

Mar / May'2019

Volume 25

# News Leather

*Chairman, PTA, Mr. Agha Saiddain held Meeting with Minister for Science & Technology Chaudhary Fawad Hussain on 26th May 2019.*

Mr. Agha Saiddain, Chairman, PTA (Central) attended a meeting held with Chaudhry Fawad Hussain, Federal Minister for Science & Technology on 26th May'2019 at Pakistan Council of Science and Industrial Research at Lahore and discussion was held for up-gradation of PCSIR specially for Leather Testing.

**Pakistan  
Tanners  
Association**



Federal Minister for Science and Technology, Chaudhry Fawad Hussain chairing a Meeting at PCSIR at Lahore on 26-May-2019

Participants of the meeting snapped with the Federal Minister for Science and Technology after the Meeting held at PCSIR- Lahore on 26-May-2019



## MoC organized Seminar on Pak-China FTA Phase II on 4th May 2019 at Lahore Int'l Expo Centre

Ministry of Commerce Organized a Seminar on China-Pak FTA (CPFTA) – Phase II on 4th May'2019 at Lahore International Expo Centre and invited stakeholders including PTA to join the Seminar. The Seminar was chaired by the Adviser to the Prime Minister on Commerce Mr. Abdul Razak Dowood which was also attended by Secretary Commerce Sardar Ahmad Nawaz Sukhera. The Advisor on Commerce explained Government's Strategy on 2nd Phase of China-Pak FTA. In his speech he explained that Pakistan has secured duty free access on 313 items in China under CPFTA Phase II. These items constitute the core of Pakistan's Production base and constitute more than 80% of Pakistan's national export basket. He said that China import merchandise worth \$64 billion from the World in these 313 products. Now that Pakistan has zero percent duty on these products in China, it is for the entrepreneurs to capitalize in the opportunities to this additional market access. If exporters are able to secure even 10% of this market share, the export will increase by US\$ 6.4 billion. The Phase II of the FTA will correct the trade imbalance with China, resulting from the Phase I.

Mr. Agha Saiddain, Chairman, PTA alongwith following members attended the above Seminar :

01. Mr. Anjum Zafar
02. Mr. Muhammad Musaddiq
03. Mr. Mansoor Iqbal
04. Mr. Asad Malik
05. Mr. Fahim Ahmed – Secretary-PTA-NZ

During the Seminar Mr. Agha Saiddain, Chairman, PTA presented PTA's observations on the 2nd Phase of CPFTA during the Questions answer session :

- 1) FTA on items at Sr. Number 93, 94, 95 will adversely affect tanning industry as basic raw material i.e. Tanned Leather (Wet Blue) and Crust will be exported without value addition.

We request to delete following H.S. Codes from the list of 313 Tariff Lines:-

| S. NO | H.S. Code |
|-------|-----------|
| 93    | 4104.4990 |
| 94    | 4106.2200 |
| 95    | 4106.9200 |

Similarly following H.S. Codes do not exist in H.S. Code Book:-

| S. NO | H.S. Code |
|-------|-----------|
| 96    | 4107.1110 |
| 97    | 4107.1210 |

As such these two above mentioned H.S. Codes may also be deleted.

H.S. Code 4113.3000 at Serial No 101 is for reptile leather which is not produced in Pakistan.

Our Recommendation to get Free Market access on following H.S. Codes for inclusion in the list 313 items of CPFTA Phase II would be highly appreciated:-

| S. NO | H.S. Code |
|-------|-----------|
| 1     | 4107.1100 |
| 2     | 4107.1200 |
| 3     | 4107.9100 |
| 4     | 4107.9200 |
| 5     | 4112.0000 |
| 6     | 4113.1000 |
| 7     | 4113.9000 |

Mr. Agha Saiddain delivering his presentation during the Seminar on 4th May'2019 organized by MoC & TDAP at Lahore Int'l Expo Centre



On the occasion, Mr Agha Saiddain, Chairman, PTA handed over CONCEPT PAPER for Leather Export Promotion Council (LEPC) prepared by Ministry of Commerce and PITCO to the Advisor to PM on Commerce alongwith the suggestions of PTA on CPFTA Second phase.

