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Power, gas load shedding

Govt urged to exempt PTA units

■ PTA chairman says billions of rupees worth skins and hides may be destroyed

By Razi Syed

KARACHI: The government should exempt leather sector of the country from power and gas load shedding for the next three months, said a meeting of Pakistan Tanners Association (PTA) on Thursday.

If the government fails to do so, billions of rupees skins and hides of sacrificial animals will be destroyed inflicting huge foreign exchange loss to the country, the meeting maintained.

Around 35-40 percent of the sacrificial animals skins and hides are bought by the units of PTA in Karachi, Lahore, Sialkot, Kausur and other parts of the country.

This year around 5.7 million animals will be sacrificed in Karachi, Lahore and major cities in the country, said PTA Chairman Agha Saiddain in the meeting.

He said around 1.25 million cows (24 percent) worth Rs 40,000 million, 3.60 million goats (63 percent) worth Rs 55,000 million, 700,000 sheep (12.5 percent) worth Rs 7,000 million and around 30,000 camels (0.50 percent) worth Rs 4,100 million would be sacrificed.

He said this is an economy of more than Rs 110 billion while skin and hides is worth more than Rs 6.2 billion.

If the government ensures PTA member units in the country of non-stop power and gas supply

for the next three months during which tanning units can be able to handle hides and skins properly thus save material worth billions of rupees for producing more than \$1 billion worth export of leather products, he added.

Due to hot and humid weather it is not possible for the sector to save the skins and hides therefore the government should respond positively in this regard.

Another drawback PTA units are facing is a misconception that poor farmers get better value of their animals being exported.

In fact exporters of live animals exploit these poor farmers and they get lesser value of their livestock through these exporters.

The buffalo and cow if sold domestically fetches more revenue and accelerates our economy.

The value addition of the cow hide is 7.0 percent when converted into finished leather.

Due to export of live animals there are many leather sectors, which suffer due to shortage of raw material as tanning, leather garment, footwear, gloving, sports goods, casing and poultry.

Pakistan is exporting breed ready for future reproduction and its export can cause acute shortage of beef and meat and prices will be beyond the reach of common man.

Our livestock sector contributing 11 percent of agricultural gross domestic product (GDP) can

face serious setback if large quantities of adult animals are exported from the country.

The ban on export of live animal can restrict smuggling under the cover of government quota and livestock sector can be saved from future disaster.

There is also no control or check on export of wet blue through misdeclaration. Presently some unscrupulous elements are involved in export of wet blue and pickle leather in connivance with some customs officials at various dry ports.

This basic raw material is exported as finished leather, which is not only causing loss to the government exchequer by duty evasion but these elements claim export rebate on such consignments. The most of the World Trade Organisation signatory competing countries have either imposed very heavy duty on export of wet blue or some of these countries have imposed complete ban on its export. In India there is 60 percent export duty.

Bangladesh has banned export, China wet blue cannot be exported due to heavy duty on exports and many other barriers in its way.

The leather sector is one of the most important sector having wider benefits because of its role in job creation, linkage to agro and rural economy, poverty alleviation and foreign exchange earner.