

Annual Report 2017-18

Pakistan Tanners Association



Presented by

Mr. Amanullah Aftab
Chairman. PTA (Central)

Mr. Mansoor Iqbal
Chairman. PTA (Northern Zone)

Mr. Ejaz Ahmed Sheikh
Chairman. PTA (Southern Zone)

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Dr. Arif Alvi

President
Of The Islamic Republic Of Pakistan



Message From



Dr. Arif Alvi
President
Of The Islamic Republic Of Pakistan

I have learnt with great pleasure that the Pakistan Tanners Association is publishing its Annual Report for the year 2017-18. I believe that the Annual Report will surely serve as a guide to the members of PTA and the allied concerned with satisfaction.

I am sure that the Leather Sector Industry will continue to play its vital role in enhancing the country's exports including Leather & Leather products and to help reduce trade deficit. The Government has announced some relief packages & chalked out planning for Leather Sector Industry in its Strategic Trade Policy 2015-18.

Leather and Leather Products are core sectors of Pakistan's exports and their contribution in the total exports of the country is worthwhile being second after the textile. I hope the exporters of leather industry will continue to strive for enhancing the quality of Leather & Leather products and participating in the International Exhibitions to earn foreign exchange for the country despite global recession and worldwide hard competition.

On this occasion, I congratulate the Chairman and Members of the Association for their dedication and continued efforts for the uplift of leather sector industry and its image building in the international domain.

I hope the leather industry under the patronage of Pakistan Tanners Association will continue to make its mark with full determination to share its contribution towards industrialization of the Country and promotion of export which is the need of hour.

I wish the Leather Sector Industry of Pakistan all the success for the future.

Imran Ahmed Khan Niazi
Prime Minister
Of The Islamic Republic Of Pakistan



Message From



Imran Ahmed Khan Niazi
Prime Minister
Of The Islamic Republic Of Pakistan

It is indeed a matter of pleasure that Pakistan Tanners Association is bringing out its Annual Report for the year 2017-18, highlighting main activities, major achievements and milestones achieved by the Leather Industry during the year.

Tanning industry is certainly one of the prominent industries in Pakistan. It stands second largest industry after the textile and contributes its share in the foreign exchange earnings of the country. This sector provides finest quality finished leather with innovation upto the international standards and leather products for export to international market to yield the sizeable foreign exchange for the national exchequer

It is expected that the leather industry will grow further by adopting new technology & further upgradation in leather to earn more foreign for the country.

I acknowledge the efforts of the tanners who are determined vigorously to promote country's export despite global competition as well as domestic crises. It is note-worthy that the value added leather industry exported goods worth US\$ 948.363 million in the preceding year July-June 2017-18.

On this occasion, I congratulate the Chairman and Members of the Association for their dedication and continued efforts for the uplift of leather sector industry and accentuating its image in the international domain.

I hope the leather industry under the patronage of Pakistan Tanners Association will continue to make its mark by toiling hard with full determination to share its contribution towards industrialization of the Country and promotion of export which is the need of hour.

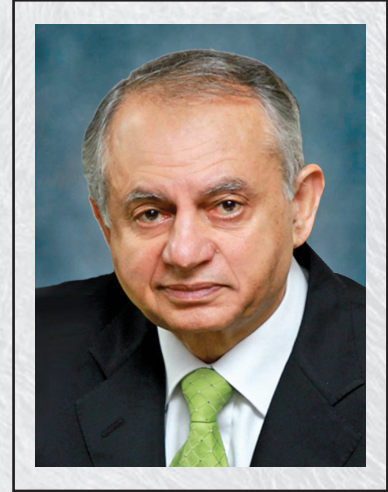
I wish the Leather Sector Industry of Pakistan resounding success in the days to come.

Message From



Abdul Razak Dawood

Advisor on Commerce, Textile,
Industry & Production and Investment
Government of Pakistan
Islamabad.



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I wish the Leather Sector Industry of Pakistan all the success for the future.

Message From



Asad Umar

Minister for Finance, Revenue,
Economic affairs,
Government of Pakistan
Islamabad.



I am pleased to know that Pakistan Tanners Association representing value added foreign exchange earning industry is publishing its Annual Report for the year 2017-18, highlighting all the major activities and achievements of the Association.

I appreciate the efforts of the exporters of Leather Industry who are contributing considerably in the face of hard competition, daunting challenges and global declining trend in leather demand. It is certainly a sign of satisfaction that the Leather Sector Industry achieved exports of about US\$ 948 Million during July-June 2017-18 and registered growth of 3.28%. I hope this significant industry will grow further to improve its exports in the current fiscal year 2018-19 (InshaAllah).

Finished Leather represents value added foreign exchange earning industry of Pakistan and its status in the exports of the country is second after the textile industry. The Ministry of Finance would continue to provide all possible cooperation required for the up-lift of leather industry.

I am delighted to say that in the era of competitiveness and global economic crisis, Pakistani exporters of Leather & Leather Products are competing in the International market with its finest innovative quality and latest fashion and it will further invigorate with the introduction of new scientific technologies and skill development.

I wish the Tanning Industry resounding success in its endeavours in future.

Message From



Malik Aslam

Advisor on Climate Change,
Ministry of Climate Change,
Government of Pakistan,
Islamabad.



I am glad to know that the prominent representative body of the tanning industry, Pakistan Tanners Association is publishing its Annual Report for the year 2017-18 which will reflect main and significant activities and performance of the Association.

It is no denying the fact that almost the entire world is in the grip of environmental pollution, in particular and Pakistan is no exception to this unfortunate phenomenon. Several conferences, workshops and seminars are held specially on Climate Change to ponder over all relevant aspects of the said menace and to generate awareness about environmental issues.

In order to get export orders from international buyers, it has now become necessary for tanners to get registered themselves with the Leather Working Group (LWG) which is an international multi-stakeholder group which comprises of member brands, retailers, product manufacturers, leather manufacturers, chemical suppliers and technical experts. In failure to comply with such standards by 2020 would result in a major blow to the exports of leather industry of Pakistan as the entire market share would be lost to the competitors who are equipping their leather industry to adopt REACH and LWG standards.

Leather manufacturing units are among those which create environmental pollution needing vigilant control and must improve quality of their products to compete in the international markets in the years to come.

In compliance with WTO Rules and LWG, up-gradation of existing Combined Effluent Treatment Plant at Korangi Karachi is needed which is rendering marvelous service in this regard.

Message From



Tariq Bajwa
Governor
State Bank of Pakistan



It is a pleasure to learn that the Pakistan Tanners Association (PTA) is going to publish its comprehensive Annual Report 2017-18. I find these annual reports to be a commendable platform through which the PTA informs stakeholders about the progress made by the industry during the year. It is full relevant data, and offers interesting insights into the industry.

It is good to see that the leather industry in Pakistan is progressing as the second-largest value added industry in terms of foreign exchange earnings. Export receipts of leather items, such as garments and gloves, have grown by double digits in 2017-18, and I commend the PTA and its member companies for this performance. I would also urge the PTA's member companies to build on this progress and shape a more vibrant future for the leather industry. Let me emphasize that the leather industry has potential to improve upon the volume and value of its exports, by improving the quality of existing items and by further diversifying its product offerings.

PTA's whole-hearted efforts are needed to promote the export of quality and leather products that conform to international standards and meet the evolving demand from consumers globally. While you strive to achieve this objective, your industry will be facing fierce competition from major international players. You have to meet these challenges with quality consciousness, while also being aware of your responsibility to uphold the image of the leather industry and complying with national standards, rules and regulations.

In the end, I would like to congratulate the Chairman and Members of the Managing Committee of PTA for their efforts in running the affairs of the association in a professional manner, and for contributing to the country's economic and social well-being.

Amanullah Aftab
Chairman
Pakistan Tanners Association



Message From



Amanullah Aftab Chairman Pakistan Tanners Association

Leather Industry is one of the pioneer sectors in the economy of Pakistan and enjoying 2nd export oriented industry status within the country after the Textile, which is playing a pivotal role in strengthening country's exports and striving hard with all vigorous efforts specially keeping positive image of Pakistan world-wide by organizing local & international exhibitions of Leather & Leather Products.

The Tanneries of Pakistan are producing and exporting finest quality of finished leather with latest innovation to obtain the desired mark of International Buyers with timely execution of export orders. Pakistan has abundance of raw material i.e. Cow, buffalo, sheep and goat skins. Most of the tanneries in Pakistan are having individual treatment plants for meeting international Standards of Environmental Quality while a Combined Effluent Treatment plant is also in operation successfully in Korangi Cluster at Tannery Zone in Karachi.

Despite in the first quarter of financial year 2017-18 being "one of the most difficult three months of the year showing down fall in exports" for many within the other sectors of leather industry i.e. Finished leather, leather garments, footwear, gloves and other leather products there are now at least showing some signs of positivity. The present situation depicted an impressive growth of 3.29% in leather sector which will lead to prepare the leather exporters for a successful future of leather industry in Pakistan.

To bring the Leather Industry to a distinguished place across the globe, Government should facilitate the leather industry on sound footings by addressing the core issues including water scarcity, high cost of doing business, inflation, energy cost, stuck-up of huge amount of pending Duty Drawback, Sales Tax, Income Tax claims with Customs and DLT Claims with SBP, high tariff on raw materials, unnecessary and procedural hurdles on Export & Imports consignments which are affecting the export competitiveness in regional competitor countries India, China and Bangladesh.

Terming value-addition as the key success and to keep continue up the export of value added Finished Leather and ensure its availability for the local manufacturers, the government should provide the following incentives which is the need of the hour for strengthening the country's economy :

- To include Dyed/Finished leather in the new DLT scheme for the year 2018-21.
- 25% matching grant for setting-up of New Effluent Treatment Plants in individual Tanneries to comply WTO rules and LWG fundamental requirement for enrolling our member exporters in LWG.
- 75% Govt., subsidy on International Lab Testing for Leather which is a pre-requisite of foreign buyers/brands for selling the finished leather to them.
- Removal of Custom Duty 3% and ACD 1% on import of raw hides & skins.
- Revision of SRO 578(I)/2016 dated 01.07.2016 thereby including 24 tanning machines and withdraw 4% CD on its import.
- To promote livestock and dairy development by introducing scientific cattle forming, to provide basic education to butchers for procurement of precious raw hides and skins and slaughtering of animals for earning more to national kitty which is the need of the hour.

Leather Industry's exporters optimistic that all the genuine proposals would be considered favourably by the government to provide level playing field to this vibrant Industry of the country to enable leather exporters to continue play their pivotal role with more enthusiasm for the promotion of country's exports.

Election Of The Chairman

Senior Vice Chairman and Vice Chairman
Pakistan Tanners Association For the year 2017-18



Mr. Gulzar Firoz, Senior Member, PTA garlanding Newly elected Chairman, PTA Central), Mr. Amanullah Aftab



A group photograph of the Members with newly elected Sr. Vice Chairman, PTA (Central) FY 2017-18, Mr. Mansoor Iqbal at PTA-NZ Office, Lahore



New Elected Chairman, PTA (Central) FY 2017-18, Mr. Amanullah Aftab alongwith Vice Chairman, PTA Central, Mr. Ejaz Ahmed Shaikh snapped with the Members at PTA-Central Office, Karachi

held simultaneously in
PTA-Central Office,
Karachi and PTA-Northern
Zone Office, Lahore
Via Video Link



Newly elected , Senior Vice Chairman, PTA (Central), Mr. Mansoor Iqbal snapped with immediate Past Chairman, PTA, Mr. Anjum Zafar, Immediate Vice Chairman, Mr. Azam Malik and a senior member, PTA, Mr. Agha Saiddain

Central Executive Committee Of Pakistan Tanners Association For The Year 2017-18

S/No.	OFFICE BEARERS	
01.	Mr. Amanullah Aftab (M/s. Hafiz Tannery, Karachi)	Chairman
02.	Mr. Mansoor Iqbal, (M/s. Dada Enterprises (Pvt) Ltd., Lahore)	Senior Vice Chairman
03.	Mr. Ejaz Ahmed Shaikh, (M/s. Bombal Leather, Karachi)	Vice Chairman

Members, Central Executive Committee (Alphabetically)

01.	Mr. Agha Saiddain	M/s. Royal Leather Industries Ltd., Lahore.
02.	Mr. Anjum Zafar	M/s. Eastern Leather Company (Pvt) Ltd, Lahore.
03.	Mr. Badre Alam	M/s. Badre Alam Traders, Lahore.
04.	Mr. Faraz Ashraf	M/s. Mohamed Ashraf & Sons, Karachi.
05.	Mr. Fawwad Shafi	M/s. Ravi Agencies, Lahore.
06.	Mr. Khurshid Alam	M/s. Permair Leather Pakistan (Pvt) Ltd., Lahore.
07.	Mr. M. Danish Khan	M/s. Highway's Creation (Pvt) Ltd., Karachi.
08.	Mr. Muhammad Musaddiq	M/s. Siddiq Leather Works (Pvt) Ltd., Lahore.
09.	Mr. Muhammad Shafi	M/s. Mateen Brother, Karachi.
10.	Mr. Shahid Usman	M/s. EPCT (Pvt) Ltd., Lahore.
11.	Sh. M. Afzal Hussain	M/s. Hussain Leather Craft, Karachi.
12.	Sh. Saqib Saeed Masood	M/s. Khas Industries (Pvt) Ltd., Karachi.
13.	Mr. Shafique Ahmed	M/s. Shafique Leather Enterprises, Karachi.

