



**ANNUAL
REPORT
2024-25**

ANNUAL REPORT

2024-25

PRESENTED BY

HAMID ARSHID ZAHUR

CHAIRMAN

PAKISTAN TANNERS ASSOCIATION

(CENTRAL OFFICE)

HAMID ARSHID ZAHUR



**CHAIRMAN
PAKISTAN TANNERS ASSOCIATION (CENTRAL)**

**1ST TERM OF THE
CENTRAL EXECUTIVE COMMITTEE OF
PAKISTAN TANNERS ASSOCIATION
FOR THE YEAR 2024-2026**

SI # OFFICE BEARERS

01. **Mr. Hamid Arshad Zahur** Chairman
(M/s. Noor Leather Garments (Pvt) Ltd.,
Karachi)
02. **Sheikh Abid Hussain** Senior Vice Chairman
(M/s. Prime Tanning Industries (Pvt) Ltd.,
Muridke)
03. **Dr. Danish Aman** Vice Chairman
(M/s. Hafiz Enterprises, Karachi)

**MEMBERS, CENTRAL EXECUTIVE COMMITTEE
(ALPHABETICALLY)**

<u>SI #</u>	<u>Name of CEC Members</u>	<u>.....</u>	<u>Name of Firm</u>
04.	Mr. Amanullah Aftab	.....	M/s. Hafiz Tannery, Karachi.
05.	Mr. Adeel Ashraf	.....	M/s. Muhammad Ashraf (Pvt) Ltd., Karachi.
06.	Mr. Azmat Saleem Sheikh	.....	M/s. Leather Coordinators, Sahiwal.
07.	Mr. Badre Alam	.....	M/s. Badre Alam Traders, Lahore.
08.	Mr. Kamran Habib	.....	M/s. Pelle Classics, Karachi.
09.	Mr. Mubbashir Salam	.....	M/s. Jeaman Leather & Leather Clothing, Karachi.
10.	Mr. Muhammad Musaddiq	.....	M/s. Siddiq Leather Works (Pvt) Ltd., Lahore
11.	Mr. Saad Anis	.....	M/s. Shaikh Brothers, Karachi.
12.	Mr. Saad Latif	.....	M/s. Sheikh of Sialkot (Pvt) Ltd., Sialkot.
13.	Mr. Shafique Ahmed	.....	M.s, Shafique Leather Enterprises, Karachi.
14.	Mr. Usman Yousaf	.....	M/s. Yousaf Tanneries, Kasur.
15.	Mr. Waqas Naeem Vohra	.....	M/s. Vohra Asian Leather Crafts (Pvt) Ltd.,Lahore.
16.	Mr. Zeeshan Aslam Sheikh	.....	M/s. MIMA Leather (Pvt) Ltd., Lahore.

STANDING COMMITTEES OF PTA (CENTRAL)

FOR THE YEAR 2024-2026

Following Central Standing Committees were constituted during the 2-years term 2024-26 with the approval of the Central Executive Committee, PTA :

Sl #	Stand Committees	Chairmen
01.	Finance & Administration Standing Committee	Mr. Hamid Arshad Zahur
02.	Human Resources Committee	Mr. Hamid Arshad Zahur
03.	FBR Standing Committee	Mr. Hamid Arshad Zahur
04.	Commerce & Export Standing Committee	Mr. Muhammad Musaddiq
05.	Raw Hides & Skins Improvement Standing Committee	Mr. Agha Saiddain
06.	Steering Committee for Pakistan Mega Leather Show	Mr. Agha Saiddain
07.	Import/ Customs Affairs Standing Committee	Mr. M. Afzal Hussain
08.	International Fairs & Delegations Standing Committee	Mr. Amanullah Aftab
09.	Utilities Standing Committee	Mr. Yousuf Shafiq
10.	Public Relations Standing Committee	Dr. Danish Aman

**PRESENTATION OF ANNUAL REPORT
OF THE CENTRAL EXECUTIVE COMMITTEE
2024-25
BY**

**HAMID ARSHAD ZAHUR
CHAIRMAN
PAKISTAN TANNERS ASSOCIATION**

I verily feel privileged by the grace of Almighty Allah that I was elected Chairman of Pakistan Tanners Association for the 1st time despite my little-bit experience and I would also like to extend my gratitude to all of you for the confidence that you have reposed in me to achieve this milestone and making me to deal the affairs of the 3rd largest export oriented historical Leather Industry with full sewing and its betterment.

I feel pride to take the opportunity having to present the Annual Report of the existing Central Executive Committee of Pakistan Tanners Association for the first term FY 2024-25 in pursuance of Article 40(b)(ii) of the Memorandum and Articles of Association of PTA duly approved by the Government of Pakistan, Ministry of Commerce through the Directorate General of Trade Organizations under TOR, 2013.

