

FBR Collects Rs. 1,588 billion in Gross Revenue in first two months of 2024-25

Federal Board of Revenue (FBR) has collected gross revenues of Rs 1,588 billion for the months of July & August 2024. Against a target of Rs. 1,554 billion, FBR has collected Rs.1,456 billion in net revenue and refunds of Rs. 132 billion (44% more than last year) were issued to the exporters to resolve their liquidity problems.

The FBR collected Rs. 593 billion under the head of domestic income tax as compared to Rs. 437 billion in July & August 2023, thereby showing a growth of 36%. A healthy year-on-year growth of 40% was achieved in the domestic sales tax with collection of almost Rs.314 billion. Around Rs.86 billion were collected as Federal Excise Duty (FED) showing a year-on-year increase of 13%. As a result a cumulative growth of almost 35% has been achieved in the collection of domestic taxes.

However, on the import side the same momentum could not be maintained due to continued compression in imports. In US\$ terms, imports in the country have declined by 2.2% in August 2024 as compared to August 2023. Similarly, the imports during August 2024 in PKR value also showed a decline of 7% as compared to August last year. Moreover, the import of high duty items such as vehicles, home appliances, as well as miscellaneous consumer goods such as garments, fabrics, footwear etc have reduced significantly, changing the import mix. This trend has impacted collection of Customs duties as well as other taxes collected at import stage . Despite a modest increase of 4% in collection of Customs duties, FBR's overall growth in net collection registered a 21% increase on collection of previous year.

FBR is likely to achieve the revenue targets of the first quarter as both the economic activity and imports are expected to show a healthy turnaround in the month of September due to lower policy rate and other interventions being made by the Government in recent months.

Revenue Collection July-Aug, 2024 (Rs. Billion)

FY	Tax Type	Income Tax	Sales Tax	Federal Excise	Customs Duty	Total
2023-24	Gross	498	547	80	174	1,300
	Refund	10	74	0	8	92
	Net	489	473	80	166	1,208
	Inflation during the period			28%		
2024-25	Gross	657	648	96	187	1,588
	Refund	40	76	0	15	132
	Net	616	572	96	172	1,456
	Inflation during the period			11%		
	Growth%	26	21	19	4	21
	Target	580	611	135	228	1,554

The growth is also likely to show a significant increase as a result of digitisation and other FBR's reforms which are currently being very keenly supervised by the Prime Minister and the Finance Minister.

These reforms include end to end monitoring of supply chains, automated production monitoring, POS, AI based data integration, import scanning and strict integrity management of FBR workforce. FBR is also doing a revamp of it's business processes to facilitate business growth and ease.