Central Executive Committee Of PTA For the Year 2017-18

(Office Bearers)



AMANULLAH AFTAB
Chairman



MANSOOR IQBAL
Senior Vice Chairman

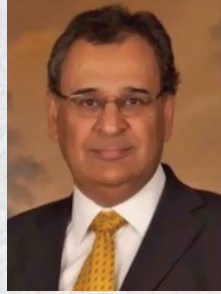


EJAZ AHMED SHAIKH
Vice Chairman

Members, Central Executive Committee (2017-18) (Alphabetically)



Agha Saiddain



Anjum Zafar



Badre Alam



Faraz Ashraf



Fawwad Shafi



Khurshid Alam



M. Danish Khan



M. Musaddiq



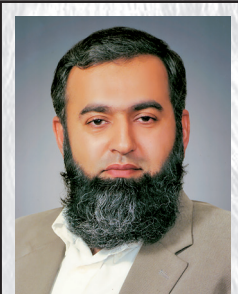
Muhammad Shafi



Shahid Usman



Sh.M.Afzal Hussain



Sh. Saqib Saeed
Masood



Shafique Ahmed

Standing Committees Of PTA (Central) For The Year 2017-18

Following Central Standing Committees Were Constituted During The Year 2017-2018 With The Approval Of The Central Executive Committee, PTA :

<u>S/No.</u>	<u>Standing-Committees</u>	<u>Chairmen</u>
01.	Finance & Administration Standing Committee	Mr.Amanullah Aftab
02.	Human Resources Committee	Mr.Amanullah Aftab
03.	Export/DLTL/Taxes Strategic Standing Committee	Mr.Anjum Zafar
04.	Diplomatic Affairs Standing Committee	Mr. Gulzar Firoz
05.	Steering Committee for Pakistan Mega Leather Show	Mr. Muhammad Musaddiq
06.	International Fairs & Delegations Standing Committee	Mr.Amanullah Aftab
07.	Imports / Customs Standing Committee	Mr. Ejaz Ahmed Sheikh
08.	Hides & Skins Improvement Standing Committee	Mr.Agha Saiddain



Standing Committees Of PTA (Central) For The Year 2017-18



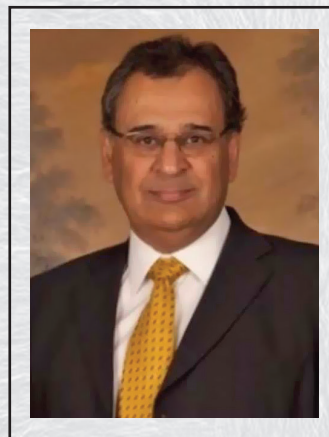
**Amanullah
Aftab**
Chairman
Finance &
Administration S/C,
Human Resources
Committee Int'l Fairs
S/C



Gulzar Firoz
Chairman
Diplomatic
Affairs
Standing
Committee



**Ejaz Ahmed
Sheikh**
Chairman,
Import/Customs
Affairs
Standing Committee



**S. Anjum
Zafar**
Chairman
Export/DLTL/Taxes
Strategic
Standing
Committee



**Agha
Saiddain**
Chairman
Hides & Skins
Improvement
Standing Committee



**Muhammad
Musaddiq**
Convener
Steering
Committee for
Pakistan Mega
Leather Show

Presentation Of Annual Report Of The Central Executive Committee 2017-18 By **Amanullah Aftab** Chairman Pakistan Tanners Association

I verily feel privileged having been bestowed upon me by Almighty Allah elected me unanimously as Chairman of Pakistan Tanners Association (Central) for the year 2017-18 first time. I take the opportunity to present the Annual Report containing the salient activities of the outgoing Central Executive Committee on the conclusion of my term of Chairmanship FY 2017-18 in conformity with the Article 40(b)(ii) of the Memorandum and Articles of Association of Association, PTA duly approved by the Government of Pakistan, Ministry of Commerce through the Directorate General of Trade Organizations under TOR, 2013 and by the Securities Exchange Commission of Pakistan (SECP).

I acknowledge and appreciate the gesture of cooperation and assistance extended by Mr.Mansoor Iqbal, Senior Vice Chairman and Mr. Ejaz Ahmed Sheikh, Vice Chairman, PTA (Central) and shouldering responsibility for serving the associations' members.

I would like to appreciate and heartily thankful to all the Central Executive Committee Members during the year 2017-18, Mr.Faraz Ashraf, Mr. M. Danish Khan, Mr. Muhammad Shafi, Mr.Shafique Ahmed, Sh.Afzal Hussain, Mr. Agha Saiddain, Mr. Anjum Zafar, Mr. Badre Alam, Mr. Fawwad Shafi, Mr.Khurshid Alam, Mr. Muhammad Musaddiq and Mr. Shahid Usman for their support extended to me in running the affairs of the Association and their participation in the CEC Meetings by sharing their valued suggestions.

I heartily thank immediate past Chairman, PTA, Mr. Anjum Zafar and my colleagues Mr.Mansoor Iqbal, Sr.Vice Chairman, PTA, Mr. Ejaz Ahmed Sheikh, Vice Chairman, PTA, Mr. Gulzar Firoz, Sh.Afzal Hussain, Mr. Hamid Arshad Zahur and Mr. Abdul Salam for extending their full cooperation and support to me and for their participation in the high level meetings held with the Ministry of Commerce at Islamabad as well as at TDAP in Karachi & Lahore and SBP in Karachi by favouring the Association with their genuine visions, valued suggestions and time devotion to resolve the various issues of leather industry.

I am also grateful to all my senior members as well as others young and energetic members inviting them as Special Invitees in our CEC meetings who sparing their precious time with their valuable views given during the meetings for the uplift of leather industry which really a source of encouragement for me.

I am specially beholden to Mr. Gulzar Firoz who extended all of his support to me and arrange meetings time to time with the high officials in FPCCI, TDAP as well as with the Secretary Commerce in Karachi during his visit to Expo Centre. I would like to congratulate Mr.Gulzar Firoz for his appointment as Member of the Board of Directors of the TDAP. I feel proud on him as being member of PTA he is representing our Association in TDAP and hope issues of leather industry will be tackled by him in TDAP more enthusiastically.

I would also like to thank Mr. Muhammad Musaddiq for his relentless efforts in organizing 4th consecutive Pakistan Mega Leather Show 2018. I also appreciate the untiring efforts of Mr. Agha Saiddain and PMLS-2018 team to make Leather Show a real success.

I also thank and appreciate to all the Chairmen, Standing Committees of PTA for actively taking-up the matters of the members with the government authorities concerned during the year under review.

I would like to apprise you that when I assumed charge as Chairman, PTA, I studied all the pending and important issues of our members which need to follow up further in line with my predecessor's approached to the Government Department concerned for acceptance of PTA's genuine demands for promotion of 2nd largest export oriented leather industry of Pakistan :

01. To exempt of 3%+1% = 4% Custom Duty on import of Wet blue Leather to include it also in the Fifth Schedule of the Customs Act 1969 other than FTA.
02. To allow 75% Govt., subsidy for International Lab Testing on Leather which is pre-requisite of international buyer's demand.
03. To allow 75% Matching Grant setting-up of Effluent Treatment Plants in Individual Tanneries.
04. To release outstanding amount of remaining 25% amount for the Matching Grant of setting-up of Effluent Treatment Plant as allowed in STP 2009-12 for our 8-Member firms concerned.
05. To issue revise SRO 578(I)/2016 dated 01.07.2016 with relaxed import procedures for subsidy on import of all proposed 24-Tanning Machineries with a limit of 10 Mn Rupees instead of 5 Mn.
06. Unilateral slashing down Duty Drawback rates on export of Finished for Leather by FBR for which a detailed presentation was sent to FBR on 24-May-2017.
07. To executive/finalize FTA with South Korea, Japan, Thailand, Turkey and China. PTA's presentations dated 15.08.2017 and 24.08.2017.
08. To issue SRO for DLTL incentive for Finished Leather for the next year July-2017 to June'2018.

To achieve some positive objectives, I arranged several meetings with the government authorities concerned and released a number of press statements highlighting leather industry's issues, proposals and suggestions to boost its exports and toiled to draw government attention towards various pending issues and impediments of the value added and foreign exchange leather industry in order to provide level play field to compete the regional competitors countries.

Export Performance

It is a matter of great concern that the export of finished leather was on continuous decline in the fiscal year July-June 2017-18 due to high cost of production and less incentives than other sectors as provided by the government. Over all export of Leather Sectors i.e. Leather, Leather Garments, Leather Gloves, Leather Footwear and other Leather Products are drastically increasing by 3.28% during the year July-June 2017-18 and stood @US\$ 948.265 million as compared to the last year's export @ US\$ 918.131 Million.

Nevertheless, I hope the export of leather industry will, InshaAllah, grow-up and its export boost further if the new government pays due attention to the development and up-gradation of leather industry and quick implementation of the policies envisaged in the STPF 2018-21, as well as to entertain PTA's proposals as already submitted to the government for consideration.

We hope the government would make all out efforts to boost economic activities, improve investment climate and bring country out of economic crisis. We have high expectations because the new government's have the manifesto to provide facilities to business community in order to enhance exports.

At the outset, I would like to present salient features, main activities and overall performance of PTA Central alongwith activities of Southern and Northern Zones of Pakistan Tanners Association as per its policy in the prestigious Combined Annual Report 2017-18.

Achievements

I, alongwith my team of expertise consisting senior members, Office bearers specially immediate past Chairman, PTA, Mr. Anjum Zafar, initiated with the Government from the beginning of my tenure in October'2017 to invite Government's attention towards PTA genuine demands and proposals for favourable consideration which needs to be resolved immediately to enable the Leather Industry's exporters to enhance their export as per aspiration of the Government. As a result of our persistent follow-up, the Government has announced following Incentives for the Leather Industry in the Federal Budget 2018-19:

1. Exemption of 3% Custom

- On tanned hides in wet state under Part-III of the Fifth Schedule of the Customs Act, 1969 including HS Codes 41.01, 41.02, 41.03 excluding 4103.3000.
- On Stamping Foils under HS Code 3212.1000
- Products registered under the Agriculture Pesticides Ordinance, 1971 under HS Code 3808.9170
- On following Products under Part-VII, Table A of the Fifth Schedule of the Customs Act, 1969:
 - Ammonium Sulphate HS Code 3102.2100
 - Whole hides and skins, unsplit, of a weight per skin not exceeding 8 kg when simply dried, 10 kg when dry salted, or 16 kg when fresh, wet salted or otherwise preserved under HS Code 4101.2000

2. Exemption of 2% Additional Custom Duty

All Plant and Machinery used in manufactured or production of goods under Chapter 84 & 85 are exempted from Additional Custom Duty @2% notified through Notification – Customs – SRO 630(I)/2018 dated 24th May'2018.

3. Reduction in Regulatory Duty on Import of Goods

The Federal Government reduced the Regulatory Duty on import of following goods from different slabs through Notification – Customs – SRO 640(I)/2018 dated 24th May'2018 :

PCT Code	Description	Rate of Regulatory Duty (%)
3402.1190	Other (Leather Decreasing Agent)	5% (Reduced from 10%)
3402.1220	Other than in retail packing	5% (Reduced from 10%)
3402.1290	Other (Leather Decreasing Agent)	5% (Reduced from 10%)
3402.1300	Non-ionic	5% (Reduced from 10%)
3402.1990	Other (Leather Decreasing Agent)	5% (Reduced from 10%)
3402.9000	Other (Leather Decreasing Agent)	25% (Reduced from 35%)
42.02	Trunks, suit cases. Vanity-cases. Executive cases, briefcases, school satchels, special cases. Binocular cases. Camera cases, musical instrument cases, gun cases, holsters and similar containers, travelling bags, insulated food or beverages bags, toilet bags, rucksacks, handbags, shopping-bags, wallets, purposes, map-cases, cigarette-cases, jewelry boxes, powder boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanized fibre or of paper-board, or wholly or mainly covered with such materials or with paper	20%
42.03	Articles of Apparel and clothing accessories, of leather or composition leather	50%
64.03	Footwear with outer soles of rubber, plastics, LEATHER or Composition LEATHER and uppers of LEATHER (except PCT 6403.9900)	15%
6403.9900	Other	35%
64.04	Footwear with outer soles of rubber, plastics, LEATHER or composition LEATHER and uppers of textile materials	35%

4. 5% Drawback on Local Taxes & Levies on Finished Leather

PTA member exporters concerned applied for 5% DLTL (Non-Textile) Order 2017 (July'2017 to June'2018) for Finished Leather (2.5% without condition of 10% incremental export) under SRO 62(I)/2017 dated 2nd February'2017, SRO 406(I)/2017 dated 27th May'2017, SRO 719(I)/2017 dated 25.07.2017 (For Time Barred Cases) and SRO 1248(I)/2017 dated 14th December'2017 respectively.

As required under above SRO for DLTL Order, 2017, necessary DLTL Certificates were issued to PTA's leading manufacturing-cum-exporting member units.

Salient Features Of The Federal Budget 2018-19

The Federal Budget 2018-19 announced by the then Federal Minister for Finance, Mr. Miftah Ismail on 27th April'2018. Salient features of the Budget are illustrated below for information :

Customs :

01. Exemption of 3% CD on tanned hides in wet state.
02. Increase of additional customs duty from 1% to 2%.

Sales Tax & Federal Excise:

01. Exemption of Sales Tax on import is being granted to plant and machinery on one time basis for setting up of Special Economic Zone and for installation in that zone by zone enterprises to align exemption from sales tax with the provisions of SEZ Act, 2012. (Enforced through Finance Bill, 2018, effective from 01.07.2018)
02. Leather products ready for use are enjoying reduced rate of 6% of sales tax at import stage. Identical rate is also being provided on import of ready to use articles of artificial leather by specifying description and PCT headings of items of leather and artificial leather generally used by public. (Enforced through Finance Bill, 2018, effective from 01.07.2018)
03. Input tax adjustment is being allowed on packing materials to five export oriented sectors covered under SRO 1125(I)/2011 dated 31.12.2011 . (Enforced through SRO _____, dated _____/2018, effective from 01.07.2018)
04. The rate of Sales Tax on import and supply of finished article of leather and textile sector is being increased to 9%. However, all those branded outlets which will be integrated through electronic fiscal device with FBR online system shall be charged sales tax @6%. (Enforced through Finance Bill, 2018, effective from 01.07.2018)
05. The Exemption is being granted on import of promotional and advertising materials for display at exhibition. (Enforced through Finance Bill, 2018, effective from 01.07.2018)

Income Tax:

01. **Increase in threshold of taxable income :**

Threshold of taxable income would be enhanced from Rs.400,000/- to Rs.1,200,000/-. Subsequently, the Income Tax (Amendment) Ordinance, 2018 [Ordinance No.V of 2018] was promulgated on April 08, 2018.As per this Ordinance the enhanced threshold of taxable income shall apply with effect from 1st July, 2018.