The Annual Report under review depicts all the salient activities and performance of the Central Office for information of the members.

During my tenure I and my colleagues took-up various core issues leather industry related to Ministry of Commerce, SIFC, Ministry of National Food Security & Research, Ministry of Industries & Production, Ministry of Finance, FBR, Parliament, Islamabad and TDAP, SBP, IOCO, Karachi etc. for persistently followed-up each issue during meetings held physically with the authorities concerned at Islamabad as well as on-line meetings through Zoom and team software for redressal of leather industry's issues. I am thankful to Mr. Muhammad Afzal Hussain who spared time and accompany with me for physically participation in various Meetings particularly visits to Islamabad.

I would like to appreciate the gesture of cooperation and assistance extended by Dr.Danish Aman Vice Chairman, (PTA Central), Sheikh Abid Hussain, Senior Vice Chairman (PTA Central) in particular and cooperation by the entire Central Executive Committee during the preceding year.

I am really grateful to all CEC Members particularly Mr. Muhammad Musaddiq and Mr.Amanullah Aftab for their sincere guidance always, Mr. Badre Alam, Mr. Adeel Ashraf, Mr.Mubashir Salam and Mr. Azmat Saleem Sheikh for their timely inputs on the various burning issues of Leather Industry. I congratulate all Members of Central Executive Committee for successful completion of their 1st term of their tenure 2024-2026.

I also thankful to all my colleagues presently who are not the members of CEC but they are great assets of the Association namely Mr. Agha Saiddain, Mr. Muhammad Afzal Hussain, Mr. Waqas Shakil, Mr. Yousuf Shafiq, Mr. Fazalur Rehman Sheikh and all others who shared their views and feedback by whatsapp too for the betterment of the Leather Industry.

Contd.....P/2

At the occasion, I also wish to appreciate the efforts of Mr. Agha Saiddain again for his untiring efforts to organize a successful consecutive event of 10th Pakistan Mega Leather Show-2025 at Lahore, which became the Icon for Leather Sector of Pakistan recognized internationally by participation of foreign Leather & Leather Products, Chemicals & Machinery company. I hope the next mega event of PMLS-2026 will be organized with more enthusiasm.

I am also grateful to Mr. Amanullah Aftab, Chairman, PTA's Standing Committee's on International Fairs & Delegations for his active pursuation remain in oranizing International Leather Fairs successfully and his continued coordination with TDAP for releasing subsidy against the allocated Int'l Fairs to PTA.

Alhamdulliah, during his leadership, TDAP released subsidies for all allocated Int'l Leather Fairs as organized by PTA in Hong Kong, Italy, China, Vietnam & Bangladesh and accordingly PTA disbursed the subsidy amount amongst all the participants concerned for their facilitation.

Key issues of Leather Industry

After assuming my charge as Chairman of this prestigious association from October'2024, I streamlined all the pending key issues first which needed for early redressal for taking-up with the authorities concerned and SIFC as well, in line with the strategy as already adopted by our predecessor for the uplift of entire Leather Industry :

- To withdraw condition of Quarantine Certificate / Health Certificate on Export of Finished Leather and Import of Raw Hides & Skins and Semi Finished Leather.
- To allow up-ward revision of Duty Drawback Rates on Finished Leather.
- To repeal SBP FE Circular No.2 of 2023 dated 31.03.2023 containing irrational condition of Lien @ 3%, 6% & 9% OR atleast to allow 180 days relaxation period for realization of export proceeds realization into Pakistan
- To allow import of "Sodium Sulphide" from China as the condition for license on import of Sodium Sulphide into Pakistan has been initiated by the Government of China in September'2022 in order to regulate its import.
- To reduce cost of Electricity & Gas and restore Regionally Competitive Energy Tariff on its supply for Leather Sector to enable for retain competitiveness in Int'l market.
- To reinstate SRO # 1125(I)/2011 dated 31.12.2011 for export-oriented industries as was applicable before 2019.
- To release outstanding refund claims of Sales Tax, Income Tax and Duty Drawback Claims and Deferred Claims of PTA's member claimants concerned expeditiously.

I optimistic that if the Government implements the above proposals of Leather Industry, its export will return back on right track for sustainable growth.

