Written by Shumaila Ahmed
Tuesday, 11 December 2012 09:57 -

<p>LAHORE: Belying the Federal Board of Revenue�s (FBR) claim of Rs17 billion revenue losses due to reduction in the age limit of used cars, the auto industry has pointed out that the losses linked to the unabated arrival of used cars are more colossal. {loadposition content_adsense300}They said that the revenue generated by the government on similar quantity of vehicles manufactured by the local industry would have been Rs21.5 billion, exceeding the levy on used cars by Rs4.5 billion per annum (an increase of 26 percent).

They pointed out that the local industry�s contribution to the national kitty has been higher than the contribution of imported used cars due to the concessionary duty structure for import of vehicles, laid down in an outdated SRO 577 of 2006, as 33 percent selling price of every locally assembled vehicle contains government duties and taxes.

Furthermore, the commercial import of used cars is officially banned, and instead of prosecuting the flouters of this ban, the government representatives are backing the criminals issuing such miscalculated figures.

Auto industry representatives say that the savings on the local assembling of vehicles of Rs4.5 billion does not include additional revenues deposited in the government treasury by the APM industries, consisting of over 3,000 SME units, which are the backbone of the auto industry and ensure uninterrupted supply of high-tech auto parts for the assembling of all kinds of vehicles. It is estimated that the APMs� annual revenue contribution to the exchequer exceed Rs15 billion per annum, which is the icing on the cake for the government.

Courtesy: The News</p>