02. **Reduced rate of advance tax on banking transactions by non-filers :**

Advance tax at the rate of 0.6% collected from non-filers on non-cash banking transactions (such as transfer of funds through demand draft, pay order, cash deposit receipt cheques/clearing, online transfers, direct debit, telegraphic transfers etc) has been reduced to 0.4% on a permanent basis.

03. ***Increase in minimum threshold of tax deduction on payment for goods and services:***
In order to provide relief to withholding agents the minimum threshold of tax deduction on goods and services has been enhanced three-fold from Rs.10,000/- to Rs.30,000/- in the case of payments for provision of services and from Rs.25,000/- to Rs.75,000/- in the case of payments for supply of goods.
04. ***Obligation to act as withholding agent to be deferred to the succeeding year:***
In order to provide relief, persons crossing the threshold of turnover of Rs. 50 Million during a Tax Year shall be obliged to discharge their obligations as a withholding tax agent in the succeeding tax year.

Revenue Measures :

01. ***Withholding tax on payments remitted abroad through credit/debit/ prepaid cards:***
Credit cards/debit cards are being utilized to pay for foreign travel, lodging, shopping etc and also for online shopping from merchants outside Pakistan. In order to complement efforts aimed towards broadening of the tax base. Banks issuing credit /debit cards will now be obliged to collect 1% advance tax from filers and 3% advance tax from non-filers in respect of credit/debit card transactions resulting in outward flow of remittances from Pakistan.
02. ***Rationalization of withholding tax rates for non-filers:***
In order to enhance the cost of doing business for non-filers, withholding tax rates have been increased for non-filers in the case of supplies/sale of goods and contracts under section 153 of the Ordinance. For sales/supplies, the rate of tax for non-filers has been increased from 7% to 8% in the case of companies and from 7.75% to 9% in the case of persons not being companies. For contracts, the rate of tax for non-filers has been increased from 12% to 14% in the case of companies and from 12.5% to 15% in the case of persons not being companies.

Support / Cooperation extended by the Organizations for the Leather Industry:

I deeply appreciate the cooperation and support extended by following organizations for the up-gradation and development of Leather Sector with the aim to capture the market in the region to earn more foreign exchange for the country as the export of leather sector is already at declining trend since last several years :

I. Trade Development Authority of Pakistan.

On PTA approached, TDAP allocated following International Fairs @40% subsidy on space and construction for organizing Pakistan Pavilion in various destinations. PTA successfully organized Int'l Fairs for its interested member participants in my tenure from October'2017 :

01.	Lineapelle Fair, 4-6th October'2017 at Milan, Italy.
02.	Lineapelle Fair, 20-22nd February'2018 at Milan, Italy.
03.	Asia Pacific Leather Fair (MM&T Section) 14016th March, 2018, Hong Kong.
04.	Shoes & Leather, 11-13th July'2018, Ho Chi Minh City, Vietnam.
05.	ACLE, 29-31st August, 2018 at Shanghai, China.
06.	Lineapelle Fair, 25-27th September'2018 at Milan, Italy.

Besides above, in order to explore new potential destinations, PTA sent proposal to TDAP for organizing Pakistan Pavilion first time in LeatherTech, Dhaka, Bangladesh held from 22-24th November'2018. As a result of PTA hectic efforts, TDAP allocated this fair with subsidy for PTA's 12-member participants for the promotion of exports.

TDAP has released Fair subsidies for most of the Int'l Fairs and PTA's member participants concerned have got their due subsidy accordingly.

Formtion Of Trade Delegations

I would like to share that PTA has also submitted its proposal to TDAP for formation of PTA Trade Delegation to Jakarta, Indonesia, an emerging market for Finished Leather & Leather Shoes in Novermber'2018 OR April'2019 which will, hopefully, approved by the TDAP shortly.

Organizing Pakistan Mega Leather Show In Lahore – Pakistan Supported By EDF - Ministry Of Commerce & TDAP

EDF Board of Ministry or Commerce, Islamabad and TDAP, Karachi fully supported PTA for hold-ing of Pakistan Mega Leather Show in Lahore for exposition of finest quality of Leather & Leather Products, Leather Footwear, machinery, components, chemicals and accessories for display under one roof to attract foreign buyers/visitors to visit Pakistan which is the real platform to portray image of our beloved country world-wide.

For the purpose, TDAP opened a joint account with PTA and released subsidy amount of Rs. 1 Crore for PMLS-2017 and Rs.2 Crore for PMLS-2018 respectively to promote Pakistan's Leather Industry.

2. FPCCI

At the outset, I also appreciate the Federation of Pakistan Chambers of Commerce and Industry for extending their cooperation by supporting and recommending Leather Industry Proposals / Suggestions to Government for resolution at FPCCI fora and arranged meetings frequently with the high-ups for consideration of the exporters' issues.

Pending Issues

I would like to share the following issues which are still pending despite my persistent follow-up with the Government authorities concerned and need to be pursued during the next year 2018-19 :

01.	<p>a) To include Dyed/finished Leather in New DLTL Scheme for the year 2018-21.</p> <p>b) To allow all export commodities/items “without H.S. codes restriction” under SRO # 711 for the Non Traditional Markets for new DLTL scheme for the year 2018-21.</p> <p>c) To release the pending 2.5% DLTL claims at SBP from 1st July’2017 without incremental.</p> <p>d) To issue detailed simplified procedure for remaining 2.5% DLTL claims with incremental exports.</p>
02.	To remove Quarantine requirement/condition imposed through SRO 1067(I)/2017 dated 20th October’2017 on import of basic raw materials (raw hides & skins) for the Leather Industry.
03.	To remove 2% Addl., Custom Duty on import of Raw Materials for Leather Industry imposed vide SRO # 630(I)/2018 dated 24.05.2018.
04.	To issue revised SRO without further delay by notifying 24-Tanning Machines in pursuance of the SRO # 578(I)/2017 dated 01.07.2016 for the Government subsidy.
05.	To withdraw Custom Duty / Sales Tax on import of Tanning Machineries for Leather Sector of Pakistan for the up-gradation of the Industry as was already allowed for Textile Sector. List already sent to MOC.
06.	<p>To re-assure/reconfirm for incorporation of following Incentives in the upcoming STPF 2015-18 / 2018-23, which is utmost imperative for meeting LWG (Leather Working Group) mandatory requirement specifically :</p> <ul style="list-style-type: none"> • To allow 75% Matching Grant for setting-up of Effluent Treatment Plants in Individual Tanneries which is a fundamental requirement for enrolling our member exporters in LWG. • To allow 75% Govt., subsidy on International Lab Testing for Leather which is a pre-requisite of Foreign buyers/brands for selling the finished leather to them. As the incentive has already been approved/announced by Engr. Khurram Dastgir Khan (Ex-Federal Minister for Commerce) during inaugural function of 3rd Pakistan Mega Leather Show in January 2017.
07.	Unilateral slashing down Duty Drawback rates on export of Finished for Leather by FBR vide their SRO 923(I)/2015 dated 08.09.2015, which may please be revised with actual Rates of Duty Drawback as already approved/recommended by IOCO after having detailed survey & scrutiny made by IOCO in association with PTA.

08.	To allow complete withdrawal of Additional Regulatory Duty imposed on import of various basic tanning chemicals vide SRO # 1035(I)/2017 dated 16th October'2017, as the recently issued SRO # 06(I)/2018 dated 03.01.2018 is still imposed at 10%, which needs to be removed on basic tanning Chemicals for Tanning Industry.
09.	To release of 25% balance subsidy amount of Rs.20,904,890/- payable to our 8 eligible members for the individual Treatment plants already established by them against STPF 2009-12 and are in functional with satisfaction properly.
10.	Early finalization of FTA between Pakistan & 1) South Korea 2) Japan 3) Turkey 4) Thailand and most importantly with China (2nd Phase of FTA) to ensure inclusion of Leather of all sorts at zero rated import at destinations concerned from Pakistan.
11.	<p>(a) To increase the budget of participation & marketing/promotion in MORE Int'l Leather Fairs, which is vital tool for the promotion of exports of Leather Sector with proposed increased subsidy percentage from 40% to 70% through TDAP (for the Int'l Fairs allocated by TDAP to PTA) irrespective of irrational condition of 3-5 years participation & 2 times in a year condition as envisaged in TDAP's rules & regulations.</p> <p>(b) Also to allocate budget for the subsidy atleast 70% on the Air Freight Charges for the sample shipment meant for display at the Pakistan Pavilion in Int'l Fairs.</p>
12.	To immediate release of fund already approved by EDF Board for CEPT (Combined Effluent Treatment Plant) at Korangi, Karachi for its up-gradation.

Chronicle Events & Meetings 2017-18

Following Meetings Were Held During My Chairmanship With Respective Organizations And Government Authorities Concerned, Outcome Of These Meetings Are As Follows :

01. PTA Delegation Meeting With Commerce Minister, Mr. Muhammad Pervaiz Malik in MoC, Islamabad

PTA Delegation led by me comprising Mr. Anjum Zafar, Immediate Past Chairman, PTA and Mr. Mansoor Iqbal, Sr. Vice Chairman met Mr. Muhammad Pervaiz Malik, Federal Minister for Commerce on 11th October'2017 in his Office in Ministry of Commerce, Islamabad to discuss the core issues of Leather Industry :

- I. To exempt of 3%+1% = 4% Custom Duty on import of Wet blue Leather to include it also in the Fifth Schedule of the Customs Act 1969 without FTA.
- II. To allow 75% Govt., subsidy for International Lab Testing on Leather which is pre-requisite of international buyer's demand.
- III. To allow 75% Matching Grant setting-up of Effluent Treatment Plants in Individual Tanneries.
- IV. To release outstanding amount of remaining 25% amount for the Matching Grant of setting-up of Effluent Treatment Plant as allowed in STP 2009-12 for our 8-Member firms concerned.
- V. To issue revise SRO 578(I)/2016 dated 01.07.2016 with relaxed import procedures for subsidy on import of all proposed 24-Tanning Machineries with a limit of to 10 Mn Rupees instead of 5 Mn.
- VI. Unilateral slashing down Duty Drawback rates on export of Finished for Leather by FBR for which a detailed presentation was sent to FBR on 24-May-2017.
- VII. To executive/finalize FTA with South Korea, Japan, Thailand, Turkey and China. PTA's presentations dated 15.08.2017 and 24.08.2017.
- VIII. To issue SRO for DLTL incentive for Finished Leather for the next year July-2017 to June'2018.

All the above issues were very successfully presented to Mr. Muhammad Pervaiz Malik, Minister for Commerce and he heard the Association's point of views patiently and instructed officials concerned of MOC on the spot for action taken on the hot issues immediately.

Regarding issuance of SRO for DLTL incentives, the MO Commerce apprised the delegation that the exporters of Finished Leather can apply for their DLTL Cases as per below conditions :

- a) 2.5% DLTL to be allowed without condition of incremental exports after receiving of PRC and
- b) Balance 2.5% DLTL to be allowed on increase of 10% exports as compared to the same period of last year which will be apply after 6 months performance.



Mr. Amanullah Aftab, Chairman, PTA (R) and Mr. S. Anjum Zafar, Immediate Past Chairman, PTA discussing Leather Industry's issues with Mr. Muhammad Pervaiz Malik, Federal Minister for Commerce in his office on 11th October'2017



CM also apprised PTA that the Exporters may also be facilitated to get 2% extra on export to the non traditional markets. PTA delegation suggested to add some more non-traditional countries for availing the incentive.



PTA delegation snapped with Mr. Muhammad Pervaiz Malik, Commerce Minister (2L) and other officials of MoCommerce at Islamabad

Regarding PTA's demand for removal of 4% duty on wet blue, exemption of duty on tannery Machines, issuance of revised SRO 578 with grant of limit upto 10 Mn instead of 5 Mn for import of 24-Specific types of tanning machines, 75% subsidy on Int'l lab testing of finished leather, 75% matching grant for setting-ups of Effluent Treatment Plants in individual tanneries, remaining 25% pending amount of cost of E.T.P.s of 8-Tanners concerned, notifying IOCO recommended rates for Finished Leather and our old matter of short duty draw back matters were also discussed during the meeting for which Commerce Minister assured PTA to re-consider our all above demands of the Leather Industry.

02. PTA Delegation Met Mr. Shahid Ashraf, Director, State Bank Of Pakistan

After conclusion of the meeting with Commerce Minister on 11th October'2017, I alongwith PTA above delegate members met Mr. Shahid Ashraf, Director, State Bank of Pakistan in Islamabad and discussed amendments of time barred DLT cases and mode of payment of new module of DLT cases for Finished Leather as well as submitted suggestions for necessary amendment in the new SRO for DLT Order FY July-June 2017-18. The Director-SBP assured us for full support and cooperation in re-consideration of PTA's proposals before implementation of SRO for DLT incentive.

As a result of the above Meetings held with the Commerce Minister and Director-SBP, the MOC issued Drawback of Local Taxes and Levies (Non-Textile) Order, 2017 for the shipments made from the 1st July'2017 to 30th June'2018 as per above specified condition of :

- 2.5% DLT will be provided without condition of increment and
- Remaining 2.5% will be provided if the exporter achieves an increase of 10% or more in exports during July-June 2017-18 as compared to the financial year 2016-17. The actual rate of drawback will be determined on the basis of annual performance of the exporters.

Under this Clause disbursement shall be allowed on the performance during Jul-Dec 2017, to improve exporter's cash flow subject to submission of a bank guarantee that the exporter shall return the excess amount, in case his annual exports are less than the eligibility criteria.

- An addition 2% drawback shall be allowed for exports to non-traditional markets i.e. Africa, Latin America, non EU-Countries, Common Wealth of Independent States and Oceania.

