

## PTA seeks special relief package

**RECORDER REPORT**  
**KARACHI:** Pakistan Tanners Association (PTA) chairman Amanullah Aftab has urged Prime Minister and Federal Commerce and Finance Ministers to announce special relief package for leather industry and also ensure immediate release of 'pending claims' to PTA's member exporters.

He made these demands in a special press statement issued to the media in which he also elaborated the grievances being faced by leather sector of Pakistan, the 2nd biggest export-oriented manufacturing industry of the country in terms of its contribution to the country's GDP, which includes:

Refund of Duty Drawback & Sales Tax Refund Claims: Millions of rupees are stuck under refund of Duty Drawback Rebate Claims and Sales Refund Claims pending with the Customs and Sales Tax Collectorate despite repeated follow-ups made by PTA with concerned officials of the Collectorates and it needs immediate attention for prompt release to PTA member exporters so that they avert financial constraints and become self-sufficient with working capital for smooth execution of export orders within the timeframe already agreed with the potential foreign buyers/customers. He said it is necessary for them to avoid cancellation of export orders for the supreme motive to bring precious foreign exchange by promotion of country's exports and overcome declining trend of exports.

Release of DLTCL claims: He said release of pending DLTCL claims to PTA's member exporters specially effective from 1st July, 2017 without incremental of exports percentage is another setback for the industry and leading cause of financial

stringencies for PTA's member exporters as the DLTCL claims release are already stuck up in SBP's branch within the country.

He appreciated the scheme saying it helped export sector to quote competitive prices and take their share in export which was fast getting away to other countries. He urged this scheme must be continued after June 2018 as these are refund of local taxes and not a rebate and local taxes cannot be exported. He alerted that customers which PTA was trying to bring back may again shy away to other countries due to taxes added cost. Therefore, he stressed that the scheme may be considered as vital for export industry. He said leather sector exports have not fully recovered and they are still struggling hard and need continuous support of refund of local taxes.

Amanullah Aftab also highlighted other core issues of the industry to bring them to the notice of Ministries of Commerce and Finance and other relevant government departments for their resolution to provide level playing field to this vital industry that deserves due incentives for the specific purpose for the promotion of country's exports. For this, he demanded government to issue revised SRO without further delay by notifying 24-Tanning Machines in pursuance of the SRO#578(1)/2017 dated 01.07.2016 for the government subsidy. A comprehensive submission with understanding was already submitted to MOC; To withdraw Custom Duty/ Sales Tax on import of Tanning Machineries for Leather Sector of Pakistan for the upgrading of the industry as was already allowed for Textile Sector. A list of comprehensive tanning Machineries was already sub-

mitted to MOC; To reassure/reconfirm for incorporation of following incentives in the upcoming STPF 2015-18/2018-23, which is utmost imperative for meeting LWG (Leather Working Group) mandatory requirement specifically: To allow 75% Matching Grant for setting-up of Effluent Treatment Plants in Individual Tanneries which is a fundamental requirement for enrolling PTA member exporters in LWG; To allow 75% subsidy on International Lab Testing for leather which is a pre-requisite of foreign buyers/brands for selling the finished leather to them. He referred that the incentive was approved/announced by Engr Khurram Dastgir Khan (Ex-Federal Minister for Commerce) at an inaugural function of 3rd Pakistan Mega Leather Show in January 2017.

He asked government to allow complete withdrawal of Additional Regulatory Duty imposed on import of various basic tanning chemicals vide SRO # 1035(1)/2017 dated 16th October 2017, as the recently issued SRO#06(1)/2018 dated 03.01.2018 is still imposed at 10%, which needs to be removed on basic tanning chemicals for tanning industry.

He urged government to remove Quarantine requirement/ condition imposed through SRO 1067(1)/2017 dated 20th October 2017 on import of basic raw materials (raw hides & skins) for the Leather Industry; PTA demanded early finalization of FTA between Pakistan and 1) South Korea 2) Japan 3) Turkey 4) Thailand and most importantly with China (2nd Phase of FTA) to ensure inclusion of leather of all sorts at zero rated import at destinations concerned from Pakistan.