

30/04/2015

Pre-budget meeting

Apparel makers for cut in source tax till 2019

FE Report

The country's apparel makers placed a number of demands Wednesday to the government that include deduction of 0.3 per cent source tax on CM against FoB and 10 per cent income tax till 2019.

Their demands also included duty-free import of fire proof colour coating for pre-fabricated building materials and other energy

saving equipment like LED bulb and tube light to help ensure a safe and environment-friendly industry.

"Exporters are paying 0.30 per cent AIT while it is also mandatory for importing various raw materials. As a result, an exporter is paying AIT several times for a single shipment," Md Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said at a pre-budget meeting.

So the tax at source should be deducted only on CM (cutting and making) instead of FoB as companies open back to back L/C (letter of credit) for importing raw materials worth 70 to 80 per cent of the FoB price, he explained.

The National Board of Revenue (NBR) held the pre-budget meeting with the readymade garment, knitwear and accessories and packaging makers to review their proposals for next fiscal year budget.

NBR member Md Farid Uddin chaired the meeting held at its office in the city. President of Exporters Association of Bangladesh Abdus Salam Murshedy and BGMEA former vice president Siddiquir Rahman, among others, were present in the meeting.

"Some 40 per cent of the garment units are located in shared or rented buildings creating employment opportunities for about 1.4 million workers," the BGMEA president said demanding duty-free colour import for pre-fabricated building materials to help them relocate and others to expand their capacity saying buyers would not place orders to those units after 2018.

The BGMEA president also demanded continuation of the 0.30 per cent source tax till next five years and 10 per cent income tax till 2019.

AH Aslam Sunny, first vice president of Bangladesh Knitwear Manufacturers and

Exporters Association (BKMEA) said the 5.0 per cent cash incentive on using local yarn/fabric provided by the government is a subsidy to make the sector competitive in the global market.

He requested the govern-

ment not to impose any tax on that cash incentive and return the money realised since fiscal year (FY) 2009-10 to 2012-13 and also increase the cash support to 8.0 per cent.

munni_fe@yahoo.com