Contd.....P/3

VISION

I would like to present hereunder my Vision for bolstering of the Leather Industry :

1. To set Leather Industry's ambitious export target for next 5-years @ US\$ 2.0 Billion upto June'2030 from existing @ US\$ 850.0 Million FY July-June 2024-25.
2. To release outstanding refund claims of Sales Tax, Income Tax and Duty Drawback Claims and Deferred Sales Tax Claims of PTA's member claimants concerned expeditiously.
3. To reduce cost of doing business in all types of taxation at multiple stages and reduce Gas & Power tariff for exporters of value added leather industry.
4. To incentivize animal farming in order to raise livestock: Goat, Sheep, Cow and Buffalo for meat farming, dairy farm as well as availability of hides and skins as by- product.
5. Mechanized slaughter houses within the country with latest machines specially on the eve of Eid-ul-Azha, in order to save the hides and skins. This will save a lot of raw material which is otherwise destroyed due to inexperienced slaughtering.
6. To control live animals smuggling from Pakistan to save the hides and skins which will also bring down food inflation considerably.
7. To arrange combined slaughtering in Pakistan and as a test case to initiate 1st phase from the selected areas of DHA, Karachi and selected sectors of Islamabad.
8. To establish Bonded Warehouse Scheme in Pakistan for procuring Wetblue Hides & Skins and pickled leather to cater the need of Leather Industry in line with the same pattern as already adopted in Europe and other countries.
9. To reduce the Interest from existing 12% to Single digit.
10. To reduce taxes / duties on import of tanning chemicals.
11. To bring the EFS back to its Original Form as on June 30, 2024 where by purchase of domestic & imported raw material under EFS was exempt from any duties & taxes.
12. To form a Central Command Authority by the Government which will be authorized to deal all the grievance i.e. taxes/customs duty, environmental laws etc. through one platform for resolution instead of multiple Government agencies for facilitation of the exporters.
13. To establish close liaison and alliance with various Associations, Government Departments concerned and Foreign Consulates/Missions in Pakistan for strengthening trade.
14. To establish reliable banking channel with Russia, Vietnam and CAR for facilitating business trade smoothly, which are not unexplored as yet.
15. To engage Trade Investment Officers of Pakistan Embassies at focused destinations to make close coordination with PTA for market access specially with new and emerging markets like Central Asian Republics (CAR), South America, Eastern Europe, North African Countries.
16. To execute Economic Partnership Agreement (EPA), Preferential Trade Agreement (PTA) & Free Trade Agreement (FTA) at various destinations concerned specially Bangladesh, South Korea, Japan, Turkey, Vietnam, Central Asia and East European Countries to allow Zero-rated Import of Finished Leather from Pakistan into these destinations for promoting Pakistan's Leather export.
17. To up-grade & enhance HR through NAVTTC & EDF Board for upgradation of National Institute of Leather Technology at Karachi, Gujranwala & Kasur and HR upgradation in factories of Leather Garments, Gloves, Footwear and hand bags sectors.
18. To re-instate DLT Scheme for Finished Leather @5% which unilaterally eliminated from the previous DLT Scheme FY 2018-21.

EXPORT PERFORMANCE OF LEATHER SECTOR DURING CURRENT FISCAL YEAR JULY-JUNE 2024-25

The Export of Leather Sector of Pakistan is now growing steadily with an increase of **5%** and stood **at US\$ 848.263 Million** during the current financial year **July-June 2024-25** as compared to the same period of last year's export at US\$ 808.421 Million.

The Export of valued added Finished Leather registered slight growth of 0.45% and increased in term of Value of Finished Leather export at **US\$ 138.198 Million** as compared to last year export @ US\$ 137.585 Million. I hope the Leather Sector will achieve **US\$ 1 Billion** export in next year, Insha-Allah.

The major potential markets for Pakistani Leather and Leather Products during the fiscal year 2023-24 are Italy, Vietnam, China, Spain, Indonesia, Bangladesh, Hong Kong, Germany, Turkey, USA, South Africa, Korea & Portugal.

I am feeling proud to share the list of Top 10-Exporters of Finished Leather FY 2025 of PTA's member firms exporting their best quality innovative value-added finished leather of cow/buff hides & goat/sheep skins to World's big brands for earning sizeable foreign exchange for the country :

Export Figures of Leather Exporting Companies of Pakistan (FY 2025) based on GD					
4104.49	4107.11		4107.91	4113.9	4112
4105.3	4107.12		4107.92	4114.1	4113.1
4106.22	4107.19		4107.99	4114.2	4113.3

4104.49	4107.11		4107.91	4113.9	4112
4105.3	4107.12		4107.92	4114.1	4113.1
4106.22	4107.19		4107.99	4114.2	4113.3

