

## PRESS RELEASE

PTA strongly criticizes the government decision to increase in electricity charges by 12%

Karachi: **18<sup>th</sup> October, 2011: The Chairman, Pakistan Tanners Association, Mr. S.M. Naseem** has strongly criticized the un-business friendly decision for the 12% increase in the electricity charges arbitrary. He said the Leather Industry of Pakistan which is already confronting severe crisis of its history, increase in the electricity power is sure to enhance production cost which will render the leather exporters un-competitive in the world market as it will be very hard for them to fulfill the export orders committed by PTA's members with their valued foreign buyers within the stipulated time because of the frequent load shedding and increase in its charges which adversely affect the cost of doing business which is already on the higher side.

He also said the charges of per unit is already at exorbitant extent as compared to other countries. Such decision for 2 days holidays in a week to help reduce power crisis announced earlier by the present Government was not judicious and would be disastrous for the export oriented industries including Leather Industry, which is already facing crisis and the two days weekly holidays will further aggravate the situation as its production activities are sure to be badly affected.

**Mr. S.M. Naseem, Chairman, Pakistan Tanners Association** also informed that PTA's members, who were vigorously engaged in the promotion of country's exports are now unable to compete the international market of Finished Leather after value addition being offered by the **Chinese, Indian, Bangladeshi Leather Manufacturers** as experienced during the participation in various international fairs in the world Mega events owing to these inevitable circumstances of frequent Electric load shedding, high cost of production, unavailability of Raw Materials, unnecessary burden of Taxes imposed by the Government of Pakistan on Leather Industry of Pakistan and already losing valued export orders from their potential foreign customers, which is bringing adverse affect to the clientele in general and losing the precious foreign exchange in particular.

This alarming situation has repeatedly been brought into the notice of the higher authorities through Press Releases and presentation sent to the high ups concerned, but nothing has come out as yet, besides the situation is being converted from bad to worst day by day specially for the value added Leather Industry of Pakistan.

The Chairman, PTA, Mr. S.M. Naseem apprehended that if this critical situation is not addressed IMMEDIATELY by reducing the Electricity charges to the reasonable extent and making sure smooth & un-interrupted supply of electricity to the Leather Industry the critical situation will compel the tanners to close down their tanneries which will

certainly cause unemployment in the country and will also be big loss to the national exchequer.

Mr. S.M. Naseem, Chairman, PTA once again appeals to the Honourable President of Pakistan, Honorable Prime Minister of Pakistan, Minister for Finance and Minister for Water and Power to withdraw the decision of increase in electricity charges and two holidays in a week and make sure to provide basic necessity of Electricity regularly without any interruption to continuous processing Leather Sector to enable it to accelerate the exports by increasing the production in the supreme interest of the industry and the nation with the motive to provide level playing field to the Leather Industry to continue its pivotal role in strengthening the country's economy, which is already under heavy turmoil.

Chairman, PTA, Mr. S.M. Naseem also stressed the Government that instead of making short term decision for meeting shortfall of electricity and energy conservation the authorities concerned should focus on permanent solution to get the country rid of continued power crisis for smooth running of industrial units for the growth of the industries and in the ultimate country's interest.