

Pakistan Tanners Association

PRESS RELEASE

PTA's persistent demand to impose ban on export of wet blue hides & skins & export of live animals from Pakistan

Karachi: 9th June, 2012: Mr. S.M. Naseem, Chairman, Pakistan Tanners' Association issued his first statement after announcement of Federal Budget for the year 2012-13 and shared his views with the print & electronic media that the Government of Pakistan has NOT accepted its single proposal for incorporation in the Federal Budget, while the **Leather Industry is in deep crisis specially severe shortage of basic raw materials for meeting its domestic requirements to fulfill the export orders in time as already committed with the foreign buyers/customers.**

Shaikh M. Naseem, Chairman, PTA reiterated the well thought out demands/proposals of Leather Sector already forwarded to all Ministries/Govt. Departments concerned for incorporation in the Federal Budget & Trade Policy for the year 2012-13 :-

01. **Complete Ban on Export of the following :**
 - a) Export of Pickled, Wet Blue Raw Hides & Skins and Splits from Pakistan, which is being exported thru "mis-declaration/under invoicing" to evade the payment of existing Regulatory Duty imposed **thereon @20%**, which is not only the loss of Leather Sector but also the country is deprived of the considerable amount of regulatory duty.
 - b) Export of Live Animals from Pakistan thru Quota "CY12".
 - c) Smuggling of Live Animals from Pakistan.

02. To reduce the **Import Duty on the following basic Chemicals from 20% to atleast 10%**, as the local production of these chemicals to reduce cost of production and to compete with other competing countries :
 - i) **Chromium Sulphate**
 - ii) **Formic Acid**
 - iii) **Fat Liquors**
 - iv) **Buffing Paper**

03. Present 1% Withholding Tax on export of Leather should be reduced to 0.50% for atleast two years in view of recession period.
04. To reduce Withholding Tax (Presumptive Tax) on Import from 1% to 0.25%.

05. To reduce duty to 5% on hot stamping foils falling under H.S. Code 3212.1000 which is presently at 20%.
06. To reduce duty to 5% on polyester foils falling under H.S. Code 3920.6900 which is presently at 20%.
07. To allow duty free import of all spare parts, accessories and tanning machinery for Leather & Leather products which is presently @5%.
08. To exempt all spare parts of Tanning industry from Sales Tax.
09. To exempt all hot stamping foils/polyester foils for leather industry from Sales Tax.
10. To withdraw anti-dumping duty on all items of chemicals.

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Since **NO** other incentive has been provided by the Government to Leather Sector for the last several years in comparison with the neighbour competing countries such as **India, China & Bangladesh**. **At present only 60% - 70% of installed capacity is being utilized owing** to high cost of production & raw materials shortage. Resultantly several units have closed down.

In view of critical situation of Leather Sector, which is 2nd biggest export oriented sector contributing 5% to the GDP of the country needs immediate attention/support to provide level playing field to this vital sector to continue to play their viable role in strengthening the country's economy by fetching precious foreign exchange for the national exchequer.

The **Chairman, PTA, Shaikh M. Naseem** appeals to the Honourable President of Pakistan, Prime Minister of Pakistan and Finance & Commerce Ministers of Pakistan for favourable consideration to incorporate PTA's above genuine demands in the **Federal Budget 2012-13 before its finalization by the National Assembly and Senate** as well as include in the upcoming **Trade Policy 2012-13** to facilitate the 2nd largest valued added leather industry to sustain.
