

PAKISTAN TANNERS ASSOCIATION

PTA-105/2015/484

Dated: 01.12.2015

MINUTES OF PTA DELEGATION'S MEETING HELD WITH FEDERAL COMMERCE MINISTER ENGR., KHURRAM DASTGIR KHAN SAHIB ON 01.12.2015 IN TDAP'S OFFICE, KARACHI

A Meeting of PTA Delegation led by **Chairman, Mr. Gulzar Firoz** alongwith **Shaikh Saqib Saeed Masood & Mr. Naveed Ahmed, Vice Chairman, (Southern Zone)** held with **Federal Commerce Minister, Engr., Khurram Dastgir Khan Sahib** on 01.12.2015 in TDAP's office, Karachi. The meeting was arranged by **Mr. S.M. Muneer, CE, TDAP**. The delegation first attended the joint meeting in the Conference room alongwith businessmen from Textile sector and TDAP officials and the agenda was one point "How to increase Pakistani's Exports". Whilst many proposals were given by different businessmen, the Chairman, Mr. Gulzar Firoz while endorsing all views such as duty drawback, sales tax refund, cost of doing business etc. He emphasized to reinforce the previous status of 05 exports sectors i.e. Zero rated of 05 export sectors including leather.

Mr. Gulzar Firoz emphasized that this was the easiest and workable solution as the sales tax refund etc. would never be paid in time, electricity rates will never go down and all other relevant issues would never be settled easily. Therefore "No Payment – No Refund" should be the policy.

Core issues of Leather industry	Decision(s)
To approve 50% fund I.e. Rs.25 Million out of total Budget of Rs.50 Million for holding of Pakistan Mega Leather Show in January'2016 at Lahore.	The Honourable Minister has agreed & assured to extend maximum help for the allocation of desired fund and accordingly advised to meet him in Islamabad in next week and he also issued directives to convene an emergent meeting of Finance Committee of MOC for finalization. The allocation of fund can be allocated separately for the Show.
To announce zero-rating of local taxes on export in shape of D.L.T.L. @5% to be reimbursed through banks on realization of export proceeds.	The Minister assured to take up this matter with other Ministries and the matter was under serious consideration.
To implement rates of duty drawback on export of finished leather as originally agreed with IOCO w.e.f. The date of application i.e. 17thMay'2012 instead of reduced rates notified through FBR's SRO 923(I)/2015 dated 8 th September'2015. (Copy enclosed).	Mr. Khurram Dastgir, Commerce Minister agreed in principle the view of PTA and advised the Representative of Advisor of MOF who was present in the meeting to look into the matter in coordination with FBR to accept the rates of Duty Drawback as already recommended/approved by IOCO.
To allow participation on Int'l Fairs irrespective of Previous participation in a year and 3-5 years participation restriction. Also remove	Mr. Khurram Dastgir Khan categorically announced to waive the condition from TDAP's rules for participation in

restriction of one participation not allowed more than 2 times in a year.	all upcoming Int'l Fairs for facilitation to the exporters in uniform policy.
To release all Pending Refund Claims of Duty Drawbacks, Sales Tax, Deferred Sales Tax and Income Tax.	The Minister assured to take the issues with FBR for prompt release of all pending/deferred claims of Sales Tax & Duty Drawback & others.
To include PTA Chairman on the Board of Administrators of EDF.	The Minister agreed to include the name of PTA's Chairman in EDF Board and notification would be issued shortly.
To include Value added Finished Leather in the SRO 415(I)/2015 dated 15 th May'2015 issued in supersession of its Notification No.SRO 177(I)/2015 dated 27 th February'2015 which were left to be included while announcing incentives for export of value added sectors @4% of the FOB value of their enhanced exports if increased beyond 10% during the year 2013-14 over their last year's export .	The Minister assured to review it in having coordination with departments concerned and revert back.
To extend the following facilities as was extended earlier but unfortunately discontinued : <p>Matching grant for setting up Effluent Treatment Plants in individual tanneries and Sharing 25% financial cost for setting up of labs in individual tanneries.</p> <p>To extend the assistance/re-imburement of 75% cost for Mandatory Certification/Lab Testing for Leather, Leather Shoes, Leather Gloves & Leather Garments from Internationally accepted Labs on the pattern as was announced in Trade Policy 2005-2006.</p> <p>To release remaining 25% remaining amount already approved by the Government to the members concerned in respect of incentives allowed in STPF 2009-2012 for Matching grant for setting up Effluent Treatment Plants in individual tanneries.</p>	Mr. Khurram Dastgir, Commerce Minister informed all these demands of Leather Sector are in positive consideration and would be announced in upcoming Trade Policy. He agreed to our point of view.

Mr. Gulzar Firoz, Chairman, PTA thanked the Federal Commerce Minister for hearing the above problems patiently and assurance given for the desired resolution without further delay to enable PTA's member exporters to continue to play their viable role in fetching precious foreign exchange for the country. The Chirman, PTA Mr. Gulzar Firoz also thanked to CEO/TDAP, Mr.S.M. Muneer for arranging the meeting for PTA's Delegation.

Regards,

MUHAMMAD ALI
SECRETARY