## 5th DGTO Consultative Session held on 29th April'2019 in collaboration with Pakistan Knitwear & Sweater Exporters Association

The Directorate General of Trade Organizations organized Consultative Session to create required linkages among the Regulator Organizations (TOs), Ministry of Commerce and Textiles Division and Private Sector represented by Associations and Chambers on regular basis for the Licenced Trade Organization of Pakistan.

In this contest, The DGTO invited Secretary Generals and Office Bearers of Trade Associations/Chambers to participate in the 5th DGTO Consultative Session which was organized by the Directorate General of Trade Organization in collaboration with Pakistan Knitwear & Sweater Exporters Association on 29th April'2019 at Pearl Continental Hotel Karachi on Capacity Building of Secretaries and Office Bearers of Trade Organizations. Mr. Muhammad Ali, Secretary General of Pakistan Tanners Association, among others, attended the above Session.



A busy view of the 5th DGTO Consultative Session held on 29th April'2019 at PC Hotel, Karachi.

## **Awareness Seminar on 2nd Phase of China-Pak FTA organised by Ministry of Commerce and Textile in collaboration with Trade Development Authority of Pakistan (TDAP) on 18th April, 2019 at PC Hotel, Karachi**

Mr. Kamran Habib, Sr. Vice Chairman, PTA (Central) alongwith Mr. Amjad Hafeez, Mr. Shafique Ahmed and Mr. Tanveer Ahmed participated in the Awareness Seminar on 2nd Phase of China-Pak FTA organized by the Ministry of Commerce and Textile in collaboration with the TDAP on 18th April'2019 at Pearl Continental Hotel, Karachi which was chaired by Mr. Abdul Razak Dawood, Advisor to PM on Commerce. Sardar Ahmad Nawaz Sukera, Federal Commerce Secretary and Mr. Muhammad Sualeh Ahmad Faruqi, Secretary, TDAP were also present in the above Seminar.

During the Seminar Mr. Abdul Razak Dawood, Advisor to PM on Commerce highlighted the major breakthroughs made at the 11th round of FTA in March 2019. He said China agreed to eliminate duty at par with ASEAN on 313 items including Leather. China has also extended sensitive list of Pakistan's 1410+350 items. He said 41 percent of Pakistan's global exports was liberalised in FTA phase-I, which has now been increased up to 83 percent. Similarly, Pakistan's exports to China were liberalised by around 35 percent in Phase-I, while 91.3 percent in Phase-II that covers 88 percent of Chinese global imports. He said both sides agreed 67 percent liberalisation in terms of trade volume for Pakistan and around 90 percent for China.

During the Q/A session, Mr. Kamran Habib, Sr. Vice Chairman, PTA (Central) presented again PTA's proposal for inclusion of Leather in the List of 313 items for duty free access into China.

## **Meeting of PTA Delegation (Participants of Indo Leather & Footwear – 4-6th April'2019) held luncheon meeting with the Consul General of Indonesia in Karachi on 26.03.2019**

PTA Delegation (Participants of Indo Leather & Footwear – 4-6th April'2019) led by Mr.Amanullah Aftab, Chairman, Fairs participated in the luncheon meeting hosted by the Consul General of Indonesia on 26.03.2019 at Indonesian Consulate in Karachi.

It has been generated view with consensus amongst the participants during the meeting to exchange the information for the Leather Industry thru the Indonesian Consulate at Karachi for which the Consul General assured to provide all assistance in the promotion of bilateral trade relations between the two countries and also assured to exchange the queries of Leather with PTA for onward dissemination.

On PTA's instance, the Consul General of Indonesia also assured to consider for organizing National Pavilion of Indonesia in next 6th Pakistan Mega Leather Show to be held from 27-29th January'2020 at Lahore on reciprocal basis, which would certainly be a viable opportunity for mutual understanding between the two countries business community under one roof.

