87.5 Thousand USD) based on the Imported value for FY21 |
| 152 | '73261920 | Articles of iron or steel, forged or stamped, but not further worked, n.e.s. (excluding grinding balls and similar articles for mills): forgings of surgical & dental instruments | 3 | 0 | Increased competitiveness by 3.09 % (46.26 Thousand USD) based on the Imported value for FY21 |
| 153 | '73262000 | Articles of iron or steel wire, n.e.s. | 20 | 16 | Increased competitiveness by 5 % (20.88 Thousand USD) based on the Imported value for FY21 |
| 154 | '73269090 | Articles of iron or steel, n.e.s. (excluding cast articles or articles of iron or steel wire): other | 20 | 16 | Increased competitiveness by 5 % (1509.52 Thousand USD) based on the Imported value for FY21 |
| 155 | '76042910 | Bars, rods and solid profiles, of aluminium alloys, n.e.s: bars and rods | 3 | 0 | Increased competitiveness by 3.09 % (31.2 Thousand USD) based on the Imported value for FY21 |
| 156 | '76169990 | Articles of aluminium, n.e.s: other | 20 | 16 | Increased competitiveness by 5 % (122.16 Thousand USD) based on the Imported value for FY21 |
| 157 | '82031000 | Files, rasps and similar hand tools of base metal | 11 | 6 | Increased competitiveness by 5.62 % (50.05 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|-----|-----------|--|----|----|---|
| 158 | '83081010 | Hooks, eyes and eyelets, of base metal, of a kind used for clothing, footwear, awnings, handbags, travel goods or other made-up articles: hooks | 11 | 6 | Increased competitiveness by 5.62 % (180.4 Thousand USD) based on the Imported value for FY21 |
| 159 | '83081020 | Hooks, eyes and eyelets, of base metal, of a kind used for clothing, footwear, awnings, handbags, travel goods or other made-up articles: eyes and eyelets | 3 | 0 | Increased competitiveness by 3.09 % (47.37 Thousand USD) based on the Imported value for FY21 |
| 160 | '83082000 | Tubular or bifurcated rivets, of base metal | 16 | 11 | Increased competitiveness by 5.95 % (15.45 Thousand USD) based on the Imported value for FY21 |
| 161 | '83089020 | Clasps, frames with clasps without locks, buckles and buckle-clasps, of base metal, for clothing, footwear, handbags, travel goods or other made-up articles, incl. parts of articles of heading 8308, of base metal (excluding hooks, eyes, eyelets and tubular or bifurcated rivets): buckle | 16 | 11 | Increased competitiveness by 5.95 % (95.05 Thousand USD) based on the Imported value for FY21 |
| 162 | '84145910 | Fans (excluding table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor of an output <= 125 w): blowers including portable type with self contained electric motor | 20 | 16 | Increased competitiveness by 5 % (71.36 Thousand USD) based on the Imported value for FY21 |
| 163 | '84148020 | Air pumps, air or other gas compressors and ventilating or recycling hoods incorporating a fan, whether or not fitted with filters, having a maximum horizontal side > 120 cm (excluding vacuum pumps, hand- or foot-operated air pumps, compressors for refrigerating equipment and air compressors mounted on a wheeled chassis for towing): screw compressors | 16 | 11 | Increased competitiveness by 5.95 % (710.25 Thousand USD) based on the Imported value for FY21 |
| 164 | '84224000 | Packing or wrapping machinery, incl. heat-shrink wrapping machinery (excluding machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers and machinery for capsuling bottles, jars, tubes and similar containers) | 3 | 0 | Increased competitiveness by 3.09 % (1156.02 Thousand USD) based on the Imported value for FY21 |