Sr. No.	NTN	Exporter	USD \$	% age in Export
1	688329	H. SADAR ALI AKHTAR ALI (PVT.) LTD.	14,609,308	10.39%
2	687843	M/S DADA ENTERPRISES PRIVATE LIMITED	10,711,728	7.62%
3	1417362	KTM LEATHER (PRIVATE) LIMITED	8,457,227	6.01%
4	683646	M/S EASTERN LEATHER COMPANY (PRIVATE) LIMITED	7,907,117	5.62%
5	453562	ROYAL LEATHER INDUSTRIES LIMITED	7,858,721	5.59%
6	4668629	LEATHER COORDINATOR	7,726,495	5.50%
7	1185331	MUHAMMAD SHAFI TANNERIES (PRIVATE) LIMITED	7,166,800	5.10%
8	2125550	M/S. TAUHEED INTERNATIONAL (PRIVATE) LIMITED	6,433,287	4.58%
9	2220711	HAFIZ TANNERY	6,032,135	4.29%
10	676628	M/S NOOR LEATHER GARMENTS (PVT) LTD	5,878,022	4.18%

I would like to extend my congratulations to all the above top exporters of Finished Leather for delivering their excellent performance for the Leather Industry despite in these most difficult times and exporting their best quality innovative value-added finished leather of cow/buff hides & goat/sheep skins to World's big brands for contributing their share in the country's economy.

ACHIEVEMENTS

I would like to share some of the achievements of Leather Industry which got after hectic follow-up on collectively and individually, met with the high-ups and specially with the SIFC from the very beginning of my tenure in November 2024 and express concern of the entire Leather Sector.

For the purpose, I visited Islamabad personally to meet the Minister's concerned i.e. MNFS&R, Ministry of Commerce, Ministry of Finance, FBR and also met Lt. General of SIFC with the aim atleast to get a single benefit for leather Industry. Some of my colleagues understand my vision and help me for taking-up the issues with the Government authorities concerned for resolution.

However, I am grateful to all of my colleagues/members of the Executive Committee, senior members of the Association, specially Chairmen of both the Zones, Sh. Afzal Hussain, Ex-Chairman, PTA and Central Secretariat for their support and got success in resolving the key Leather Industry's issues in result of making closed coordination with the following Government authorities concerned to get ease of doing business once for all :

TDAP - Trade Development Authority of Pakistan

After a hectic efforts of PTA under the Chairman of International Fairs Standing Committee, the TDAP increased subsidy from 40% to 70% this year for the facilitation of PTA members for securing new markets and for ensuring sustainable trade growth with maximum participation in International Leather Fairs.

TDAP has also approved following 6-International Fairs with 70% subsidy in its Annual Business Plan (ABP) FY 2025-2026 for allocation to PTA for organizing Pakistan Pavilions for PTA's interested participants :

01. Shoes & Leather, 9-11th July'2025 at Ho Chi Minh City, Vietnam (Already organized by PTA)
02. ACLE, 3-5th September'2025 at Shanghai, China (Already organized by PTA).
03. Lineapelle Fair, 23-25th September'2025 at Milan, Italy.
04. Leathertech, 4-6th December'2025 at Dhaka, Bangladesh.
05. Lineapelle Fair, February'2026 at Milan, Italy.
06. MM&T Section of APLF, March'2026 at Hongkong.

TDAP released subsidy in a very short span of time for Pakistan Pavilions as already organized in Lineapelle, Feb-2025, Italy, APLF-March-2025, Hongkong & Shoes & Leather Fair-July2025, Vietnam, subsidy for ACLE-Sept'2025, China is under process and to be released soon.

Alhamdulillah, there is no pending subsidy with TDAP on account of International Fairs till today. We highly grateful to TDAP and its officials concerned for extending their continues cooperation during the year for strengthening the Leather Industry's exports in world most potential Leather Markets.

Contd.....P/6

EDF – The Board of Administrators of Export Development Fund - MoC

- I. Received **Rs.9.254 Million** for Lab Testing charges of Finished Leather from TDAP in favour of remaining 10-PTA members concerned and disbursed among them accordingly and members concerned are continuing submitting their Lab testing cases to PTA.
- II. Proposal for releasing of 2nd Tranche of 75% Lab Testing of Leather amounting to Rs.60 Million has already been submitted via EDF Web Portal and still continuing to follow-up the matter for early release of the desired fund.
- III. EDF Board in its 86th Meeting held on 11.12.2024 approved long pending remaining 25% payment of **Rs.20.904 Million** against the application of PTA's 8-Members concerned submitted by PTA under STPF 2009-2012 for Matching Grant for establishment of Effluent Treatment Plant in Individual Tanneries and issued directives to TDAP for further proceeding. The approved subsidy will be receiving soon from TDAP after fulfillment of the codal formalities as per Rules and Regulations of TDAP.
- IV. EDF in its 87th meeting held on 26th March, 2025 approved removal of 60% Ceiling condition for 75% Lab Testing Subsidy for Finished Leather for facilitation of the Leather exporters.