03. PTA Delegation Met High Officials Of State Bank Of Pakistan In Karachi.

I accompanied by Mr. Ejaz Ahmed Sheikh, Vice Chairman, Mr. Afzal Hussain, Senior Member, PTA and Mr. Muhammad Ali, Secretary General, PTA held meeting with Head of Department of SBP, Mr. Shahid Ashraf and other high officials concerned of SBP on 30th October'2017 in Karachi to discuss submission procedure of DLT claims under SRO 1062(I)/2017 dated 18th October'2017 containing Drawback of Local Taxes and Levies (Non-Textile) Order, 2017 for the shipments made from 1st July'2017 to 30th June'2018 and submission procedure for DLT cases.

PTA submitted some amendments as observed in SRO 1062(I)/2017 dated 18.10.2017 for DLT cases to MOC for incorporation in the "Procedure for submission of new DLT claims" and stressed him that the Date of Shipment for the DLT claims/documents would be ascertained "Date of Lading/AWB" instead of GD Date for early issuance of amended SRO without any error/ambiguity for smooth & precise submission of claims of PTA members for early clearance of their claims for facilitation.

The SPB's officials assured PTA to provide the following facilities with due approval of MoC to Leather Exporters in respect of their DLTL cases FY July-June 207-18 :-

- Necessary amendments mentioned above as pointed by PTA would be incorporated in SRO 1062(I)/2017 dated 18.07.2017 with the approval of MoC.
- Necessary Clarification on the following has already been sought from MoC by SBP :
 - a) Increased exports for balance 2.5% DLTL claims could be determined EITHER with E.E Form OR with PRAL DATA.
 - b) If the export is increased by any member within 6 months as compared to fixed period of 1 year i.e. @ 110%, then the Bank Guarantee would also be required or exempted.
- SBP assured for early issuance of "Submission Procedure" subject to the approval of MoC for the facilitation of Leather Exporters
- All the Clear Cases for DLTL claims against the previous SRO # 62 compiled upto 15th Sept., 2017 has been assured by SBP's High Officials to be cleared within the November'2017.
- All the Time Barred Cases against the previous SRO # 62 has also been assured to be cleared within the November, 2017 with the regular clear cases for DLTL to PTA's members for their facilitation in smooth business execution with convenience.
- Necessary circulation of SRO # 1079(I)2017 dated 25.07.2017 has also been made amongst all Field Offices of SBP within the country with specific advice to clear the Time Barred cases to all up country members of PTA as well.

04. PTA Delegation Met Commerce Secretary At Islamabad

PTA Delegation led by Mr. Mansoor Iqbal, Sr.Vice Chairman, PTA, Mr.Anjum Zafar immediate Past Chairman, PTA, in follow-up of the previous meetings held with the high-ups, met Mr.Mohammad Younus Dagha, Secretary Commerce in Ministry of Commerce at Islamabad on 28th November'2017 to discuss the following core and pending issues of Leather Industry for early resolution and favourable consideration:

SI #	PTA's Proposals	Remarks of Secretary Commerce
01.	Request for early issuance of 'Submission Procedure' by the SBP for applying DLTL Cases under SRO 1062(I)/2017 dated 18.10.2017.	Mr. Muhammad Younus Dagha, Secretary Commerce promised to take up the matter with SBP and Ministry of Finance for early notification of submissions procedure. He assured PTA delegation that the matter will be resolved in next week.

02.	<p>To withdraw</p> <p>i) Additional RD on import of various basic tanning chemicals imposed through SRO 1035(I)/2017 dated 16.10.2017.</p> <p>ii) Quarantine requirement on import of basic raw material (raw Hides & Skins) imposed through SRO 1067(I)/2017 dated 20.10.2017.</p>	<p>Secretary Commerce apprised PTA delegation that the MoC has already taken up the matter of Addl. Regulatory Duty (RD) and quarantine requirement with MoF and quarantine deptt respectively for withdrawal of un-necessary quarantine requirement on import of raw hides & skins, sensitive raw material for tanning industry.</p> <p>He also informed that Rd on detergents used by tanning industry will be taken back for which notification will be issued shortly.</p>
03.	<p>To notify 24-Tanning Machinery in the SRO 578(I)/2016 dated 01.07.2016 under Product Development Incentive Order 2016.</p>	<p>Mr. M.Younus Dagha apprised the delegation that the matter is already under consideration of the MoC and necessary notification will be issued soon.</p> <p>Secretary Commerce assured PTA to resolve the other remaining genuine issues of the leather industry on priority basis. Regarding FTA with the countries concerned, he assured that Finished Leather is on priority for MoC for further negotiation and finalization of FTA.</p>

05. PTA Delegation Met President FPCCI

PTA delegation led accompanied by Vice Chairman, PTA, Sh. Ejaz Ahmed, Former Chairman, PTA, Mr. Gulzar Firoz, Mr. Aziz Ahmed, Mr. Abdul Salam, Mr. Mohammad Shafi, Mr. Imran Sheikh met newly elected President, FPCCI, Mr. Ghazanfar Bilour in his office on 2nd January 2018 at FPCCI, Karachi and congratulating him on his victory and un-opposed election as President, FPCCI for the year 2018. The Meeting attended by former President FPCCI, Mr. S.M. Muneer, Senior Vice President, FPCCI, Mr. Mazhar Ali Nasir and Vice President FPCCI, Mr. Tariq Haleem along with the Secretary General, FPCCI Dr. Iqbal Thaheem.



The President, FPCCI presenting memento to Chairman, PTA on his visit to FPCCI on 02.01.2018



Mr. Amanullah Aftab, Chairman, PTA (Central) alongwith his team presenting bouquet to Mr. Ghazanfar Bilour on his election as President, FPCCI

PTA delegation discussed core issues of leather industry with the President FPCCI and requested him to recommend PTA's genuine proposals to government for resolution i.e.

- To withdraw various duties on import of Leather levied under different SROs and quarantine requirements on import of raw hides and skins.
- To grant subsidies for Int'l Lab Testing of Leather.
- Matching grant for setting up of Effluent Treatment Plants in individual tanneries.
- Unilateral slashing down the rates of duty drawback on export of finished leather goods and requested to allow the rates as previously recommended by IOCO.
- Accelerating the process of releasing DDB, Sales Tax, Income Tax and DLTL claims.

The President, FPCCI assured me for his full support and recommendation to government for early resolution for removal of duties on the import of leather and quarantine requirements on import of raw hides and skins as the additional regulatory duty on import of various basic tanning chemicals and quarantine requirements imposed by the government which is ultimately affecting the leather exports of the country and hampering the productivity of the leather sector.



Vice Chairman, PTA (Central), Mr. Ejaz Ahmed Shaikh and Former Chairman, PTA (SZ), Mr. Aziz Ahmed presenting bouquet to Former President FPCCI, Mr. S.M. Muneer



Mr. Gulzar Firoz, Former Chairman, PTA, presenting bouquet to Mr. Ghazanfer Bilour, President FPCCI, Mr.S.M. Muneer, Former President, FPCCI is also seen

06. PTA Delegation Met Secretary, TDAP.

PTA Delegation led by me comprising by Mr.Gulzar Firoz, Former Chairman, PTA, Sh.Afzal Hussain, Mr. Hamid Arshad Zahur and Mr.Abdul Salam held meeting with Secretary,TDAP, Mr. Inamullah Khan Dharejo on January 3, 2018 at TDAP, Karachi to discuss some related core issues of the Leather Industry as well as hurdles for organizing Pakistan Pavilion in various Int'l Fairs for its adequate resolution.

During the above meeting following decisions were taken to each agenda Points for further implementation in letter & spirit :-

Agenda Point(S)	Decision(s)
Release of remaining balance 25% Govt., subsidy for the individual treatment plants for 8 members against STPF 2009-12 to the tune of Rs.20,904,890/-	It was decided that a summary would be moved by TDAP, Karachi to MOC for the approval with sufficient fund to enable TDAP to release the due remaining 25% fund for Rs.20,904,890/- to 8 eligible firms already approved by TDAP. Kindly share with us a copy of TDAP's letter addressed to MOC for our information & follow up with them.

	<p>It was informed to the House during the meeting that Secretary Commerce has already approved the balance subsidy during PTA Delegation's meetings held earlier with them in Islamabad and assured to PTA to send a letter to TDAP in this regard.</p>
<p>To consider for granting 50% Govt., subsidy on PTA's sample shipments meant for display in Int'l Fairs being organized by PTA in collaboration with TDAP</p>	<p>It has been ensured by the Secretary, TDAP to remove 5 years & 2 years condition, which was realized by him also that these are irrational under the prevailing business circumstances and directed for proceeding for removal for Leather being specific product commodity of the country as core product.</p>
<p>◆ To increase the subsidy percentage upto 70% instead of 40% for participation in Int'l Fairs being organized by PTA in collaboration with TDAP.</p>	<p>The delegation was informed categorically that in view of financial stringencies being confronted by TDAP it is not viable for them at the moment to increase the subsidy percentage UNTILL increase budget allocation to be made by MOC to TDAP.</p>
<p>◆ To consider favorably for 50% Govt., subsidy on PTA's sample shipment meant for display in Pakistan pavilion of Int'l Fairs being organized by PTA.</p>	<p>The request has been accepted in principle and subsequently directed by the Secretary, TDAP to PTA's delegation to submit complete concrete proposals with facts & figure in writing in this regard to TDAP for the allocation of specific budget for PTA in this regard.</p>
<p>◆ To release the subsidy on standard booth size at 12 sqm instead of reduced size at 9 sqm for Int'l Fairs allocated to PTA.</p>	<p>The Secretary, TDAP approved the Standard size of Govt., subsidy at 12 sqm instead of 9 sqm and directed to implement it henceforth for Leather being specific core product of the country and also realized it is well high impossible to display the entire range of Leather particularly Cow & Buffalo within the reduced size of booth at 9 sqm, which is insufficient for display of leather with ample space inside of the stand of 9 sqm for business meetings with potential foreign customers during the show.</p>
<p>◆ To discuss & consider for the exploration of new business avenues for participation in Int'l Leather Fairs in addition duly subsidized by TDAP.</p>	<p>The Secretary, TDAP accepted the request for the allocation of more Int'l potential events to PTA for Leather in addition to explore new business avenues for the promotion of country's exports and advised to PTA to submit necessary Feasibility with the proposed name of Int'l Fairs for allocation to PTA with proposed budget of participation for consideration of allocation to PTA in addition. One of the events was already proposed i.e. "Shoes & Leather, July'2018 at Vietnam" for the allocation, which was unfortunately not organized by PTA in 2017 owing to time constraints & late approval of TDAP.</p>

• To expedite the process for releasing due approved govt., subsidy for Int'l fairs in general and the subsidies already pending at TDAP

The Secretary, TDAP reviewed list of subsidies pending at TDAP and immediately issued directives to release atleast 2 following subsidies i.e. at s. # 01 & 02 within one week and expedite the process for remaining for the release as soonest as possible after completion of due process :-

01. Lineapelle Fair, Feb'2017 at Italy
02. ACLE, Sept'2017, at Shanghai, China
03. Premier Vision, Sept' 17 Paris
04. Lineapelle Fair, Oct'2017 at Italy



Mr. Amanullah Aftab, Chairman, PTA (L) with his team discussing core issues of Leather Industry during meeting with Mr. Inamullah Khan Dharejo, Secretary, TDAP (C) on 03.01.2018 at TDAP, Karachi



Busy views of Meeting held between PTA & TDAP on 03.01.18 at TDAP, Karachi.

07. PTA Delegation Participated In Consultative Session On STPF 2018-23 Organized By Ministry Of Commerce At Marriott Hotel, Karachi.

At the instance of TDAP, a consultative session organized by Ministry of Commerce and Textile and held on 05.01.2018 at Marriott Hotel Karachi (Governor Hall) with a view to initiate the consultative

process of formulating a medium term Strategic Trade Policy Framework 2018-23 (STPF). The session was chaired by Mr. Younas Dagha, Secretary Commerce Division, Government of Pakistan and is part of a high level initiative of Government of Pakistan to consult the trade stakeholders regarding the medium term trade policy framework of the country which was attended Mr. Amanullah Aftab, Chairman, PTA alongwith Former Chairman, PTA, Mr. Gulzar Firoz and submitted following 8-Trade Policy Proposals of Leather Industry for recommendation for incorporation in the forthcoming STP 2018-23 :During the above meeting following decisions were taken to each agenda Points for further implementation in letter & spirit:

- 01 To issue revise SRO 578(I)/2016 dated 01.07.2016 with relaxed import procedures for subsidy on import of all proposed 24-Tanning Machineries. PTA's detailed letter already submitted to MOC.
- 02 To allow 75% Matching Grant for setting-up of Effluent Treatment Plants in Individual Tanneries which is a fundamental requirement for enrolling our member exporters in LWG (Leather Working Group). A detailed submission has already been made to MOC.
- 03 To allow 75% Govt., subsidy on International Lab Testing for Leather which is a pre-requisite of Foreign buyers/brands for selling the finished leather to them. As the incentive has already been approved/announced by Engr. Khurram Dastgir Khan (Ex-Federal Minister for Commerce) during inaugural function of 3rd Pakistan Mega Leather Show in January 2017. Detailed submission has already been made to MOC.
- 04 To withdraw 3%+1% = 4% Custom Duty on import of Wet blue and include H.S CODES 4104.1100/4104.1900/4105.1000 & 4106.2100 in the Fifth Schedule of the Customs Act 1969 as well as notify through SRO. Recently allowed Duty Free Import of wet blue was linked with FTA, which is not viable for Leather Industry as to make the duty free import without any restriction/compulsion & FTA.
- 05 To allow Duty Free Import of basic Tanning Machineries for Tanning Sector of Pakistan without Custom Duty & Sales Tax as already allowed for Textile Sector for the upgradation/modernization of Tanning Sector to produce & provide best quality innovative leather for meeting foreign buyers demand.
- 06 Unilateral slashing down Duty Drawback rates on export of Finished Leather by FBR for which a detailed presentation was sent to FBR on 24-May-2017
- 07 To increase the budget of participation & marketing/promotion in MORE Int'l Leather Fairs, which is vital tool for the promotion of exports of Leather Sector with proposed increased subsidy percentage from 40% to 70% thru TDAP (for the Int'l Fairs allocated by TDAP to PTA) irrespective of irrational condition of 3-5 years participation & 2 times in a year condition as envisaged in TDAP's rules & regulations.
- 08 To allow Govt., financial support in terms of subsidy thru TDAP on Air Freight Charges for Leather samples meant for display in Pakistan Pavilion at Int'l Leather Fairs exclusively.