| 165 | '84433220 | Machines which only perform one of the functions of printing, copying or facsimile transmission, capable of connecting to an automatic data processing machine or to a network: ink jet printers | 3 | 0 | Increased competitiveness by 3.09 % (97.17 Thousand USD) based on the Imported value for FY21 |
| 166 | '84433230 | Machines which only perform one of the functions of printing, copying or facsimile transmission, capable of connecting to an automatic data processing machine or to a network: laser jet printers | 3 | 0 | Increased competitiveness by 3.09 % (285.57 Thousand USD) based on the Imported value for FY21 |
| 167 | '84433990 | Printers, copying machines and facsimile machines, whether or not combined (excluding those capable of connecting to an automatic data processing machine or to a network and printing machinery used for printing by means of plates, cylinders and other printing components of heading 8442): other | 3 | 0 | Increased competitiveness by 3.09 % (96.54 Thousand USD) based on the Imported value for FY21 |
| 168 | '84439100 | Parts and accessories of printing machinery used for printing by means of plates, cylinders and other printing components of heading 8442 | 3 | 0 | Increased competitiveness by 3.09 % (135.3 Thousand USD) based on the Imported value for FY21 |
| 169 | '84439990 | Parts and accessories of printers, copying machines and facsimile machines, n.e.s. (excluding of printing machinery used for printing by means of plates, cylinders and other printing components of heading 8442): other | 3 | 0 | Increased competitiveness by 3.09 % (289.56 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|-----|-----------|--|----|----|---|
| 170 | '84589900 | Lathes, incl. turning centres, for removing metal, not numerically controlled (excluding horizontal lathes) | 3 | 0 | Increased competitiveness by 3.09 % (78.75 Thousand USD) based on the Imported value for FY21 |
| 171 | '84596990 | Milling machines for metals, not numerically controlled (excluding way-type unit head machines, boring-milling machines, knee-type milling machines and gear cutting machines): other | 3 | 0 | Increased competitiveness by 3.09 % (11.13 Thousand USD) based on the Imported value for FY21 |
| 172 | '84622900 | Bending, folding, straightening or flattening machines, incl. presses, not numerically controlled, for working metal | 3 | 0 | Increased competitiveness by 3.09 % (61.8 Thousand USD) based on the Imported value for FY21 |
| 173 | '84798990 | Machines and mechanical appliances, n.e.s: other | 3 | 0 | Increased competitiveness by 3.09 % (3994.47 Thousand USD) based on the Imported value for FY21 |
| 174 | '84812000 | Valves for oleo hydraulic or pneumatic transmission | 16 | 11 | Increased competitiveness by 5.95 % (90.8 Thousand USD) based on the Imported value for FY21 |
| 175 | '85015290 | Ac motors, multi-phase, of an output > 750 w but <= 75 kw: other | 20 | 16 | Increased competitiveness by 5 % (395.24 Thousand USD) based on the Imported value for FY21 |
| 176 | '85021310 | Generating sets with compression-ignition internal combustion piston engine "diesel or semi-diesel engine" of an output > 375 kva: of an output exceeding 375 kva but not exceeding 1100 kva | 16 | 11 | Increased competitiveness by 5.95 % (759.1 Thousand USD) based on the Imported value for FY21 |
| 177 | '85340000 | Printed circuits | 20 | 16 | Increased competitiveness by 5 % (1680.84 Thousand USD) based on the Imported value for FY21 |