REMOVAL OF ANIMAL HEALTH QURANTINE CERTIFICATE – Matter related to MNFS&R and MoC

PTA persistently taken-up the matter for removal of Health Quarantine Certificate requirement on Import and Export of Leather as imposed by the Ministry of Commerce under Import Policy Order-2022 and Export Policy Order-2022, which affected the production of Leather and adversely increased the cost of doing business.



Due to constant follow-up, initially, the Animal Quarantine Department, Karachi certified vide its letter No.F.5-9/2025/AQD/1175 dated 16th June'2025 that the Finished Leather, does NOT fall under the Regulatory Control of the Department (AQD), hence No Health Certificate is required for export/import of the goods having **7-HS codes 4107.1200, 4107.1900, 4107.9100, 4107.9200, 4107.9900, 4302.1910, 4302.1990** as listed in the letter referred above.

For the rest of the HS Codes of Hides and Skins for inclusion in the Import and Export Policy 2022, finally on the recommendation of Ministry of National Food Security & Research (MNFS&R) for removal of the health certificate requirement by the Animal Quarantine Department (AQD) for the import/export of leather products under the specified PCT Codes i.e. 18 Appendix-G of the EPO, 2022 and 18 code of part-III, appendix –B of the IPO, 2022, the Ministry of Commerce forwarded Summary to the Economic Coordination Committee (ECC) of the Cabinet for approval for necessary amendments in the IPO and EPO for exclusion of the HS Codes from the regulatory purview of Animal Quarantine Department and in pursuance to the Federal Governments' commitment to simplify and reduce non-tariff measures (NTMs) at Import and Export Stage.

Finally, by virtue of PTA persistent follow up through letters, subsequent reminders, participation in series of meetings physically and via Zoom held with the Ministry of Commerce, MNFS&R in Islamabad, Karachi and other departments concerned, resultantly, the government has approved the following 18-PCT Codes for removal of the requirement for health quarantine certificates on the import and export of Leather including Pickled & Wetblue, a measure aimed at facilitating the leather industry and enhancing its competitiveness in international markets :

Appendix-G of the EPO, 2022	Part-III, Appendix-B of the IPO, 2022
4104.4100, 4104.4900, 4105.1000, 4105.3000,	4104.4100, 4104.4900, 4105.1000, 4105.3000,
4106.2100, 4106.2200, 4106.4000, 4106.9100,	4106.2100, 4106.2200, 4106.4000, 4106.9100,
4106.9200, 4112.0000, 4113.1000, 4113.9000,	4106.9200, 4112.0000, 4113.1000, 4113.9000,
4114.1000, 4114.2000, 4115.1000, 4115.2000,	4114.1000, 4114.2000, 4115.1000, 4115.2000,
4102.2110, 4102.2120	4102.2110, 4102.2120

Finally, the Ministry of Commerce withdraw the requirement of the Quarantine Certificate for Import of Pickled & Wetblue Hdes and Skins aswell as the Export & Import of Finished Leather and issued S.R.O. 1726(I)/2025 & S.R.O. 1727(I)/2025 both dated 8th September'2025 for further amendments shall be made in the Import Policy Order (IPO), 2022 and Export Policy Order (EPO), 2022 accordingly for exemption of remaining 18 H.S. codes including above referred 7-HS Codes Totaling to 25-HS Codes for Leather for removal of health quarantine certificates. The MoC forwarded the said SROs to FBR & PSW for implementation and incorporation of all the entire HS Codes for Leather in the system so that its Export & Import exempted from the requirement of health quarantine certificate.

