

PAKISTAN TANNERS ASSOCIATION

PRESS RELEASE

95% EXPORT ORIENTED COMMODITY OF LEATHER DEPRIVES FOR ALL BASIC INCENTIVES OF THE GOVERNMENT

Karachi: 10th December'2019: Sheikh Afzal Hussain, Chairman, Pakistan Tanners Association issued a press statement exceptionally in view of prevailing dismal business circumstances to all print & electronic media today that the **Finished Leather**, which is the most **precious 95% export oriented commodity** after value addition from **Raw skins to finished leather** with innovations **is completely deprived for any incentives** of the Government despite all assurance made to PTA's Delegation during meetings held at Islamabad with MOC, FBR, MOF & other Government departments.

The **Chairman, PTA, Sheikh Afzal Hussain** strongly opposed the existing Government's policies which are unfavorable to Leather Industry and found so far are repugnant to the assurance given to PTA's Delegation during the meetings as detailed below :-

01. **Non inclusion of Leather in the new DLT scheme from 2018-21 announced** by the Government : it was categorically assured to PTA's delegation during **several meetings** with PTA's Delegation for the inclusion of **"Finished Leather"** which was **unilaterally excluded from the DLT** scheme for the 2018-21 with certain H.S. Codes of finished leather as most value added products of Leather Sector of Pakistan, **but unfortunately nothing has come out as yet and still kept in isolation for finished leather**, which are rendering **our member exporters in-competitive in international markets for leather particularly as compared with neighbor competitors.**
02. **Non release of DLT claims for Leather with incremental or without incremental upto June'2018** by SBP in lacking of required funds to be released by MOC/MOF to SBP to dispose off the pending cases of DLT claims with or without incremental of exports, which is in Million of Pak Rupees as the Honorable Advisor to PM announced recently for the release of claims which is not included non textile sector.
03. **Release of Sales Tax Refund Claims** : During the meeting of PTA's Delegation held with **Chairman, FBR on 29.11.2019** at Islamabad it was categorically assured that Benchmark/Ceiling for the refund of Sales Tax **has been changed/increased**, which was expecting not less than **10%** for finished leather, but practically all the Refund of Sales Tax claims under **FASTER Programme** are being **"returned/rejected"** without clearance and advising

by FBR to proceed the claims with Manual procedure, which is old version having cumbersome procedure for the clearance.

04. PTA apprehends that Government is considering to effect major cut on international marketing for PTA's members participation in **Int'l Leather Fairs around the globe**, which is only universal tested tool for marketing & promotion of exports, if could be made all the exporters would be unable to participate in Int'l Leather fairs resultantly the export of leather would further be dropped to the deteriorated extent. Rather than the Governments of neighbor competing countries are offering/extending maximum incentives to their exporters for capturing the international markets by making wide participation.

It is really astonished & surprised that most precious core value added products of finished leather of all sorts (cow, buffalo, sheep & goat skins) with 100% value additions are neglecting regularly by the Government & concerned Ministries & Government Departments despite much potential for the exploration & expansion for exports of **Leather Sector (finished leather)** and paying their heed to other sector of the country **EXCEPT " Finished Leather"** which is very discouraging to our member exporters who are sincerely committed for the promotion of export of finished leather worldwide.

The **Chairman, PTA**, reiterated that our member exporters are completely **UNABLE to execute their** export activities in the wake of cash flow problems being confronted by them severely, which is stuck with the Government on **account of Sales Tax Refund claims** and our member exporters have exhausted all in hand liquidity and considering to close their operations/factories.

Sheikh Afzal Hussain, Chairman, PTA strongly appealed to the **Honourable Prime Minister of Pakistan, Advisor to PM on Commerce & Textile, Mr. Abdul Razzak Dawood and Chairman, FBR, Syed Shabbar Zaidi** to look into the matter of very dismal situation of Leather Sector of Pakistan (Finished Leather) to ensure to fulfill their commitments made with PTA for the above to provide level playing field to this export oriented Industry to save this vital Industry from further collapse.
