

PRESS RELEASE

NEGATIVE IMPACT OF CORONAVIRUS TO LEATHER SECTOR OF PAKISTAN

Karachi: 17th March, 2020: While talking to the Print & Electronic Media by the Chairman, Pakistan Tanners Association, Sheikh Afzal Hussain shared his deep concern about the Leather Sector of Pakistan with the severe negative repercussions of **Corona Virus to Leather Sector of Pakistan** as most of the leather export shipments are dumped at the destinations Ports without its due clearance particularly in Europe, which is not only causing severe financial hardship being confronted by PTA's member exporters and also the cause of demurrage at foreign airports for the export shipment of leather.

In this context, **Sheikh Afzal Hussain, Chairman, PTA** shared the discussion & outcome of yesterday (16.03.2020) meeting chaired by the Advisor to PM on commerce & textile, **Mr. Abdul Razzak Dawood** with all stakeholders of export sectors of the country in TDAP's office, thru video link from Islamabad in view of peculiar nature of circumstances for corona virus and after threadbare discussion made in detail during the meeting the exporters of Pakistan including Leather Sector of Pakistan, which was represented by the Chairman, PTA concluded with the following proposals to be considered by the MOC/Government of Pakistan for immediate announcement with relief to the Export Sectors, as the other export countries are **adopting counter preventive** measures to save their exports & their local Industries as well :-

Sheikh Afzal Hussain, Chairman, PTA strongly articulated the need of the Hour to announce "Special Relief Package" for Leather Sector of Pakistan IMMEDIATELY as proposed to be WITHIN COUPLE OF DAYS as further delay if unfortunately to be occurred for special relief package would lead the cause for further damage the export Sectors of the country including Leather Sector of Pakistan :-

- a) Immediate release of **Sales Tax, Income Tax & Duty Drawback claims** to PTA's member exporters/ Leather Sector of Pakistan as **the No claims has been released from Sept'2019 as yet while it was firmly assured** to release the claims in all respect **within 72 Hours under Faster Programme.**
- b) To include "**Dyed/Finished Leather**" in the new DLT scheme for 2018-21 **thru SRO # 711**, which was inadvertently eliminated from the Scheme as released by MOC and assured to PTA, but not yet **been rectified** with the issuance of addendum for **SRO # 711** with "**Dyed/Finished Leather**" inclusion with "**retrospective effect from 1st July'2018**"
- a) Immediate Removal of irrational & illogical imposition of **AGST & ACD** whereas the Government is already collecting the **CD & GST**,
- b) Most importantly to make major cut on "**Interest Rates**" which is exceptional in Pakistan around 13.25%, **which should be reduced upto 7-8% atleast.**
- c) To release pending incremental DLT claims to PTA's member exporters

- d) The period of ERS should be increased from 180 Days to atleast 360 – 380 days.
- e) To reinstate **all five sectors status @ zero Rate atleast for 1 year.**
- f) DTRE scheme period should be increased from 12 months to 24 months with more relaxed mode.
- g) Removal of collection of EDS @ 0.25% atleast for 3 years.

All the above **CORE DEMANDS are required** with immediate effect to **Leather Sector of Pakistan, which is the 2nd biggest export oriented value added Industry of the country**, for which the Advisor to PM on commerce & textile has assured during yesterday meeting to get the needful done with maximum for facilitation to Leather Sector of Pakistan.

Sheikh Afzal Hussain, Chairman, PTA strongly appealed to the **Honorable Prime Minister of Pakistan for his personal intervention to the matter of very significant nature for immediate announcement of “Special Relief Package”** for Leather Sector of Pakistan so that this vibrant/vital Industry of the country would be equipped with all tools to fight with economic war in result of corona virus at international platforms.

Chairman, PTA, Sheikh Afzal Hussain shown his deep apprehension, if the relief package with the above core demands **is not issued immediately within the current week**, resultantly the Industry would be in compulsion to **layoff the Labor** which could be **around 50%** to be the cause of further unemployment within the country.