<p style="text-align: center;">TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN - EXTRAORDINARY (PART-II)</p> <p style="text-align: center;">GOVERNMENT OF PAKISTAN MINISTRY OF COMMERCE ***** Islamabad, the 8th September, 2025.</p> <p style="text-align: center;">ORDER</p> <p style="text-align: center;">1726</p> <p>S.R.O. (I)/2025 - In exercise of the powers conferred by sub-section (1) of section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), the Federal Government is pleased to direct that the following further amendments shall be made in the Import Policy Order, 2022, namely:-</p> <p>In the aforesaid order, in Appendix-B, Part-III, column (1),-</p> <p>a) Sr. Nos. 446 to 447 and entries relating thereto in columns (2) (3) (4) and (5) shall be omitted; and</p> <p>b) Sr. Nos. 453 to 468 and entries relating thereto in columns (2), (3), (4) and (5) shall be omitted.</p> <p style="text-align: right;">F.No.10 (2)/2022-Imp-II/I (Vol-V)</p> <p style="text-align: right;">  (Saba Afzal) Section Officer (Import-I) </p> <p style="text-align: right;"> Saba Afzal Section Officer Ministry of Commerce Government of Pakistan Islamabad </p>	<p style="text-align: center;">TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN - EXTRAORDINARY (PART-II)</p> <p style="text-align: center;">GOVERNMENT OF PAKISTAN MINISTRY OF COMMERCE ***** Islamabad, the 8th September, 2025.</p> <p style="text-align: center;">ORDER</p> <p style="text-align: center;">1727</p> <p>S.R.O. (I)/2025 - In exercise of the powers conferred by sub-section (1) of section 3 of the Imports and Exports (Control) Act, 1950 (XXXIX of 1950), the Federal Government is pleased to direct that the following further amendments shall be made in the Export Policy Order, 2022, namely:-</p> <p>In the aforesaid Order, in Appendix-G, column (1),-</p> <p>(a) Sr. Nos. 174 to 175 and entries relating thereto in columns (2), (3) and (4) shall be omitted;</p> <p>(b) Sr. Nos. 181 to 186 and entries relating thereto in columns (2), (3) and (4) shall be omitted; and</p> <p>(c) Sr. Nos. 189 to 198 and entries relating thereto in columns (2), (3) and (4) shall be omitted.</p> <p style="text-align: right;">F.No.10 (2)/2022-Imp-II/I (Vol-V)</p> <p style="text-align: right;">  (Saba Afzal) Section Officer (Import-I) </p> <p style="text-align: right;"> Saba Afzal Section Officer Ministry of Commerce Government of Pakistan Islamabad </p>
--	--

COMMERCIAL EXPORT OF SHEEP & GOAT SKINS

PTA taken-up the matter with MNFSR & MOC on 07.10.2024 immediately, after the News appeared in daily Newspapers of 6th October'2024, that the Government is considering to lift the ban on the commercial Export of sheep and goat to Gulf Countries specially to Kuwait. As a result of PTA hectic efforts, the MOC opposed the proposal and ECC stressed that consensus among stakeholders is essential before implementing the policy change as the ban on export of live animal was imposed in 2013.

FBR – FEDERAL BOARD OF REVENUE

REFUND OF PENDING SALES TAX, INCOME TAX AND DUTY DRAWBACK CLAIMS

Due to continued constant follow-up with the FBR during the year, we got success in releasing the pending Sales Tax, Income Tax and Duty Drawback Claims of PTA's member claimants concerned.

- Witness better cash flow due to timely process of Sales Tax Refunds Claims of PTA members concerned as they received in max 40 days after issuance of RPO's.
- PTA still in constant follow-up with FBR for timely refunds of pending Duty Drawback, Income Tax Claims, Sales Tax Claims as well

FBR excluded Leather Sector raw material from the 18% Sales Tax on imports under EFS

After hectic efforts and series of meetings held with the Ministries concerned, the FBR excluded Leather Sector raw material from 18% Sales Tax on its Import under EFS.

Submission of Sales Tax Return thru FBR portal/software

PTA members concerned acutely faced problem in March'2025 for submission of their Sales Tax Refund Claims through FBR's Web Portal wherein unit quantity of Items allowed in KG only. On PTA's persistent approached with the FBR updated its web portal / software and allowed entry with specification of items in KG and Pcs for smooth and hassle free submission of Sales Tax returned claims by PTA members concerned.

Duty Structure reduced through Budget 2025-26

The Government announced significant reduction in CD & ACD in the recent Federal Budget 2025-26 on a number of leather related items as was sent by PTA to the Ministry of Commerce and FBR for inclusion in the Budget 2025-26 which definitely reduced the import duties and help in lowering in overall leather processing costs and making the leather industry more competitive.