The Secretary Commerce assured me for favourable consideration of the genuine proposals of Leather Industry while formulating mid-term STPF 2018-2023.

08. Strategic Trade Policy Framework 2018-23 Consultative Session Held In Avari Hotel, Lahore On 25th January 2018.

I nominated Mr. Anjum Zafar, Immediate Past Chairman, PTA alongwith Mr. Shahid Usman and Mr. Agha Saiddain, Senior Members, PTA for their participation in the STPF 2018-23 – Consultative Session held on 25th January 2018 in Avari Hotel, Lahore organized by Ministry of Commerce and TDAP, Lahore to formulate a Medium-term Trade Policy Framework for enhancing exports on a sustainable basis by incorporating suggestions of business community in STPF-2018-23. The Session chaired by Mr. Younas Dagha, Secretary Commerce alongwith Mr. Nauman Aslam, Director General (Trade Policy), Ministry of Commerce, Mr. Inam Ullah Dharejo, Secretary, TDAP, Mian Riaz Ahmed, Director General, TDAP, Lahore and other senior officers coordinated the activity.



Former Chairman, PTA, Mr. Anjum Zafar presented PTA well formulated Trade Policy Proposals to the Secretary Commerce during the above Consultative Session for favourable consideration and incorporation in STPF-2018-23. He also apprised the Secretary Commerce that some of PTA's proposals have been repeated again and again to remind the government for its due attention to implement and MOC has already been agreed with these genuine proposals and already assured PTA to entertain during various consecutive meetings held in Islamabad.

The Secretary Commerce assured PTA's representatives for his support to leather industry and favourable consideration of PTA's Trade Policy Proposals for incorporation in the forthcoming STPF 2018-23. He also apprised the stakeholders that the concept of holding exercise on the initiative on consultative session across the country was to ascertain the opinion of trade bodies for bringing radical changes in the new trade policy. The Secretary Commerce hoped that the substantial measures would help in consolidating the growth of the export sector of the country.

09. PTA's Representative Meeting With He Yao Jing Ambassador Of China On 18.01.18 At FPCCI, Karachi.

As nominated by me Mr. Gulzar Firoz, Former Chairman, PTA participated in the meeting of FPCCI held with HE Yao Jing Ambassador of China on 18th January 2018 in FPCCI, Karachi under the chairmanship of Mr. Ghazanfar Bilour, President to discuss issues being faced by the leather exporters of Leather Industry during export to China.

During the Meeting, Mr. Gulzar Firoz requested the HE Ambassador of China for issuance of multiple

visa in favour of exporters and members of Pakistan Tanners Association the 2nd largest export oriented industry of the country after textile and member of the FPCCI.

HE Yao Jing, Ambassador of China assured his support for the Pakistani Leather Exporters and assured to resolve the issue and decided as under would be effected from February'2018 :

- 1) Multiple Visit Visa for 1-Year will be issued to those businessmen who have visited China atleast 3 times and provided recommendation of FPCCI.
- 2) In such cases, even invitation letter from China will be exempted.
- 3) For 1st Visit invitation letter will be required and visa may be issued for a short stay.



HE Yao Jing, Ambassador of China discussing with the participants during the meeting held at FPCCI on 18.01.18

10. Secretary, PTA-Northern Zone, Lahore Participated In The Meeting With Public/private Stakeholders On The 2nd Phase Of Pakistan China Free Trade Agreement (Fta) Negotiations Held On 15th March'2018 At Mocommerce, Islamabad.

I nominated Mr. Fahim Ahmed, Secretary, PTA-Northern Zone Office, Lahore to attend the Meeting of Public Consultation on the 2nd Phase of the China-Pakistan Free Trade Agreement organized by the Ministry of Commerce under the Chairmanship of Mr. Miftah Ismail, Federal Advisor on Finance, Revenue & Economic Affairs on 15th March'2018 at Ministry of Commerce, Islamabad.

Mr. Tariq Mehmood Pasha, Chairman, Federal Board of Revenue, Mr. Kamran, Additional Secretary to PM, Mr. Mohammad Younus Dagher, Federal Secretary Commerce and Mr. Hasan Iqbal, Federal Secretary for Textiles Division were also present during the meeting. A number of Private Sectors including representative of Pakistan Tanners Association also attended the above Session.

The Secretary Commerce informed that as per agreement, Pakistan and China will liberalize 90% of their trade by giving in several concessions to their counter-parts in agreed phases of agreement. Secretary Commerce informed the participants that despite the understanding, Pakistan will only open up 75% (not 90%) of its trade for Chinese businessmen where Pakistani exporters can access 90% of tariff lines active with China.

Secretary Commerce also presented main categories of goods for importing into Pakistan that is proposed to be added in the agreement. Textile, Steel, chemicals and other sectors have been added in sensitive list of import. For Leather & Leather Goods, Ministry of Commerce has not received any written feedback from any leather sector association on adding up any item (finished leather and/or chemicals) in the sensitive list of items to be imported from China into Pakistan.

Secretary Commerce also presented that Chinese counter-part has agreed to 56 items for import concession if exported from Pakistan under FTA.

Mr. Miftah Ismail, encouraged the participating industries to take full advantage of CPFTA and enhance export into Pakistan. He told that MOC has taken all measures to protect the local industry, however, Pakistani entrepreneurs should not be fearing of China factor and remain optimistic.

11. Meeting With Commerce Minister Held In FPCCI On May 2, 2018.

On the invitation of FPCCI, Karachi, I participated in the Meeting held with Mr. Muhammad Parvaiz Malik, Federal Minister for Commerce in FPCCI on 2nd May'2018 and presented him PTA well formulated proposals/ suggestions again for favourable consideration to facilitate PTA's member exporters to continue play their pivotal role in strengthening the country's economy by fetching precious foreign exchange in terms of export orders.

12. Meeting With Secretary Commerce Held In Karachi Expo Centre On May 31, 2018.

I along with Mr. Gulzar Firoz, Mr. Ejaz Ahmed Sheikh, Mr. Aziz Ahmed and Mr. Shafiq Ahmed met Secretary Commerce, Mr. Muhammad Younus Dagha on 31st May'2018 at Karachi Expo Centre and discuss some core issues of Leather Industry special for excluding finished leather from the export package because as the MoC treated that tanned leather as raw material for made-up industry. I explained him that only inferior quality of leather use for our local made ups industry and the better grade for export because local made industry have no demand for higher grades and cannot pay higher price. Due to export of higher grades leather instead of consume in made up industry, our country gets better revenue.

I finally convinced him to add dyed leather and finished leather in export package as same as MoC added dyed and printed fabric. Mr. Younus Dagha agreed with PTA point of view to add only those HS codes which are using only for dyed and finish leather. He denied to add all our previous HS codes in export

package therefore he assured PTA to sort out HS codes and give him only those HS codes which use for dyed and finish leather.

In view of the above decision, PTA has sent proposal to MoCommerce for inclusion of following 6-HS Codes for Dyed / Finished Leather in the upcoming new Export Package 2018-21 and notify DLT Order 2018-19 :

4107.1200 / 4107.9200 / 4107.9100 / 4112.0000 / 4113.1000 / 4113.9000

13. Meeting With Deputy Head Of Mission Japan in FPCCI On June 29, 2018

I nominated, Mr. Gulzar Firoz, Chairman, Diplomatic Affairs Standing Committee to participate in the meeting held in FPCCI with Mr. Takrashi Harada, Deputy Head of Mission Japan on June 29, 2018 to represent PTA and presented him PTA Proposals for smooth trade b/w Pakistan & Japan on bilateral basis.

14. Meeting Held With Acting Secretary, TDAP, Karachi On July 4, 2018

I accompanied by Mr. Gulzar, Firoz, Sh. Afzal Hussain and Mr. Shafique Ahmed met Acting Secretary, TDAP, Mr. Rafeo Bashir Shah on July 4, 2018 in TDAP Karachi to discuss various pending issues in detail again for resolution and as per generated view/opinion to organize the National Pavilion by TDAP in the Leather Tech at DHAKA, Bangladesh from 22-24th November'2018.

On PTA persistent approached, TDAP allocated above Fair to PTA for organizing Pakistan Pavilion for its 12-interested member participants with the aim to boost export.

Following issues were also discuss during the above meeting :

01.	Release of balance 25% subsidy for Rs.20,904,890/- for Individual Treatment Plants for 8 Members against STPF 2009-12.
02.	Removal of 5 years participation condition & 2 times participation in a year from TDAP's rules, which is still implied by TDAP at the time of releasing due approved subsidy to PTA.
03.	Release of subsidy at 12 sqm INSTEAD of 9 sqm as also approved during last meeting being core product of Leather to facilitate our members to display entire range of Leather particularly Cow & Buffalo conspicuously at 12 sqm stand.
a)	Allocation of Leathertech Bangladesh, 22-24th Nov., 2018 at DHAKA, Bangladesh to PTA for organizing National Pavilion with Govt., subsidy, which has also been recommended by the Paktan high Commission, Dhaka, Bangladesh.

b)	Anxiously awaiting reply from TDAP to a Proposal already submitted for extending subsidy incentive for PTA's sample shipment meant for display in National Pavilion at various destination already submitted to TDAP vide our letter # PTA-117/128/2018/73 dated 03.04.2018.
c)	Release of due subsidy amount for Rs.10.2 Million (Rs.6 Million for ach Association) for 4th PMLS'2017, Lahore.
d)	Release of subsidy for M/s. Khas (Pvt) Ltd., Karachi for their participation made in Lineapelle Fair, Feb'2017 at Milan, Italy.

15. Meeting At TDAP Lahore On 17th July'2018

In order to provide institutional linkage between the government and the private sector for timely resolution of issues faced by different export sectors of the country, meeting of the Export Promotion Committee (EPC) with Pakistan Tanners Association held by Trade Development Authority of Pakistan (TDAP), Lahore Director General on July 17, 2018.

Mr. Anjum Zafar, Immediate Past Chairman, alongwith Mr. Agha Saiddain and Mr. Badre Alam participated in the meeting and presented PTA well formulated proposals/suggestions for discussion as well as other various core issues, like product development issues, competitiveness issues, supply chain management issues and analysis of programmes initiated by the government for export enhancement from Pakistan, were also discussed during the meetings.

TDAP DG Mian Riaz Ahmad said that the emerging Pakistan initiative as envisaged by Secretary Commerce, M.r Mohammad Younus Dagha is a way forward in focusing and projecting products of the country abroad, which will subsequently help in enhancing the trade volume of the country.



Busy views of the meeting of PTA Delegation led by Mr. Anjum Zafar held with DG, TDAP at Lahore

16. Meeting Held With Commerce Minister And Commerce Secretary on August 8, 2018

PTA delegation led by me comprising Mr. Anjum Zafar and Mr. Gulzar Firoz met Commerce Minister, Mr. Misbah ur Rehman and Secretary Commerce, Mr. Mohammad Younus Dagha on August 8, 2018 at Ministry of Commerce, Islamabad to discuss PTA long pending issues for favourable consideration.

Both the above high ups assured government support to boost export oriented value added leather industry. The meeting was concluded to be fruitful & result oriented with the hope that all the pending issues of Leather Sector will be resolved soon and the PTA very highly optimistic for early implementation on the decisions taken during the meeting with letter & spirit.



PTA Chairman, Mr. Amanullah Aftab (L) snapped with Commerce Minister, Mr. Misbah ur Rehman (2nd R), alongwith Mr. Anjum Zafar and Mr. Gulzar Firoz

Nomination Of PTA's Representations In Different Committees Constituted By The Government / FPCCI

FPCCI Regional Committees (Karachi) On FPCCI Budget Proposals 2018-19

At the instance of FPCCI, Chairman, PTA, Mr. Amanullah Aftab nominated as Member for FPCCI Regional Committee (Karachi) for the Federal Budget 2018-19 to represent PTA in the respective Regional Committee Meetings (Karachi, Lahore, Islamabad and KPK) of FPCCI, which will be held on every Saturday at the FPCCI Regional Offices for which Video link/Skype also available.

Tax Advisory Committee of FBR

The FBR-Chief Commissioner Inland Revenue, Corporate Regional Tax Office, Karachi nominated Mr. Amanullah Aftab, Chairman, PTA and Mr. Ejaz Ahmed Shaikh, Vice Chairman, PTA as Member of Tax Advisory Committee, FBR to represent Pakistan Tanners Association in the meeting as and when held.

Board Of Directors Of TDAP

Mr. Gulzar Firoz, Former Chairman, PTA, Former Vice President, FPCCI and Former Chairman, KATI appointed as Member of the Board of Directors of Trade Development Authority of Pakistan (TDAP) from Private Sector by the then PM of Pakistan in the Cabinet meeting held on 22nd May'2018 presided.

Meetings Of Central Executive Committee Of PTA Held During The Year 2017-18

During my tenure following meetings of the Central Executive Committee were held simultaneously at Lahore & Karachi through Video Conference :

- 1st CEC Meeting on 29th September'2017.
- 2nd CEC Meeting on 11th November'2017
- 3rd CEC Meeting on 13th January'2018.
- 4th CEC Meeting on 9th June'2018.
- 5th & Last Meeting with AGM on 29th September'2018.

Press Statements

A number of Press Statements released on the core issues of the leather industry to invite attention of the Government during my tenure of the chairmanship FY 2017-18. As a result of wide coverage of the issues we get assurance from the government for resolution of Leather Industry's problems and they spared time for meetings with PTA Delegation to discuss issues for resolution.