## Glimpses of PTA Delegation's Meeting with Consul General of Indonesia in Karachi on 26.03.2019



## Execution of PTA (Preferential Trade Agreement) between Indonesia & Pakistan

In result of persistent persuasion made by PTA (Pakistan Tanners Association) a Trade Agreement (Preferential Trade Agreement – PTA) has recently been signed between Indonesia and Pakistan wherein the Leather is exempted from the custom duty into Indonesia, which is really a great source of motivation with relaxation to enable our member exporters to promote further trade activities with free duty as has now been allowed by the Indonesia government on import of finished leather of cow, buffalo, sheep & goat skins to Indonesia.

## **Mr. Kamran Habib, Sr. Vice Chairman, PTA (Central) participated in the Consultation Session on Trade Opportunities in the USA, China and Indonesia" Organized by MoC and TDAP on 18th March, 2019 at Marriot Hotel Karachi**

Mr. Kamran Habib, Sr. Vice Chairman, PTA (Central) attended the Consultation Session on Trade Opportunities in the USA, China and Indonesia on 18th March'2019 at Marriott Hotel Karachi which was organized by the Ministry of Commerce and Trade Development Authority of Pakistan. The Seminar chaired by the Advisor to PM on Commerce wherein Secretary Commerce and Secretary TDAP was also present during the Session. The Advisor on Commerce highlighted the participants about the upcoming opportunities in these potential markets specially he explained the government strategy for China-Pak FTA and Preferential Trade Agreement (PTA) with Indonesia which is in under finalization process.

Sr. Vice Chairman, PTA, Mr. Kamran Habib presented PTA's proposals to Advisor on Commerce, Mr. Abdul Razak Dawood for favourable consideration for inclusion of values added Leather of Cow/Buff and Goat and Sheep Skins in CPFTA, Pak-Indo PTA and FTA with Pak-USA for zero-rated export from Pakistan to these potential market of USA, China and Indonesia.

### **FAIRS & EXHIBITIONS**

## **PTA successfully organized Pakistan Pavilion in Indo Leather & Footwear Fair, 4-6th April'2019 at Jakarta, Indonesia**

PTA organized Pakistan Pavilion first time in collaboration with TDAP in Indo Leather & Footwear Fair from 4-6th April'2019 at Jakarta, Indonesia for its 12 Member participants to showcase their quality Finished Leather of Cow/Buff Hides, Goat & Sheep Skins with innovation upto the international standard as displayed conspicuously at the respective booths in Pakistan Pavilion during the Fair for the attraction to the customers/buyers/visitors.

Outcome of the Pakistan's participation in this event was found very much encouraging. Customers / Visitors made visits specially Leather Shoe Manufacturers based in Indonesia to Pakistani Stands in large number and inspired from the finest quality of Finished Leather of all sorts displayed in Pakistan Pavilion. Encouraging number of queries with worthwhile amount has been received during the Fair, which is hopefully to be finalized to achieve the desired objectives for yielding precious foreign exchange for the country.

## **B2B MEETINGS ARRANGED BY PTA IN JAKARTA, INDONESIA DURING THE FAIR**

PTA has also created specific opportunity for its member participants by arranging B2B meetings during the participation in Indo Leather & Footwear held in April, 2019 at Jakarta, Indonesia in association with the Embassy of Pakistan, Jakarta, Indonesia (commercial section), which was found much productive in terms of conclusion of desired objectives of participation for the promotion of exports.



PTA member participants busy in B2B meetings with their Indonesian counterparts during the Fair at Jakarta, Indonesia

PTA's interested members participated successfully in the above International Fair and displayed their eye catching Leather & Leather Products which attracted a large number of foreign buyers as a result of which good number of export orders were achieved.