| 178 | '85369090 | Electrical apparatus for switching electrical circuits, or for making connections to or in electrical circuits, for a voltage <= 1.000 v (excluding fuses, automatic circuit breakers and other apparatus for protecting electrical circuits, relays and other switches, lamp holders, plugs and sockets): other | 20 | 16 | Increased competitiveness by 5 % (646.36 Thousand USD) based on the Imported value for FY21 |
| 179 | '85389090 | Parts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537, n.e.s. (excluding boards, panels, consoles, desks, cabinets and other bases for the goods of heading 8537, not equipped with their apparatus): other | 11 | 6 | Increased competitiveness by 5.62 % (1975.85 Thousand USD) based on the Imported value for FY21 |
| 180 | '85444920 | Electric conductors, for a voltage <= 1.000 v, insulated, not fitted with connectors, n.e.s: multi core, flexible, flat type copper, insulated (all features together) | 11 | 6 | Increased competitiveness by 5.62 % (63.7 Thousand USD) based on the Imported value for FY21 |
| 181 | '85444990 | Electric conductors, for a voltage <= 1.000 v, insulated, not fitted with connectors, n.e.s: other | 20 | 16 | Increased competitiveness by 5 % (2835.2 Thousand USD) based on the Imported value for FY21 |
| 182 | '90011000 | Optical fibres, optical fibre bundles and cables (excluding made up of individually sheathed fibres of heading 8544) | 20 | 16 | Increased competitiveness by 5 % (200.44 Thousand USD) based on the Imported value for FY21 |

| | | | | | |
|-----|-----------|---|----|----|--|
| 183 | '90019000 | Lenses, prisms, mirrors and other optical elements, of any material, unmounted (excluding such elements of glass not optically worked, contact lenses and spectacle lenses) | 20 | 16 | Increased competitiveness by 5 % (416.32 Thousand USD) based on the Imported value for FY21 |
| 184 | '90171010 | Drafting tables and machines, whether or not automatic (excluding units for automatic data-processing equipment): plotters and other machines for designing textile garments, having cad/cam/cim system | 3 | 0 | Increased competitiveness by 3.09 % (8.19 Thousand USD) based on the Imported value for FY21 |
| 185 | '95069912 | Articles and equipment for sport and outdoor games n.e.s; swimming and paddling pools: bladders and covers of inflatable balls: football bladder | 11 | 6 | Increased competitiveness by 5.62 % (1.3 Thousand USD) based on the Imported value for FY21 |
| 186 | '95069919 | Articles and equipment for sport and outdoor games n.e.s; swimming and paddling pools: bladders and covers of inflatable balls: other | 11 | 6 | Increased competitiveness by 5.62 % (1.8 Thousand USD) based on the Imported value for FY21 |
| 187 | '96039000 | Mops and leather dusters; prepared knots and tufts for broom or brush making; squeegees of rubber or other flexible materials; brooms and brushes, n.e.s. | 20 | 16 | Increased competitiveness by 5 % (97.2 Thousand USD) based on the Imported value for FY21 |
| 188 | '96062920 | Buttons (excluding of plastics or base metal, not covered with textile material, press-fasteners, snap-fasteners, press studs and cuff links): buttons | 11 | 6 | Increased competitiveness by 5.62 % (21.05 Thousand USD) based on the Imported value for FY21 |
| 189 | '96062990 | Buttons (excluding of plastics or base metal, not covered with textile material, press-fasteners, snap-fasteners, press studs and cuff links): other | 16 | 11 | Increased competitiveness by 5.95 % (5.65 Thousand USD) based on the Imported value for FY21 |
| 190 | '96071900 | Slide fasteners (excluding fitted with chain scoops of base metal) | 16 | 11 | Increased competitiveness by 5.95 % (1032.3 Thousand USD) based on the Imported value for FY21 |