COMPARISON OF DUTIES AND TAXES

BUDGET 2024-2025							BUDGET 2025-2026					
HS. Code	(CD%) CUSTOMS DUTY	(ACD%) ADD. CUSTOMS DUTY	(RD%) REGULA TORY DUTY	SALES TAX	ADD. SALES TAX	INCOME TAX	(CD%) CUSTOMS DUTY	(ACD%) ADD. CUSTOM S DUTY	(RD%) REGULA TORY DUTY	SALES TAX	ADD. SALES TAX	INCOME TAX
2519.9010	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
2712.9090	16%	4%		18%	0%	1%	15%	2%		18%	0%	1%
2830.1010	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
2830.1090	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
2912.1900	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
2915.1100	16%	4%		18%	0%	1%	15%	2%		18%	0%	1%
2915.1210	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
2915.1290	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
2929.9090	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
2930.2090	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
2933.9990	11%	2%		18%	0%	1%	10%	0%		18%	0%	1%
3102.2100	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
3201.1000	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
3201.2000	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
3201.9020	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
3201.9090	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
3202.1000	3%	2%		18%	0%	1%	0%	0%		18%	0%	1%
3202.9010	16%	4%		18%	0%	1%	15%	2%		18%	0%	1%
3202.9090	11%	2%		18%	0%	1%	10%	0%		18%	0%	1%
3204.1200	16%	4%		18%	0%	1%	15%	2%		18%	0%	1%
3204.1910	11%	2%		18%	0%	1%	10%	0%		18%	0%	1%
3210.0020	20%	6%		18%	0%	1%	20%	4%		18%	0%	1%
3402.4200	16%	4%		18%	0%	2%	10%	0%		18%	0%	2%
3402.9000	20%	6%	15%	18%	0%	2%	20%	4%	12%	18%	0%	2%
3403.1110	16%	4%		18%	0%	1%	15%	2%		18%	0%	1%
3403.9110	16%	6%		18%	0%	1%	15%	2%		18%	0%	1%
3404.9090	11%	2%		18%	0%	1%	10%	0%		18%	0%	1%
3808.9220	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
3809.9300	11%	4%		18%	0%	1%	10%	0%		18%	0%	1%
3906.9020	16%	4%		18%	0%	1%	15%	2%		18%	0%	1%
3906.9090	11%	2%		18%	0%	1%	10%	0%		18%	0%	1%
3909.5000	0%	2%	5%	18%	0%	1%	0%	0%	5%	18%	0%	1%
3910.0000	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
3911.9000	20%	6%		18%	0%	1%	20%	4%		18%	0%	1%
41.01	0%	0%		18%	0%	1%	0%	0%		18%	0%	1%
41.02	0%	0%		18%	0%	1%	0%	0%		18%	0%	1%
41.03	0%	0%		18%	0%	1%	0%	0%		18%	0%	1%
41.04	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
41.05	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
4105.1000	0%	0%		18%	0%	1%	0%	0%		18%	0%	1%
4106.2100	0%	0%		18%	0%	1%	0%	0%		18%	0%	1%
4106.2200	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
41.07	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
4112.000	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
4113.000	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
41.14	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
4115.1000	0%	2%		18%	0%	1%	0%	0%		18%	0%	1%
4115.2000	11%	2%		18%	0%	1%	10%	0%		18%	0%	1%

SBP – STATE BANK OF PAKISTAN

Imposition of Lien Tax on Delayed Realization of Export Proceeds

PTA had raised long pending issue for removal of Lien Tax condition on export proceed in its various presentations and meetings as well held with the authorities concerned as below and finally to get the relief for Leather Industry's exporters :

1. Lt. General Sarfaraz Ahmed, National Coordinator – SIFC.
2. Mr. Ahsan Iqbal, Minister for Planning, Development and Special Initiatives.
3. Mr. Jawad Paul - Secretary, Ministry of Commerce.
4. Mr. Faiz Ahmed, Chief Executive – TDAP.
5. Dr. Jahanzeb Khan, Secretary SIFC.
6. Dr. Asif Ali, Director - State Bank of Pakistan.
7. Mr. Ikramullah Dharejo, Minister for Industries - Government of Sindh.
8. Mr. S.M. Tanveer, FPCCI and Mr. Saqib Fayyaz Magoon, S.V.P., FPCCI.

Finally, the SBP **withdraw Lien Tax** on Delayed Realization of Export Proceeds with immediate effect vide SBP's EPD Circular Letter No.07 of 2025 dated August 12, 2025 as was imposed in 2023 through SBP's FE Circular 02 dated March 31, 2023 imposed lien of up to 3 percent for delays up to 30 days, 6 percent for delays between 31 and 60 days, and 9 percent for delays exceeding 60 days. SBP also instructed ADs to release the amounts immediately for facilitation of the exporters to enable them to promote further export of the country to achieve the desired milestone as per aspiration of URAAN PAKISTAN.

Reduction in Interest Rate

SBP reduced Interest Rate **by 11%** and PTA is still recommending for further reduction at single digit for the facilitation of exporters.

PTA MADE STRONG AFFILIATION WITH THE MINISTRIES, GOVERNMENT DEPARTMENTS CONCERNED, FBR, CUSTOMS, SBP, INSTITUTIONS AND LIAISON WITH FPCCI, KCCI & KATI FOR RESOLUTION OF THE INDUSTRIES' ISSUES AND GOT SUCCESS IN ACHIEVING FOLLOWING TASKS:

1. Matter regarding condition of Certificate on import of Chemicals, Formic acid and other relevant tanning chemicals as classified under Dangerous Petroleum Licenses-DPL

The matter regarding condition of Licence for import of Formic Acid and other relevant tanning Chemicals falling under Class A, B & C of Petroleum Act 1934 as a Dangerous Petroleum Liquids initially November'2024 and a number of Chemicals Consignments stuck-up at Karachi Ports by Customs authorities due to requirement of licence under Petroleum Rules, 1937 & Petroleum Act, 1934.