Vote of Thanks

I would like to thank Mr. Muhammad Ali, Secretary General for looking after the affairs of the Association and done excellent work for organizing the various Int'l fairs. I would like to appreciate Deputy Secretary, Ms. Tahira Shaheen for her hard and smooth result oriented working for the Association and specially when the Secretary is on Int'l tour for participation in fairs. I also appreciate the hard work of Mr. Fahim Ahmed Secretary, PTA-Northern Zone and Mr. Raiyan Muhammad, Secretary, PTA-Southern Zone. Other members of the staff of PTA also deserve recognition for their performance of duties during the year.

I extremely grateful to all members who have generously released their advertisements for publication in Annual Report and also appreciate the work of Printer.

I would like to congratulate the incoming Office Bearers and Members of Central Executive Committee of PTA for coming forward to serve the cause of promotion of the leather sector of Pakistan.

I sincerely pray to Almighty Allah for the prosperity, progress and solidarity of our beloved Pakistan, and for the growth and success of all members of Pakistan Tanners Association.



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Different Views Of The Central Executive Committee Meetings Held During The Year 2017-18 Via Video Conference Simultaneously In Lahore & Karachi Under The Chairmanship Of Mr. Amanullah Aftab



Glimpses Of PTA Delegation Led By Mr. Amanullah Aftab Visit To FPCCI



Mr. Ejaz Ahmed Shaikh, Vice Chairman, PTA presenting bouquet to Mr. Ghazanfar Bilour, President, FPCCI on his visit to FPCCI along with Mr. Amanullah Aftab, Chairman, PTA (Central) on his visit to FPCCI



Mr. Amanullah Aftab, Chairman, PTA (Central) presenting bouquet to Mr. S.M. Muneer, Former President, FPCCI on his visit to FPCCI



President, FPCCI, Mr. Ghazanfar Bilour presenting shield to Mr. Amanullah Aftab, Chairman, PTA (Central) on his visit to FPCCI

Meetings With Government High - Ups



Mr. Amanullah Aftab, Chairman, PTA along with Mr. Gulzar Firoz snapped with Secretary Commerce, Mr. Mohammad Younus Dagha (C) on his visit to Karachi Expo Centre on 31.05.2018



A group photograph of PTA delegation with the then Commerce Minister, Mr. Muhammad Pervaiz Malik



Busy views of PTA Delegation led by Mr. Amanullah Aftab, Chairman, PTA with Secretary, TDAP, Mr. Inam Ullah Khan



PTA delegation led by Mr. Amanullah Aftab, Chairman PTA snapped with Deputy High Commissioner of Bangladesh Mr. Noor-e-Helal Saifur Rahman (2L) in Karachi



Different Views Of The Inauguration Ceremony Of PMLS-2018 Inaugurated By The Commerce Minister On 28.01.2018



Different Views Of The Events Organized During 4th PMLS-2018 At Lahore Int'l Expo Centre From 27-29th January'2018



Glimpses Of Pakistan Pavilions Organized By PTA With Collaboration Of TDAP In Various Destination

Lineapelle Fair – 20-22nd February'2018, Milan, Italy



Different views of PTA Stands in Pakistan Pavilion at Lineapelle Fair-Feb-2018 at Italy

Asia Pacific Leather Fair (APLF) - 14-16th March'2018, Hong Kong



Mr. Abdul Qadir Memon, Consul General of Pakistan in HK inaugurating Pakistan Pavilion in APLF-2018



PTA member participants of APLF-2018 snapped with CG of Pakistan in HK

Shoes & Leather Fair - 11-13th July'2018 At Ho Chi Minh City, Vietnam Different Views Of Pakistan Pavilion



All China Leather Exhibition (ACLE) - 29-31st August'2018 at Shanghai, China



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it can be created



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The image features a stack of rolled-up documents, possibly blueprints or architectural plans, in shades of grey and white. A prominent dark red circle is centered over the stack. Inside this circle, the words "Press Clippings" are written in a white, serif font. The circle is framed by a thin white border and is connected to the top and bottom edges of the frame by three vertical lines of varying lengths.

Press Clippings

DLTL for 2018-21

PTA demands finished leather inclusion

RECORDED REPORT KARACHI: Pakistan Tanners Association chairman Amanullah Aftab has urged the caretaker Federal Commerce Minister and Secretary Commerce to ensure inclusion of 'Finished Leather' in the new Drawback of Local Taxes and Levies (DLTL) for 2018-21.

He said that the manufacturer-cum-exporters of finished leather are contributing significantly to the country's GDP by making necessary highly value additions from raw skins to finished leather with new innovations after going through the detailed hectic 23 vital procedures for necessary value addition but they are deprived of DLTL scheme in the new export package announced by the government for the year 2018-21.

"The tanning industry of Pakistan is fully competent and capable of producing all types of fashion leather including printed leather, foiled leather, patent leather etcetera," he said, adding that Pakistan enjoys number two position after Italy as far as quality of leather is concerned.

PTA chairman further said that finished leather made of cow, buffalo, sheep and goat skin is highly value added and

value addition is around 150% or more as finished leather and also being sold to high value branded shoes. He said leather industry is the 2nd biggest export-oriented industry in terms of significant contribution to the country's GDP, besides it is also imperative to clarify here that 'finished leather (value added leather)' had around 38.5% export share out of total export of leather sector of Pakistan that was US\$ 918.131 million for the year June-June 2016-17.

"It is astonishing to note that dyed and printed fabrics for textile sector are included in the new DLTL scheme for next 3 years while the finished leather is deprived of the said incentive, which is similar product/commodity of leather industry," he said.

Amanullah Aftab said that with necessary innovative value addition from raw skins to finished leather form, it becomes eligible for the export to get the precious foreign exchange with higher prices of per SQFT as compared to rest commodities of leather sector such as leather footwear, leather garments, leather products/footwear/made-ups, which cost Pakistan around US\$ 0.60 per sqft as compared to rest commodities of leather sector such as leather footwear, leather garments, leather products/footwear/made-ups, which cost US\$ 1 per sqft as inferior quality and easily available in local market abundantly and can be imported without any duty.

PTA chairman said that issue of inclusion of dyed/finished

leather in the new DLTL scheme was already brought to the notice of secretary ministry of commerce in a specific meeting held recently and he was convinced realizing the gravity of issue/matter. PTY chairman said that later assured the PTA's delegation to look into the matter favourably for the inclusion of dyed/finished leather in the new DLTL scheme for the export package for the year 2018-21 with the same spirit as announced for rest of commodities of export sectors.

He highlighted that all high grades of leather of cow, buffalo, sheep and goat skins are exported exclusively to the foreign potential buyers/customers specially to international brands and fetching much higher prices and value addition from raw materials that is 2.5 times more. He said much higher average prices is around from US\$ 1.50 per sqft to US\$ 3.00 per sqft of high quality grade leather as compared to the unit price of per sqft used in rest of commodities of leather sector such as leather footwear, leather garments, leather made-ups, which cost US\$ 1 per sqft as inferior quality and easily available in local market abundantly and can be imported without any duty.

PTA chairman said that issue of inclusion of dyed/finished

leather in the new DLTL scheme was already brought to the notice of secretary ministry of commerce in a specific meeting held recently and he was convinced realizing the gravity of issue/matter. PTY chairman said that later assured the PTA's delegation to look into the matter favourably for the inclusion of dyed/finished leather in the new DLTL scheme for the export package for the year 2018-21 with the same spirit as announced for rest of commodities of export sectors.

Besides, the CEC of PTA has also passed a unanimous resolution during its 4th meeting on 09.06.2018 with resentment and disappointment over elimination of core product of mother industry of leather sector. It demanded strongly that ministry of commerce immediately include dyed/finished leather in the new DLTL scheme for export package for the year 2018-21 as soon as possible so that the genuine exporters/PTA members would also be facilitated to continue to play its due viable role in strengthening the country's economy by fetching more precious foreign exchange.

Import of basic raw material

PTA demands removal of quarantine condition

RECORDED REPORT KARACHI: Chairman of Pakistan Tanners Association (PTA), Amanullah Aftab has urged the ministry of commerce to remove condition of "Quarantine" for the import of basic raw materials for the industry i.e. raw hides & skins, wet blue of goat, sheep, lamb, cow & buffalo, making PTA members unable to execute their export activities smoothly.

He said that the condition for "Quarantine" imposed through SRO # 1067(1)/2017 for the fundamental raw material for leather tanning industry such as "raw hides & skins, wet blue of goat/sheep/lamb/cow & buffalo", at the import stage into Pakistan.

Amanullah Aftab said that the real spirit of SRO # 1067 was to get all food stuff / items quarantined at the import stage from the world to Pakistan for the safety & health concern for the general masses, but unfortunately the raw materials for the leather industry was inadvertently included in the SRO concerned for compliance by the custom authority, highlighted important

which has now become severe issue/problem for the tanning industry as getting import at large quantity being basic raw materials for the industry for necessary "value addition" from raw skins to finished value added leather with innovations for re-export purpose for yield-sharp, lamb, cow & buffalo, exchange for the country.

He also shared information with the media that the deep concern of the industry with respect to the condition already been conveyed to the ministry of commerce & others in writing repeatedly for elimination/exemption of related H.S. Codes such as 4101.2000, 4101.5010, 4101.5010, 4102.1010, 4102.2110, 4105.1000, 4105.2100, 4106.9100, 4105.3000, 4106.2200, 4106.9200 & 4112.0000, which are basic raw materials for the industry from the irrational condition of quarantine at import stage in Pakistan, which is completely unjustified as the obviously not food items.

Amanullah Aftab also expressed his concern for foreign exchange by the custom authority, highlighted important

aspects that these precious basic raw material for tanning industry are already covered with necessary "Quarantine certificate" at origin at the time of export to Pakistan, as such duplication of quarantine certificate in Pakistan again is completely unjustified/unnecessary/irrational, which is only causing severe hardships for our members in clearance of containers at ports against heavy demurrage charges for each container but opened new door of corruption for issuance of quarantine certificate(s) for each container, which is involved in million of Pak rupees.

On the other hand, the government has recently removed the custom duty on PTA's instance at import stage of basic raw materials for the industry for the exclusive purpose to facilitate the leather industry meet the scarcity of raw materials in Pakistan for necessary "value addition" for re-export the value added finished leather to the world for fetching the most precious foreign exchange for the country.

Leather exports suffering due to DLTL delay

By Our Staff Reporter

KARACHI: Pakistan Tanners Association (PTA) has urged the State Bank of Pakistan (SBP) to immediately issue the submission procedure for new Drawback on Local Taxes and Levies (DLTL) against SRO1062 issued by the Ministry of Commerce and Textile on Oct 20.

In a statement issued on Tuesday PTA Chairman Amanullah Aftab pointed out that the commerce ministry had authorised the SBP to issue further submission procedure for the claim of DLTL against leather exports but the same was still pending. All observations and amendments to be incorporated in the submission procedure have been already discussed and finalised with the SBP.

The delay in issuance of submission procedure was causing a lot of hardship to exporters as their claims for DLTL are due since July 1, he claimed, adding that they are unable to pass on this incentive benefit in net unit price of leather to international buyers for future export orders.

The Nation, Karachi Thursday, March 15, 2018

Pakistan Pavilion opens in HK Leather Fair

LAHORE: The formal inaugural ceremony of Pakistan Pavilion in Asia Pacific Leather Fair 2018 at Hong Kong was jointly organized by Pakistan Tanners' Association & Consulate General of Pakistan. The Consul General, Consulate General of Pakistan in Hong Kong Abdul Qadir Memon inaugurated the Pakistan Pavilion as chief guest which was also attended by Amanullah Aftab, chairman, Pakistan Tanners Association, Mansoor Iqbal, Sr. Vice Chairman, PTA and other senior members among other member participants of Pakistan Pavilion. -Staff Reporter

Animals' hide prices fall on high production

By Aamir Shafaat Khan

KARACHI: The price of hides has dropped by an average 10 per cent, but the slaughtering of animals (cows, buffalo, sheep, goats, camels etc) increased by 50pc this Eidul Azha, compared to 7.5 million animals sacrificed last year.

The price of cow hide, which was Rs1,700-1,900 last year, now hovers around Rs1,400-1,600 while buffalo hide costs between Rs500-700 as against Rs700-900 last year. Goat skin price ranges between Rs200-225 versus Rs225-250 the year before while sheep skin rate has dropped from Rs125-150 to Rs75-100.

"The total value of hides and skins this year is estimated at Rs5.5 billion - more or less unchanged from 2017, depending on the volume of sacrificial animals, their weight and skin prices," Pakistan Tanners Association (PTA) Central Chairman Amanullah Aftab told Dawn on Friday.

He said a 50pc volume increase in sacrificial animals all over the country is based on the arrival of hides and skins at the tanneries during the first two days of Eidul Azha, while the third day figures are still being counted.

Non-professional butchers have destroyed the hides and skins by putting extra cuts on the skins. These seasonal butchers are higher in numbers in Karachi than any other parts of the country. For the last three years, Eid has also been falling during the summers, which also affects the quality of skin in case sale is not applied on time.

"The overall damage and waste of hides and skins in the country stands at 10-20 pc of the total collection and needs to be controlled," Amanullah said. Tanners lift hides and skins from religious institutions, mosques and welfare organisations through auction process.

Explaining this year's shortage of animals at the main Maweshi Mandi Super Highway, he said the cattle traders from Punjab did not arrive in large numbers due to fear of rains which had caused huge losses the year before. As a result, most of the animals were sold out, creating problems for the late-comers. He said the cattle traders had diverted their animals to different parts of the country and most of the animals in Karachi came from interior Sindh.

PTA chief said the exports of leather goods are facing stiff competition in the world market owing to high cost of doing business in Pakistan which includes soaring electricity and gas charges, unnecessary taxes/burdens on export and imports, substantial pending claims for duty drawback, sales tax refund, income tax refund and DLTL claims.

These receivables, valuing in millions of rupees, are stuck at State Bank of Pakistan - in particular the DLTL claims of 2.5pc effective from July 2017, irrespective of the 10pc incremental exports.