| 191 | '96072000 | Parts of slide fasteners | 16 | 11 | Increased competitiveness by 5.95 % (683.75 Thousand USD) based on the Imported value for FY21 |

| List of Withholding Tax Lines- Nominal Revenue | | Annex:1 |
|---|--|-----------------|
| | TOTAL WITHHOLDING TAXES | % Shares |
| 1 | U/s 236T (Collection of tax by Pakistan Mercantile Exchange Limited (PMEX)). | -0.00021 |
| 2 | U/s 148 (Imports @ 3%) | 0.00000 |
| 3 | U/s 4A (Surcharge on payable income tax @ 15%) | 0.00000 |

| | | |
|----|--|---------|
| 4 | U/s 148 (Imports @ 0.5%) | 0.00001 |
| 5 | U/s 7 (Non residents operating aircrafts @ 3%) | 0.00002 |
| 6 | U/s 236V Advance tax on minerals extraction | 0.00023 |
| 7 | U/s 236N (Bonus shares issued by companies not quoted on stock exchange) | 0.00024 |
| 8 | U/s 152(1AA) (On payment of insurance/re-insurance premium @ 5%) | 0.00035 |
| 9 | U/s 233 A(1)(d) (On financing of Carryover share Trades @ 10%) | 0.00047 |
| 10 | U/s 7D Tax on developers (Advance Tax on income from the business of development and sale of residential, commercial and other plots) | 0.00058 |
| 11 | U/s 236X Advance tax from Tobacco Dealers. | 0.00075 |
| 12 | U/s 236W Advance tax from purchaser or transferee | 0.00128 |
| 13 | U/s 233 AA (Collection of Tax by National Clearance Company of Pakistan Limited) | 0.00164 |
| 14 | U/s 7C Tax on builders (Advance Tax on income from the business of construction and sale of residential, commercial and other buildings) | 0.00213 |
| 15 | U/s 236E (Advance Tax on Foreign produced TV Plays and Serials) | 0.00246 |
| 16 | U/s 236 HA (Advance Tax on sale of certain petroleum products) | 0.00324 |
| 17 | U/s 236F (Advance Tax on Cable Operators & other Electronic media) | 0.00367 |
| 18 | U/s 236R (Collection of advance tax on education related expenses remitted abroad) | 0.00387 |
| 19 | U/s 236D (Advance Tax on Functions/Gathering)) | 0.00447 |
| 20 | U/s 236L (Advance Tax on purchaser of international air ticket) | 0.00466 |
| 21 | U/s 235B (Tax on steel melters, re-rollers etc) | 0.00513 |
| 22 | U/s 236U Advance tax on insurance premium. | 0.00658 |
| 23 | U/s 7 (Non residents operating ships @ 8%) | 0.00766 |
| 24 | U/s 236M (Bonus shares issued by companies quoted on stock exchange) | 0.00910 |
| 25 | U/s 154(3C) @ 1% | 0.00986 |
| 26 | U/s 233 A(1)(a) (On purchase/sales of shares - 0.01%) | 0.01176 |
| 27 | U/s 156 B (Withdrawal from pension fund) | 0.01249 |
| 28 | U/s 233 A(1)(c) (On trading of shares - 0.01%) | 0.01333 |
| 29 | U/s 236S (Dividend in specie.) | 0.01452 |
| 30 | U/s 150A (Return on Investment in Sukuk) | 0.01807 |
| 31 | U/s 236J (Advance Tax on Dealers/Commission Agents/Arhatis) | 0.01906 |

| | | |
|----|---|---------|
| 32 | U/s 153(1)(b) (On Transport Services @ 2%) | 0.02030 |
| 33 | U/s 154(1) (Exports @ 1.5%) | 0.02060 |
| 34 | U/s 153(3)(d) | 0.02956 |
| 35 | U/s 236B (Purchase of Domestic Air Ticket @ 5 %) | 0.03310 |
| 36 | U/s 236Q (Payment to residents for use of machinery and equipment.) | 0.03635 |
| 37 | U/s 156 (Prizes, Rafle, Lottry @ 20%) | 0.04189 |
| 38 | U/s 154(1) (Exports @ 0.75%) | 0.04454 |
| 39 | U/s 154(3) (Exports @ 1 %) | 0.04719 |
| 40 | U/s 231A A (DD;DTC etc) | 0.04958 |
| 41 | U/s 153B (Tax to be deducted on payment royalty to resident person) | 0.06032 |
| 42 | U/s 236Y Advance Tax on Persons Remitting Amounts Abroad | 0.07751 |
| 43 | U/s 235A (Advace tax on domestic electricity consumption) | 0.08584 |
| 44 | U/s 154(2) (Indenting Commission in foreign exchange @ 5%) | 0.10020 |
| 45 | U/s 154(1) (Exports @ 1.25%) | 0.11485 |

Source: Pakistan Institute of Development Economics (PIDE)