Since then, PTA has taken up this matter persistently under the umbrella of FPCCI and other Chemicals related Associations for resolution of this crucial issue for import of Formic Acid, Acetic Acid and Oxalic Acid etc. as these products are not Petroleum Products. Due to collective efforts the condition for requirement of Dangerous Petroleum Licenses for import of Chemicals extended thrice by the Department of Explosives, Ministry of Energy (Petroleum Division) :

- First time extension for 6 months in November 2024 from **26.11.2024 to 25.05.25.**
- Second time extension for 3 months in May 2025 from **26.05.2025 to 24.08.2025.**

- Third time extension for 2 months in September effective from 25.08.2025 to 23.10.2025 vis-à-vis waiver for the release of consignments of chemicals/petrochemicals of Industrial Consumers that fall under the classification of Petroleum Class A, B and C specifically import of Formic Acid being used in tanning industry as a basic chemical.

PTA emphasized the Department of Explosive for correct interpretation of these Chemicals and requested to resolve the issue permanently as these chemicals are neither Petroleum Products nor Hydrocarbons and hence do not fall under the ambit of the Petroleum Act 1934, which would definitely facilitate the members further in importing of tanning chemicals.

2. Reduction in Electricity Tariff

Due to joint efforts with the other Associations and Chambers followed by meetings with the Ministry concerned, reduction in Electricity Power announced by the honourable Prime Minister of Pakistan and Power Sector Reforms Team for economic revival as reducing Industrial Electricity Tariff by **Rs.7.59 per Unit** which is a great relief for the industrials in restoring the competitiveness of Pakistan's Industry.

3. Monthly Fuel Charges Adjustment for KE Consumers

PTA consistently pursuing NEPRA and Ministry of Energy, Power Division, Islamabad alongwith various Associations and Chambers in taken-up the matter for making necessary adjustments on account of variation in fuel charges for the month of APRIL 2025 in the approves tariff of K-Electric (KE). After hectic efforts, the National Electric Power Regulatory Authority, Islamabad issued Notification SRO 1219(I)/2025 dated 09.07.2025 reflecting a negative Fuel Charges Adjustment (FCA) of **Rs.4.0349/kWh** for KE consumers for April'2025 in the billing month of July'2025.

4. KPT & Port Qasim Reduced Charges on Export of Dry Bulk Commodities (for One Year)

For the facilitation of the industrialist, the KPT and reduce charges on Export of Dry Bulk Commodities for 1-Year as under :

- Port Charges by 50%.
- Wharfage & Storage charges by 50%.
- Deferment of Yearly Increase by KPT 5%.

MOU with NAVTTC

MOU executed in January-2025 between PTA and NAVTTC (National Vocational & Technical Training Commission) for the main task to promote skill development and to enhance the competitiveness of Pakistani Leather Products in the global market.

US reciprocal tariffs on Pakistan

PTA immediately taken-up the matter of US reciprocal tariff with the Ministry of Commerce for seeking maximum reduction in US Tariff on Pakistan since after the Trump administration initially imposed a 29% reciprocal tariff on imports from Pakistan in April'2025, which was very challenging for imports into the US.

However, the President of USA vide an executive order April 9, 2025 suspended implementation of additional tariff ranging from 10 percent to 50 percent on trading partners for period of 90 days, till July 9, 2025.

After Government's consultation with the private sectors, the Pakistani team led by the Finance Minister and Secretary Commerce held multiple rounds of virtual and in-person meetings with the high-ups of US sides for reduction in US tariff. In a result of successful trade negotiation, later on the USA reduced reciprocal tariff especially on Pakistani exports to the United States at 19% with effect from 1st August'2025 which is lower than its regional competitors like India, Bangladesh & Vietnam while US further imposed an additional tariff of 25 percent on India and giving Pakistan a competitive advantage of 31 percent. Now the new reduced US tariff termed to increase the overall exports from Pakistan and leather sector exports as well in US market in near future.



	Initial tariff	Adjusted tariff
India	26%	25%
Pakistan	29%	19%
Bangladesh	37%	20%
Sri Lanka	44%	20%
Vietnam	46%	20%

“PTA is still working towards other such issues of the Members of Leather Industry as well and we pray that Allah will grant us success in their resolution as well...Inshaa Allah!”