PTA urges SBP to issue DLTL claims' procedure

RECORDED REPORT KARACHI: Chairman of Pakistan Tanners Association (PTA), Amanullah Aftab has urged the State Bank of Pakistan (SBP) to immediately issue the submission procedure for new Drawback on Local Taxes and Levies (DLTL) against SRO1062 issued by the Ministry of Commerce and Textile on Oct 20. In a statement issued on Tuesday PTA Chairman Amanullah Aftab pointed out that the commerce ministry had authorised the SBP to issue further submission procedure for the claim of DLTL against leather exports but the same was still pending. All observations and amendments to be incorporated in the submission procedure have been already discussed and finalised with the SBP. The delay in issuance of submission procedure was causing a lot of hardship to exporters as their claims for DLTL are due since July 1, he claimed, adding that they are unable to pass on this incentive benefit in net unit price of leather to international buyers for future export orders.

He said a 50pc volume increase in sacrificial animals all over the country is based on the arrival of hides and skins at the tanneries during the first two days of Eidul Azha, while the third day figures are still being counted. Non-professional butchers have destroyed the hides and skins by putting extra cuts on the skins. These seasonal butchers are higher in numbers in Karachi than any other parts of the country. For the last three years, Eid has also been falling during the summers, which also affects the quality of skin in case sale is not applied on time. The overall damage and waste of hides and skins in the country stands at 10-20 pc of the total collection and needs to be controlled. Amanullah said. Tanners lift hides and skins from religious institutions, mosques and welfare organisations through auction process. Explaining this year's shortage of animals at the main Maweshi Mandi Super Highway, he said the cattle traders from Punjab did not arrive in large numbers due to fear of rains which had caused huge losses the year before. As a result, most of the animals were sold out, creating problems for the late-comers. He said the cattle traders had diverted their animals to different parts of the country and most of the animals in Karachi came from interior Sindh. PTA chief said the exports of leather goods are facing stiff competition in the world market owing to high cost of doing business in Pakistan which includes soaring electricity and gas charges, unnecessary taxes/burdens on export and imports, substantial pending claims for duty drawback, sales tax refund, income tax refund and DLTL claims. These receivables, valuing in millions of rupees, are stuck at State Bank of Pakistan - in particular the DLTL claims of 2.5pc effective from July 2017, irrespective of the 10pc incremental exports.



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Capacity

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Email: info@noorleather.com

Activities Of PTA Standing Committees During The Year Oct-2017 To Sep-2018

Finance & Administration Standing Committee



Amanullah Aftab

Chairman
Finance & Administration S/C,
Human Resources
Committee Int'l Fairs S/C

The Finance & Administration Standing Committee remained functional actively during the year under review headed by Mr. Amanullah, Chairman, PTA, he actively examined the monthly accounts of PTA Central Office regularly with reference to Receipts & Expenditures and the overall fiscal position as compared to last month's account before taking-up the same in the Central Executive Committee's meetings for final review and approval.

All the financial transactions for the purpose of heavy remittance to international fairs organizers concerned or essential purchases etc. have been vetted, examined and recommended to ensure transparency and genuineness particularly from audit perspective and it is a healthy sign and our satisfaction that the Auditors (Chartered Accountants) have not so far raised any objection in respect of financial transaction and maintenance of accounts of PTA (Central).

All the accounts of PTA central office is computerized with specific accounts prescriber software to maintain all features of accounts smoothly with convenience in precise mode with accuracy.

As approved by the Central Executive Committee, the Video Conference System has been up-graded and installed new big size LED, Camera and Speakers with high speed internet connection for the convenience of the members in respect of better picture quality and sound during the meeting sessions. The old system of Projector and screen is being used for delivering presentation on multimedia during meetings with the high-ups as and when held.

Besides, in order to improve the office outlook of the building some renovated work was done at reception in ground floor and purchased furniture for decent looking of PTA Central Office.

Human Resources Committee

The Human Resource Committee was constituted by the Central Executive Committee as required under the Trade Organization Rules, 2013 comprising the following members during the year 2017-18 to look after the affairs of the establishment :

Members:

- | | | |
|-----|---|---|
| 01. | Mr.Amanullah Aftab (Chairman, PTA) | : M/s. Hafiz Tannery, Karachi. |
| 01. | Mr. Mansoor Iqbal (Sr.Vice Chairman, PTA) | : M/s. Dada Enterprises (Pvt) Ltd., Lahore. |
| 02. | Mr. Ejaz Ahmed Sheikh (Vice Chairman, PTA) | : M/s. Bombal Leather, Karachi. |
| 03. | Mr.Anjum Zafar (Immediate Past Chairman, PTA) | : M/s. Eastern Leather Co. (Pvt) Ltd., Lahore |

International Fairs & Delegation Standing Committee

We are pleased to share here that Pakistan Tanners Association (Central) in financial collaboration with the Trade Development Authority of Pakistan, Government of Pakistan (TDAP) had organized National Pavilions for Pakistan in different International Fairs & throughout the year at various destinations of the world for participation of PTA's interested members to achieve the desired goals for the promotion of exports.

Mr.Amanullah Aftab, Chairman, Standing Committee on Int'l Fairs & Delegations, PTA dealt all the affairs of International Fairs and made arrangements for Pakistan Pavilions in respect of space rent & construction/decoration of stands in consultation/coordination with the Members of Standing Committee on Int'l Fairs & Delegations with TDAP's rules & regulations in the following approved International Fairs from Sept'2017 to September'2018 :-

01. All China Leather Exhibition, 30th Aug to 1st Sept., 2017 at Shanghai, China
02. Le Cuir (Premier Vision Leather) 19-21st Sept., 2017 at Paris, France
03. Lineapelle Fair, 4-6th October, 2017 at Milan, Italy
04. Lineapelle Fair, 20-22nd Feb., 2018 at Milan, Italy
05. Asia Pacific Leather Fair (MM&T Section) 14-16th March, 2018, Hong Kong.
06. Shoes & leather, 11-13th July, 2018 at Ho Chi Minh City, Vietnam
07. ACLE, 29-31st August'2018 at Shanghai, China

PTA has already submitted a list of Int'l Fairs for allocation and accordingly the TDAP has approved the following Int'l Fairs to PTA for organizing National Pavilion for participation of PTA's interested members with necessary Government subsidy during the period from July'2018 to June'2019 for PTA's interested members as an annual feature :-

01. Premier Vision, Sept'2018 at Paris, France.
02. Leather Tech, 22-24th November'2018 at Dhaka, Bangladesh.
03. Lineapelle Fair, Sept'2018 at Milan, Italy
04. MM&T Section of APLF, March'2019, Hongkong
05. Lineapelle Fair, Feb/March'2019 at Milan, Italy
06. Indo Leather & Footwear Event, April, 2019 at Jakarta, Indonesia (In place of shoes & Leather, Guangzhou, China).

Brief description of each Fair held from Sept'2017 to September, 2018 is highlighted hereunder :-

01. All China Leather Exhibition, 30th Aug to 1st Sept., 2017 at Shanghai, China.

PTA had organized National Pavilion for its 06 member participants in All China Leather Exhibition held from 30th Aug to 1st Sept., 2017 at Shanghai, China within the total reserved space upto 78 sqm and the outcome of the participation of our members was encouraging to their desired extent.



(A view of Pakistan Pavilion in ACLE'17, Shanghai)

02. Le Cuir (Premier Vision Leather) 19-21st Sept., 2017 at Paris, France.

Participation for 3 members was organized by PTA with due approval of TDAP for the Government subsidy in "Le Cuir–Premier Vision Leather" held from 19-21st Sept., 2017 at Paris, France within the total reserved area of 45 sqm and the outcome found was satisfied. The Fair is found new fashion articles of finished leather in Paris Fashion market. The participation for 3 members was approved by the Fair management only.

03. Lineapelle Fair, 4-6th October, 2017 at Milan, Italy

20 Members of PTA had participated in this event within the total reserved space upto 300 sqm under the umbrella of Pakistan Pavilion organized by PTA with necessary Government, whose outcome was encouraging in terms of conclusion of business wherein the innovative / eye catching articles of finished leather were displayed at the respective stands, which were much appreciated by the customers/.visitors/buyers during the Fair. Apart from that 05 members had also taken part as individual participants in this event without Government subsidy.

04. Lineapelle Fair, 20-22nd Feb'2018 at Milan, Italy

PTA had also organized participation of its 19 members in Lineapelle Fair held from 20-22nd Feb., 2018 at Milan, Italy within the reserved area upto 300 sqm with due approval of the TDAP, Government of Pakistan for necessary subsidy while the outcome was usually good and all the participants were found satisfy and committed to keep continue participation in this event twice a year at Milan, Italy, besides 5 members of PTA had also taken part in this event as private participant.

05. MMT Section of Asia Pacific Leather Fair, 14-16th March, 2018 at Hongkong

This year (2018) highest participation of our members was organized by PTA within the total reserved area of 650 sqm for 42 members under the banner of National Pavilion in MM&T Section of Asia Pacific Leather Fair held from 14-16th March, 2018 at Hongkong in a befitting manner, while 4 member participants had also taken part as private participants.

We have also made some promotional features for our members' participation during this vital event of Leather Industry and one of them was prepared a beautiful light box at the entrance gate of Pakistan Pavilion in APLF'2018, Hongkong. While as per practice in vogue, an Inaugural ceremony of Pakistan Pavilion was organized by PTA for the inauguration made by , Mr. Abdul Qadir Memon, Consul General of Pakistan, HK . In order to commemorate the event, PTA has arranged Lion Dance at the Inauguration:-



(A beautiful lightbox at the Entrance of Pakistan Pavilion in APLF'2018, Hongkong)



(Mr. Abdul Qadir Memon, Consul General inaugurating the Pakistan Pavilion in APLF'2018, HK)

06. Shoes & Leather, 11-13th July, 2018 at Ho Chi Minh City, Vietnam:

Pakistan Pavilion was organized within 110 sqm of space for 10 members' participation in Shoes & Leather, 11-13th July, 2018 at Ho Chi Minh City, Vietnam first time in collaboration of TDAP and the outcome of the participation was satisfactory.



A photograph at Pavilion in the Fair at Vietnam

07. ACLE, 29-31st August 2018 at Shanghai, China

Pakistan Pavilion was organized in All China Leather Exhibition, 29-31st August'2018 at Shanghai, China for 4 members' participation in collaboration of TDAP. The participants expressed their satisfaction on conclusion of the Fair and assured for participation in the next event of ACLE-2019.



(A view of Pakistan Pavilion in ACLE'18, Shanghai, China)

Report of the Steering Committee 4th Pakistan Mega Leather Show-2018



Mr. Muhammad Musaddiq
Convener
Steering
Committee for
Pakistan Mega Leather Show

The Central Executive Committee appointed Mr. Muhammad Musaddiq as Convener Pakistan Mega Leather Show Steering Committee FY 2017-18.

PTA and PFMA successfully organized 4th Pakistan Mega Leather Show in Lahore International Expo Centre, Lahore (Pakistan) from 27-29th January'2018, which was jointly organized by all stakeholders of Leather Sector of Pakistan such as Finished Leather (Pakistan Tanners Association - PTA), Leather Footwear (Pakistan Footwear Manufacturers Association – PFMA), Leather Garments (Pakistan Leather Garments Manufacturers & Exporters Association – PLGMEA) and Leather Gloves (Pakistan Leather Gloves Manufacturers & Exporters Association – PGMEA) with the patronage of Government of Pakistan, Trade Development Authority of Pakistan. It was joint collaborated efforts for organizing 4th Pakistan Mega Leather Show in Lahore (Pakistan) with the exclusive motive(s) 1) To portray and improve the positive image of Pakistan to the World's business community 2) To motivate the leather business entrepreneurs for business growth 3) To enhance the confidence of investors in Pakistan's business market and to attract international masses towards the tremendous potentials that exist in the leather sector of Pakistan and enhance the domestic potential strength to provide viable platform within the country for joint ventures between the allied industries of Leather Sector of Pakistan and foreign companies.



Honourable Federal Minister for Commerce, Mr. Muhammad Pervaiz Malik inaugurating the Show on 28.01.2018 at Lahore Int'l Expo Centre



Mr. Amanullah Aftab, Chairman, PTA (3rd from R) addressing to Print & Electronic media during Press Conference for PMLS'2018, held on 25.01.2018 in Lahore

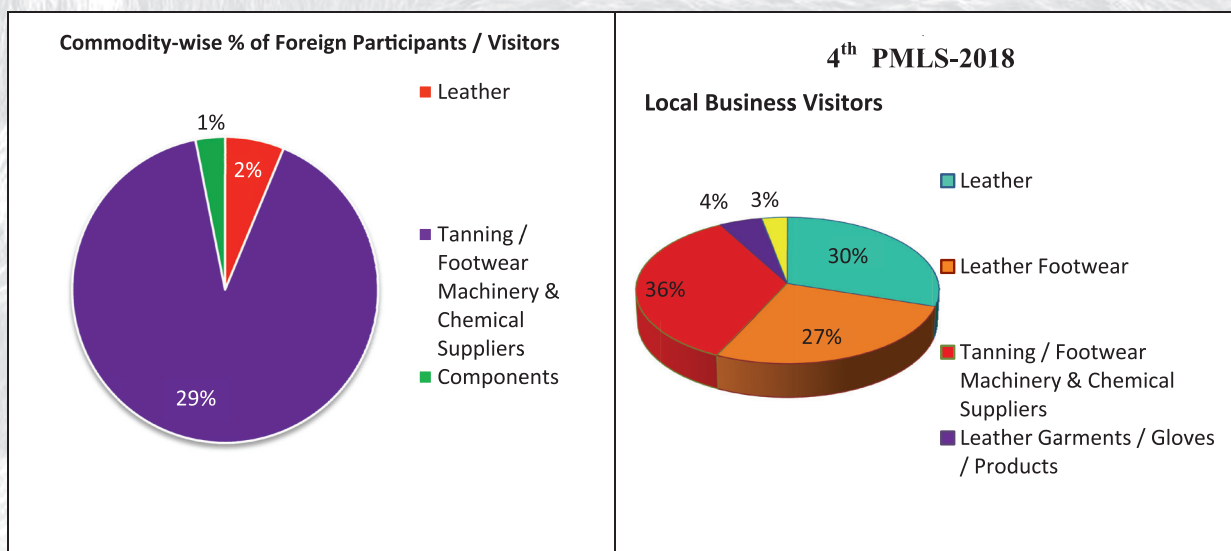
Press Conference

The first activity of Pakistan Mega Leather Show (PMLS) 2018 was holding of Press Conference which was held on 25th January'2018 at prominent Hotel in Lahore. The Press Conference was addressed by Mr. Amanullah Aftab, Chairman, Pakistan alongwith the Chairman, PFMA, Mr. Farrukh Saleem and Co-Convener, Mr. Muhammad Musaddiq, and was attended by Mr. Mansoor Iqbal, Sr.Vice Chairman, PTA, Mr.Abid Hafeez, Sr.Vice Chairman & Convener, PMLS' 18.