## **PTA successfully participated in MM&T Section of Asia Pacific Leather Fair held from 13-15th March at Hongkong**

Pakistan Pavilion in Asia Pacific Leather Fair (APLF), Hong Kong organized by PTA in financial collaboration with TDAP successfully from 13-15th March'2019 for its 46 member participants for displaying their finest quality of Finished Leather of Cow, Buffalo, Sheep & Goat skins, Leather Garments, Leather Footwear, Leather Gloves & Leather Products/made-ups to take due maximum advantages from it by getting share of Hong Kong/Chinese markets to expand their trade volume with China/Hong Kong.

Honourable Consul General, Consulate General of Pakistan in Hongkong Mr. Abdul Qadir Memon inaugurated the Pakistan Pavilion in APLF-2019 at HK as a Chief Guest which was also attended by Mr. Agha Saiddain, Chairman, Pakistan Tanners Association, Mr. Amanullah Aftab, Chairman, International Fairs Standing Committee, PTA, Mr. Kamran Habib, Sr. Vice Chairman, PTA, Khawaja Muhammad Mehr Ali, Vice Chairman, PTA and member participants of APLF, Foreign Guests, Int'l Electronic & Print Media personals.



Consulate General of Pakistan in Hong Kong Mr. Abdul Qadir Memon inaugurating the Pakistan Pavilion in APLF-2019 on 13th March'2019 at HK

Outcome of Pakistan's participation in this event was very encouraging, customers/visitors/foreign buyers are in large number and it is expected to conclude enormous business during the Fair, which would certainly help to earn precious foreign exchange for the country.

## Different Views of Pakistan Pavilion in APLF-2019 at Hong Kong



Participants of APLF-2019 very much satisfied with the outcome of the show to conclude sizeable business during the 3-days showing by participating in B2B meetings too and they have consented to participate in the next event of APLF-2020 to continue capture this emergent market for Finished Leather in HK for the promotion of country's exports and to promote the Leather Sector of Pakistan as well.

## Activities of PTA - Southern Zone, Karachi



CHAIRMAN PTA (S.Z), MR. KAMRAN HABIB, INVITED NEWLY APPOINTED DEPUTY COMMISSIONER KORANGI, MADAM SHADIA JAFFAR TO ASSOCIATION OFFICE ON 04-MARCH-2019.



MR. KAMRAN HABIB, CHAIRMAN PTA (S.Z) INVITED MR. USMAN DAR, SPECIAL ADVISOR to PRIME MINISTER FOR YOUTH PROGRAMME, AT ASSOCIATION OFFICE ON 18-MAR-2019.

CHAIRMAN PTA (S.Z),  
MR. KAMRAN HABIB,  
INVITED  
ALL THE MOST  
RESPECTABLE  
SENIOR MEMBERS /  
FRIENDS  
ON DINNER HOSTED  
BY THE  
CHAIRMAN  
ON 01-MAY-2019.





CHAIRMAN PTA (S.Z) MR. KAMRAN HABIB & MR. GULZAR FIROZ, PRESIDENT ENVIRONMENTAL SOCIETY ATTENDED CHINA FTA SEMINAR.



MR. KAMRAN HABIB, CHAIRMAN PTA (S.Z) ALONGWITH MR. DANISH KHAN, PRESIDENT KATI, AT IFTAR CUM DINNER HOSTED BY KATI.



CHAIRMAN PTA (S.Z) MR. KAMRAN HABIB & INFRASTRUCTURE HEAD MR. AZIZ AHMED CALLED THE CONSULTANT WORKING ON SECTOR 7-A PROJECTS

