KARACHI: As the government has embarked on a fresh impetus to revive industrial growth, Pakistan Business Council (PBC) has published a checklist for policymakers to galvanize effective action.

The PBC, a private sector business policy advocacy forum composed of the country's largest businesses/groups including multinationals, split its checklist into four parts – promotion of corporatisation and formalization of business, exports, import substitution and priority sectors for growth, stressed to provide level playing field for the incorporated formal sector.

The PBC through its checklist proposed the authorities to restore the tax credit for the formal sector to minimize transactions with the informal sector and set separate tax revenue targets for new taxpayers and existing taxpayers and incentivise use of credit/debit cards and other documented transaction methods.

It said that digitization of simpler and fewer regulations would address both cost and ease of doing business and the provinces where smuggled goods were sold should be incentivised to create a liaison with the customs department that would avert the sales of smuggled goods.

Moreover, it said that more efforts were required to stem the grey production especially of cold drinks and cigarettes that seriously harmed tax and corporate revenues and added that onerous powers of NAB need to be removed that restrict Public Private Partnerships and paralysed government decision making.

It said that long term regionally competitive utility tariffs should be assured as the use of the term "subsidy" for the export sector was misplaced and also risked the possibility of action under WTO rules. The incentives need to be enhanced for non-zero-rated export sectors to offset uncompetitive energy tariffs and maintain PKR at a real effective exchange rate of about 100%, it said.

The PCB through its checklist said that tax exemption for IT, IT-enabled services, BPOs, call centre sectors which were recently withdrawn, should be restored and also pay heed on the issues related to the seed and other deficiencies to reverse the dwindling availability of cotton, an essential input for textiles.

"Accelerate cascading tariffs on raw materials and intermediate items for industrial inputs that are not available in Pakistan and PKR needs to be maintained at a real effective exchange rate of about 100 to ensure imports are not subsidized."

It said that the government should allow duty, GST and advance tax-free import of plant and machinery to kick-start industry and encourage "Greenfield" investment by differentiating "Greenfield" from "pioneer" investment and also minimize under-invoicing through Electronic Data Interchange (EDI) with key trading partners.