

Tanners seek removal of customs duty on raw material imports

By Our Staff Reporter

KARACHI: The Pakistan Tanners' Association (PTA) has urged the government to abolish the three per cent customs duty on the import of basic raw materials in the upcoming budget.

In its FY17 budget proposals, PTA Chairman Gulzar Feroz demanded that the government should also allow duty-free import of all spare parts, accessories and tanning machineries used by the industry.

The association is also seeking a 0.5 percentage-point reduction in export refinance rate to 3pc, as in the case of the textile sector, to encourage exports and bring down the cost of doing business.

The PTA pointed out that whereas all other leather segments, for example footwear and goods, were being given a 4pc rebate free-on-board on their enhanced exports under SRO 415(I) dated May 15, 2015, the finished leather sector was being deprived of such incentive.

Mr Feroz said the zero-rating status to the leather industry under SRO 1125(I)/2011 should be restored immediately.

He said the government should also make Sixth Schedule of the Sales Tax, 1990 effective retrospectively from Feb 14, 2013 wherein raw, pickled and wet-blue hides and skins would be exempted from sales tax as announced in the budget 2015-16.