

PRESS RELEASE

HUGE EXPORT POTENTIAL OPPORTUNITIES LOST AT HONGKONG LEATHER FAIR

2nd April, 2017 : Mr. Anjum Zafar, Chairman, Pakistan Tanners Association informed the print and electronic media in a separate press release issued after participation in one of the great potential events of leather in far east region i.e. Asia Pacific leather fair held from 29th March to 31st March, 2017 wherein total 65 member exporters were present during the fair at Hong Kong HAVE UNFORTUNATELY LOST THE GREAT EXPORT POTENTIAL OPPORTUNITIES OWING TO NON APPLICABILITY OF INCENTIVE PACKAGE ANNOUNCED BY THE PRIME MINISTER ON 10.01.2017.

Mr. Anjum Zafar also shared the facts with the media as summarized below :

01. In result of NON APPLICABILITY of PM PACKAGE our member exporters were in constraints could not quote competitive prices and orders LOST to other major competitors/suppliers from countries like Brazil/Argentina/India/Bangladesh etc in general as well as next SIX months export orders booking have also been lost in particular.

02. Needless to reiterate here that the PM incentive package was finalised in detailed meeting held with governments official in Islamabad with harmony at 5% for finished tanned leather and accordingly PTA sent a letter dated 13.01.2017 to MOC well before time for inclusion of all relevant H.S codes in the SRO concerned for the incentive package announced by PM on 10.01.2017.

03. But when the SRO was issued bearing 62 dated 02.02.207 instead, three MOST NON- IMPORTANT HS CODES were incorporated in the SRO which relate to hardly 1 or 2% of the industry ONLY so resultantly our 98/99% manufacturers exporting FINISHED TANNED LEATHER have not been able to get any benefit from the PM incentive package announced on 10.01.2017 at Islamabad.

04. The major 8 MISSING H.S codes for finished tanned leather are as follows :

H.S CODES FOR FINISHED TANNED LEATHER :

4112.0000/4113.1000/4113.9000/4107.1200/4107.9200/4107.9100/
4302.1910/4302.1990

01. On PTA immediate intervention after issuance of SRO # 62(I)/2017, the MOC admitted its mistake and prepared the summary duly approved by Secretary MOC and submitted to Ministry of Finance but we were told that even though it is an anomaly but it has to be approved by the Finance Minister only finished finally for issuance of revised SRO 62 for incorporation of missed 8 core H.S. Codes, which is really astonished.

The Chairman, PTA, Mr. Anjum Zafar regretfully informed the country media that this matter for rectification for inclusion of 8 remaining H.S. Codes is pending since more than TWO MONTHS and is now stuck at Finance Minister Office. It was also shared that he called Secretary MOF and also MOC before the commencement of fair to keep them on board with this ongoing critical situation either to take prompt action for inclusion of missed 8 H.S. Codes or at-least make us oral assurance that all 8 missing HS codes will be amended so that our 65 member participants can offer competitive prices to their valued foreign buyers with 5% incentive edge with supreme motive to get orders during Hong Kong fair but all in vain and no one was ready to commit until and unless FM approves the amendment.

The above facts and untiring efforts depicts the sincerity for the cause of promotion of country exports as our 65 member exporter participants were found handcuffed during the fair at Hong Kong and ultimately LOST GREAT EXPORT POTENTIAL OPPORTUNITIES IN HONGKONG which could be in millions of US\$ and certainly the final resort to bring more negative impact on export of leather sector which is already declined at 6% for last 8 months from July 2016 to Feb 2017.

I, Mr. Anjum Zafar being Chairman Pakistan Tanners Association on behalf of all country wide member appealed once again strongly to honourable Prime Minister of Pakistan and Federal Minister to look into this long pending matter for the final approval to the summary for inclusion of remaining all 8 H.S. Codes WITHOUT FURTHER DELAY AND ALSO TO LOOK INTO OTHER PROBLEMS OF HUGE PENDENCY OF REBATE AND SALES TAX CLAIMS WHICH IS CAUSING SEVERE LIQUIDITY ISSUES TO TANNERS.