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Karachi, Lahore Traders Protest Anti-Business Tax Policies

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On July 19, 2025, traders in Karachi and Lahore launched a strike, shutting down major markets to protest the Federal Board of Revenue's (FBR) expanded powers under the Finance Act 2025, which they label as anti-business. While Karachi saw partial closures and Lahore enforced a near-total shutdown, divisions within the business community and government negotiations highlight the ongoing struggle over economic policy.

The Karachi Chamber of Commerce and Industry (KCCI) led the charge, joined by the Lahore Chamber of Commerce and Industry (LCCI), targeting provisions like Sections 37A and 37B, which grant the FBR authority to arrest traders, and Section 21(S), penalizing cash transactions above Rs200,000. KCCI President Javed Bilwani, addressing the media, called these measures “a direct attack on economic freedom” and vowed to escalate protests without written government assurances. “We’re not against taxation, but these laws suffocate small businesses,” Bilwani told Dawn.com. Transporters, including the United Goods Transport Alliance, halted truck movements, disrupting supply chains. Malik Shabbar Khan, a transport leader, told Business Recorder that tolls and fines already burden their operations, making the new laws unbearable.

Lahore’s markets, including Anarkali and Liberty, saw near-complete closures, with LCCI President Mian Abu Zar Shad condemning the lack of consultation with traders. However, the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) opted out after talks with Special Assistant to the Prime Minister Haroon Akhtar Khan, who formed a committee to review demands. FPCCI’s Saquib Fayyaz Magoon told Dawn.com that progress on amendments, like scrapping Clause 9, justified pausing the strike, though KCCI dismissed verbal promises as insufficient.

The strike reflects broader frustration with policies seen as punishing small businesses and exporters while favoring bureaucratic overreach. With major markets like Karachi’s Jodia Bazaar and Lahore’s Saddar shuttered, the economic impact was clear, though some areas like Clifton’s Gul Plaza stayed open, revealing community splits. If unresolved, traders warn of weekly shutdowns, signaling a deepening rift between the government and Pakistan’s economic backbone.