### Govt urged not to withdraw zero rating regime

MUHAMMAD RIAZ he said. The present state of economy cannot afford any such imprudent experiments. The country needs exports to address increase of our trade balance which is a member of all economic ailments such as exchange rate, inflation, conditionalities of IMF, beggarly bowl, current account deficit. He expressed his disappointment saying that if our economic manager don't have any plan they can simply learn from successful models of Vietnam, India, Bangladesh, Vietnam, India, and Turkey. Agha Siddiqin said that during previous two governments was collecting in shape of sales tax and how much was refunded back. The amount anti export policies and law and export situation in the country. Our textile exporters set up their factories in Bangladesh as a result the exports of Bangladesh reached to US\$ 39 billion with 80 percent exports of textile whereas our exports dropped from US\$ 24.110 billion in 2013-14 to US\$ 20 billion in 2016-17, he said. He said that the FBR should check newspapers after zero rating was introduced in 2009 and they can see that people involved in flying invoices started protesting in the streets of Faisalabad and big processions rashed on the roads. He advised the economic managers to introduce policies which are export friendly and strategic in nature. Playing same disc from other side is not solution. The economic managers need to come up with new creative ideas in solution with stakeholders.

### Govt proposed to withdraw additional RD

MUHAMMAD RIAZ LAHORE: The Pakistan Tanners Association (PTA) is in budget reform package announced on 23.01.2019 on the import of basic raw materials (raw hides & skins) for the leather industry. The PTA Chairman Agha Siddiqin also urged the government to remove the 11 percent Customs duty recently imposed in mini budget reform package announced on 23.01.2019 on the import of basic raw materials (raw hides & skins) for the leather industry. He said that the duty draw back rates on the export of finished leather were unilateral imposed by the Federal Board of Revenue side its SRO Framework 2019-23 which is imperative for meeting the Leather Working Group (LWG) mandatory requirement. He said the government should allow 75 percent matching grant for setting-up effluent treatment plants in individual tanneries which is a fundamental requirement for enrolling our member factories in the LWG. He said that over a dozen of South Korea, Turkey and Thailand.

# Press Clippings



## EXPORT OF LEATHER AND LEATHER PRODUCTS FROM PAKISTAN DURING JULY-APRIL 2018-19 VIS-À-VIS JULY-APRIL 2017-18

| COMMODITIES                | UNIT                    | July - April 2017-18 |                | July - April 2018-19 |                | % Change |                |
|----------------------------|-------------------------|----------------------|----------------|----------------------|----------------|----------|----------------|
|                            |                         | QTY                  | VALUE          | QTY                  | VALUE          | QTY      |                |
| LEATHER                    | '000' SQM<br>AUP/Sq.M   | 21,599               | 270,859        | 18,074               | 211,123        | -16.32%  | -22.05%        |
|                            |                         |                      | 12.54          |                      | 11.68          |          | -6.85%         |
| LEATHER APPAREL & CLOTHING | '000' DOZ<br>AUP/Pcs    | 695                  | 244,102        | 795                  | 210,775        | 14.39%   | -13.65%        |
|                            |                         |                      | 29.27          |                      | 22.09          |          | -24.51%        |
| LEATHER GLOVES             | '000' DOZ<br>AUP/Pair   | 5,236                | 180,514        | 5,199                | 178,891        | -0.71%   | -0.90%         |
|                            |                         |                      | 5.75           |                      | 5.73           |          | -0.19%         |
| LEATHER FOOTWEAR           | '000' Pairs<br>AUP/Pair | 4,778                | 77,314         | 6,026                | 87,367         | 26.12%   | 13.00%         |
|                            |                         |                      | 16.18          |                      | 14.50          |          | -10.40%        |
| OTHER LEATHER MANUFACTURES | '000' KGS<br>AUP/Kg     | 826                  | 10,411         |                      | 9,482          |          | -8.92%         |
|                            |                         |                      | 12.60          |                      |                |          |                |
| <b>TOTAL:</b>              |                         |                      | <b>783,200</b> |                      | <b>697,638</b> |          | <b>-10.92%</b> |

Source: Pakistan Bureau of Statistics.  
NOTE : Export figures for the months from February'2019 to April'2019 are Provisional.



**Pakistan Tanners Association**  
46-C, 21st Commercial Street, Phase II, Extn. Defence Housing Authority, Karachi. 75500, Pakistan.  
Tel: +92-21-35880180, 35880184, Fax: +92-21-35880093  
Email: ptacentral@pakistantanners.org, info@pakistantanners.org  
Website: www.pakistantanners.org