

Leather, leather products

Govt urged to approach S Korea to reduce import duty

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KARACHI: Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has urged the government to approach South Korea to reduce import duty on leather and leather products to two percent.

The FPCCI noted that South Korea had reduced import duty for India from 5 percent to 2 percent but this concession is not allowed on the import of leather and leather products from Pakistan.

For leather tanning industry, the federation suggested the government to take various measures, including, waving 3 percent customs duty on import of basic raw material (raw hides and skins).

Other recommendations of the FPCCI are:

1) To include highly value addition 'finished leather' in SRO 413(1)/2915 of May 15, 2015 to avail the incentive of 4 percent of the FOB value of

their enhanced exports as already allowed to allied leather sector.

2) Allow duty-free import of all spare parts, accessories and tanning machinery.

3) Suspend deduction of export development surcharge at the rate of 0.35 percent for at least three years.

4) Reduce ERF from 3.5 percent to 3 percent for leather industry as already announced for textile sector.

5) Withdraw SRO 505(1)/2013 of June 12, 2013 and SRO 897(1)/2013 of October 4, 2013 and continue zero rating of leather industry from withholding sales tax on purchase of raw hides and skins from unregistered persons.

6) Announce zero rating of local taxes on export in the shape of DLTL at the rate of 5 percent to be reimbursed through banks on realisation of export proceeds.

7) Extend and notify scheme for assistance/re-imburement

of 75 percent cost for mandatory certifications/lab testing form internationally accepted labs.

8) Continue facility of matching grant for setting up of effluent treatment plants in individual tanneries for PTA's remaining member tanners and also for newly established tanneries.

9) Extend incentive for sharing 25 percent financial cost for setting up of labs in individual tanneries for PTA remaining member tanners and also for labs of newly established tanneries.

10) Allocate Rs 100 million annually for leather industry out of EDF collection for PTA members participating in international fairs for promoting exports.

11) Declare tanning industry as continuous processing industry and exempt it from power and gas load-shedding.

12) Withdraw levy of 3.5 percent Gas Infrastructure Cess (GIDC).