

## PRESS RELEASE

### ANOTHER INVASION ON EXPORT INDUSTRIES & LEATHER SECTOR IN PARTICULAR

**Karachi; Mr. Anjum Zafar Chairman, Pakistan Tanners Association** in an exclusive press statement issued today to all country wide print & electronic media strongly condemned the irrational & illogical increased of **Electricity Charges @Rs.3.90 per unit** and effective for the collection **from 2015** in Pakistan and treated this decision would be the last Nail on coffin of export Industries specially **Leather Sector of Pakistan**.

The **Chairman, PTA, Mr. Anjum Zafar** also shared that the **Leather Sector of Pakistan, which** is the 2<sup>nd</sup> biggest export oriented industry of the country contributing significantly to the country's GDP is already in severe clutches of problems/grievances and the cost of doing in **Pakistan is already at exorbitant** extent and our member exporters are already unable to compete in international market as compared to our regional competitors particularly **China, India & Bangladesh** and the sudden increased of Electricity Charges would render our member exporters out of park/International market for Leather in the wake of **Very High and ever increasing Cost of doing business in Pakistan** and the Electricity charges is one of the reasons behind it.

**Mr. Anjum Zafar, Chairman, PTA** also shared the cost of utilities charges in **comparison with regional competitors** as appended below and accordingly the Pakistan is already **on much higher side** and the Leather Sector of Pakistan is already confronting numerous problems in realizing/execution of export orders/activities with the potential foreign buyers/customers owing to high cost of production in Pakistan for leather, resultantly loosing the share of the International markets and ultimately the export of leather sector has already been decreased to the alarming extent for the last consecutive 3 years:

**Regional Comparison of Cost of doing Business**

Inputs	Pakistan	Bangladesh	Pak % Higher than Bangladesh	India	Pak % Higher than India	Vietnam	Pak % Higher than Vietnam
Electricity / kwh	\$ 0.11	\$ 0.09	22%	\$ 0.09	22%	\$ 0.08	37%
Gas (Industrial Captive Power)/ MMBTU	\$ 7.68	\$ 3.01	155%	\$ 4.66	65%	\$ 6.00	28%
Minimum Wages per month	\$ 135.00	\$ 68.00	98%	\$ 115.00	17%	\$ 113.50	19%

The **Chairman, PTA, Mr. Anjum Zafar** opposed/condemned the proposed increase of Electricity charges in Pakistan in general and collection from 2015 in particular, which would be the highly detrimental/fatal for Leather Sector of Pakistan and it is becoming impossible with hike prices of utilities and cost of doing business to compete in the world markets and export of Leather Sector of Pakistan would further be severely affected . How can we pass on the increased cost of electricity from 2015 to our customers now which was not calculated in prices when sold and no where in the world utilities are increased with retrospective effect. Moreover even this increase now will render Pakistan out of world leather market as most expensive country to source for international buyers.

I, being the **Chairman, PTA on behalf of all Leather Sector of Pakistan** appeal to the Prime Minister of Pakistan to look into this serious issue for the proposed increased of Electricity Charges and its collection from 2015 for immediately withdrawal of decision to save the Leather Sector of Pakistan from further collapse.

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