In the Press Conference, Mr.Amanullah Aftab informed the salient features of 4th Pakistan Mega Leather Show and gave a comparison of activities and attendance of 3rd PMLS-2017 and expectation of 4th PMLS-2018.

Press Conference

- On receipt of encouraging response from the interested firms concerned, PTA decided to increase space this year and for the purpose to give an international look, space for walking area was also increased b/w the rows for displaying more comfortably stands of 500 Nos. (approx.).
- Average 12000-14000 business visitors to visit the show on daily basis and increased by 50%-75% as compared to last year's Show of 2017.
- Increase in number of foreign buyers/customers this year who visited PMLS-2018 around 30 – 40%.
- During PMLS-2018 special arrangements for "Self Registration" 5 counters were established with digital screen system at registration area at Hall # 2, which was unique of its kind upto the international standard for the registration of buyers/visitors with their finger tips to get the Entry Badges of the Show.Approx. 12000 to 14000 trade visitors were registered with our computer ized system during 3 days of the show.



1st Day of the Show (27.01.2018)

The Show was started with full of its trade activities from 10:00 am morning of 27th January'2018 till end of closing time i.e. 6:00 PM on 27.01.2018 and the heavy traffic of traders, buyers, customers, visitors was also seen at the registration counters.

Trend Gallery

In order to keep the regular practice of the Show, this year also an Eye-catching Trend Gallery was designed & prepared with the assistance of PIFD (Pakistan Institute of Fashion & Design, Lahore) to provide real platform to the visitors/buyers particularly to the foreigners to witness the new arrivals/innovative articles of finished leather, leather shoes, leather garments and products and it was termed to the centre of attraction of the Show during the whole 3 days exhibition period.



A view of Trend Gallery in Hall # 2

Seminar organized by SRC on 27.01.2018 in Conference Room of Hall # 2

On 27th January'2018, a Seminar on the subject of "Challenges & Opportunities for Leather & Made-ups" was organized by one of the Exhibitors, M/s. SRC in Conference Room of Hall # 2 of the Lahore Expo Centre at 3:30 PM, which was helpful & conducive for the participants.

Visit of Indian Delegation (Council of Leather Exports)

An Indian Delegation of Council of Leather Exports, India comprising following Delegates visited 4th Pakistan Mega Leather Show from 27th to 29th January, 2018 :

01. Mr. Iftikharul Amin, Super Tannery Ltd, Kanpur, Leader of the Delegation of CLE
02. Mr. Arvind Kumar, Sterling Organics & Chemicals, Kanpur
03. Mr. Rajiv Issar / Mr. S.K. Mishra, C & E Ltd, Kolkata
04. Mr. Mohamed Affan Kolandai Veedu, Aafan Shoes, Chennai
05. Mr. Mohammad Yusuf, Northern Tannery, Kanpur
06. Mr. Prabakara Rao, Official, CLE, Chennai.



A memento presenting by the Federal Commerce Minister to Mr. Iftikharul Amin, Leader of Indian Delegation



Mr. Muhammad Musaddiq, Co-Convener, PMLS-2018 presenting shield to Mr. Muhammad Pervaiz Maik, Minister for Commerce



Indian Delegation led by Mr. Iftikhar-ul-Amin, Chairman, CLE, India discussing with Mr. Muhammad Musaddiq, Co-Convener, PMLS-2018 on their visit to Tannery of M/s. Siddiq Leather Works (Pvt) Ltd., Lahore.

Grand Dinner on 28.01.2018 at the Venue of the Show

A Grand Dinner was hosted on 28.01.2018 within the Venue. The dinner was attended by all the Exhibitors, Foreign Guests/Participants, Government Officials, imminent personalities of the city. The Prize Distribution Ceremony was held on the occasion of Annual Dinner.

Prize Distribution

Prize Distribution for the best 3 Stalls in PTA & PFMA's participants and as per Jury's decision the following were selected :-

PTA's side

- 1st Best Stall : Royal Leather Industries Ltd,
- 2nd Best Stall: SRC (Pvt) Ltd.,
- 3rd Best Stall: Lanxes

PFMA's Side

- 1st Best Stall: ATS Synthetic (Pvt.ltd, Lahore.)
- 2nd Best Stall: Starlet Innovations Pvt.ltd, Lahore.
- 3rd Best Stall: Deluxe, Lahore.



Representative of Royal Leather Industries Ltd, Lahore awarding 1st Best Stall during the Dinner Function of 4th PMLS-2018 at Lahore Int'l Expo Centre

3rd Day of PMLS-2018 (29th January'2018)

The show was fully crowded on last day of the Show being the conclusion day of the Show and all the stands were quite busy with the business conclusion/ties to the finalization extent. The outcome of 4th Pakistan Mega Leather Show was outstanding as beyond the expectation as achieved the desired goals/objectives of the Show. All the Exhibitors specially foreign Exhibitors, Foreign Group.

Participants were found happy and shown in advance to continue their participation in next PMLS'2019 to be held from 25-27th January'2019 in Lahore Int'l Expo Centre, Lahore,

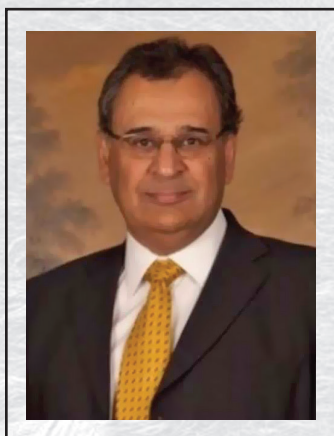
Seminar organized by SRC on 29.01.2018

In order to create awareness, a Seminar on the subject of "Zero Discharge Hazardous Chemicals" was organized by one of the Exhibitors, SRC in Conference Room of Hall # 2 on 29.01.2018 at 3:30 PM, which was helpful & conducive for the participants.

Announcement of next 5th PMLS'2019 in Lahore

Mr. Muhammad Musaddiq, Co-Convener, Pakistan Mega Leather Show announced the dates for next "5th Pakistan Mega Leather Show" scheduled to be held from 27-29th January'2019 at Lahore Int'l Expo Centre, Lahore with regular & much more new features of the Show and would try to expand the size of participation to be covered with 3 or 4 Halls at the Venue to accommodate all interested participants.

Export / DLTL / Taxes Strategic Standing Committee



S. Anjum Zafar
Chairman
Export/DTL/Taxes Strategic
Standing Committee

Mr. Anjum Zafar was appointed as Chairman of Export / DLTL / Taxes Standing Committee of PTA (Central) for the year 2017-18.

He is actively looking after the affairs of the Committee as detailed below:

01. He joined PTA Delegation led by Chairman, PTA, Mr. Amanullah Aftab met with Commerce Minister, Mr. Muhammad Pervaiz Malik in Ministry of Commerce, Islamabad on 11th October 2017 and apprised him PTA's deteriorating leather industry's core issues as were also taken-up with the Ministry of Commerce in his Chairmanship. He stressed, Commerce Minister to resolve the following issues immediately :
 - Exemption of 4% Custom Duty on import of Raw Hides & Skins, Pickled, Wet Blue Leather and include H.S CODES 4104.1100/4104.1900/4105.1000 & 4106.2100 in the Fifth Schedule of the Customs Act 1969 as well as notify through SRO. Recently allowed Duty Free Import of wet blue was linked with FTA, which is not viable for Leather Industry as to make the duty free import without any restriction/compulsion & FTA.
 - To issue revise SRO 578(I)/2016 dated 01.07.2016 with relaxed import procedures for subsidy on import of all proposed 24-Tanning Machines with a limit of Rs.10 Million instead of Rs.5 Million.
 - To issue SRO for DLTL incentive for Finished Leather for the next year July-2017 to June 2018.
 - To include remaining HS Code 4302.1910 – Finished Leather of Lamb/Sheep Skins with Wool in SRO 406(I)/2017 dated 27th May 2017 for getting incentive of 5% DLTL. As the matter is pending with the Ministry of Climate Change since long.
 - To execute/finalize FTA with South Korea, Japan, Thailand, Turkey and China. PTA's presentations dated 15.08.2017 and 24.08.2017.
 - To stop unnecessary harassment of FBR by issuing various audit notices related to Income Tax and Sales Tax and freezing of accounts of our members/exporters. Since exporting sector is totally documented, such audits are unwarranted and create hurdles to the exporters.
 - Unilateral slashing down Duty Drawback rates on export of Finished for Leather by FBR notified through FBR's SRO 923(I)/2015 dated 8th September 2015 instead at originally agreed with IOCO w.e.f. the date of application i.e. 17th May 2012 as shown in below table :

SI #	Description	Duty Drawback Rates on Finished Leather			
		Vide SRO 210(I)/2009 dated 5-Mar-2009	Recommended by IOCO	Revised SRO 923 (I)/2015 dated 8-Sep-2015	%age cut by FBR while issuing SRO Unilaterally
01.	FINISHED LEATHER GOAT SKIN	0.8%	1.34%	1.06%	20.89%
02.	(for shoe upper/made-ups)	1.17%	3.05%	2.38%	21.96%
03.	FINISHED LEATHER COW BUFFALO HIDE (for shoe upper/made-ups)	2.12%	2.92%	2.43%	16.78%
	FINISHED LEATHER COW BUFFALO HIDE (for furniture/upholstery 2.5 MM upto 5.0MM)				

02. He alongwith Mr. Amanullah Aftab, Chairman PTA held meeting with Commerce Secretary, Mr. Muhammad Younus Dagher in Islamabad on 28th November'2017 to discuss again issues of i) Procedures for submission DLTL cases of PTA member firms under SRO 1062(I)/2017 dated 18.10.2017 ii) to withdraw addition RD on import of various basic tanning chemicals imposed through SRO 1035(I)/2017 dated 16.10.2017 iii) withdrawal of Quarantine requirement on import of basic raw material (raw hides & skins) imposed through SRO 1067(I)/2017 dated 20.10.2017 and iv) to notify 24-Tanning Machines in the SRO 578(I)/2016 dated 01.07.2016 under Product Development Incentive Order, 2016.
03. He participated in the Strategic Trade Policy Framework 2018-23 (STPF) – Consultative Session organized by Ministry of Commerce held on 25th January'2018 in Lahore alongwith Mr. Amanullah Aftab, Chairman, PTA and Mr. Agha Saiddain and Mr. Shahid Usman, Senior Members, PTA. He presented PTA's well formulated Trade Policy Proposals to the Secretary Commerce during the Session and apprised him that that some of PTA's proposals have been repeated again and again to remind the government for its due attention to implement and MOC has already been agreed with these genuine proposals and already assured PTA to entertain during various consecutive meetings held in Islamabad. As a result of above presentation, the Secretary Commerce assured PTA's representatives for his support to leather industry and favourable consideration of PTA's Trade Policy Proposals for incorporation in the forthcoming STPF 2018-23.



04. He accompanied by Chairman, Mr. Amanullah Aftab met Commerce Minister, Mian Misbah-ur-Rehman and Commerce Secretary, Mr. Muhammad Younus Dagher in Ministry of Commerce, Islamabad on 08.08.2018 to discuss again all important matters of leather industry for resolution including procedure is being applied for DLTL cases. The meeting was also attended by all the officials of concerned departments i.e. DG-MoC, Trade Policy / FBR Representative and Secretary, TDAP. During the meeting some vital decisions were taken and the Commerce Secretary assured us for expeditious implementation on our proposals by the newly formed government. He emphasized for continue follow-up with the Ministry of Commerce and all government departments concerned for resolution / favourable consideration of PTA's genuine proposals pending since long.

Hides & Skins Improvement Standing Committee



Mr. Agha Saiddain
Chairman
Hides & Skins
Improvement Standing Committee

After completion of our Joint Research for which financial assistance was provided by European Union we are now working to eradicate these diseases in Punjab.

The Ministry of Livestock Punjab has taken various steps to eradicate Warble Fly Infestation, Ticks and small pox among ruminants in Punjab. During our research an interesting findings was observed after molecular analysis of Cow Hides. The disease commonly identified as small pox was in fact manifestation of ticks inside of hide (photographs can be seen at page – 74 as below) in our Book published by world renewed Academic Publishers “LAMBERT”.

For preservation of Qurbani Hides/Skins we have coordinated with the Ministry of Livestock Punjab and successfully conducted various awareness sessions at Town Hall Lahore, PTA (NZ) Office and in the Department of Livestock Punjab. Awareness through posters, bill boards, news paper advertisements and videos through electronic media and social media has been initiated. The result of this awareness campaign is excellent and we expect more improvement in future.



We have suggested Department of Livestock to provide “Free Salt Bags” in markets specially created for Qurbani Animals. We hope in future years we would be able to provide free salt for those buying animals for Qurbani. We are also in contact with UVAS for training of butchers to reduce butcher cuts in future. The Secretary Livestock has managed to spread awareness through mosques for which Molana have been requested to include this issue in their Khutba during Jumma Prayers.

Different Views Of The Meetings/events Organized By Hides & Skins Improvement Standing Committees



Mr. Agha Saiddain, Chairman, Hides & Skins Standing Committee discussing with Provincial Minister Livestock, Mr. Nauman Kabeer in his office



Presenting Book published by world renowned Academic Publishers “LAMBERT” to Provincial Minister Livestock, Punjab



Mr. Agha Saiddain, Chairman, Hides & Skins Improvement S/C addressing Seminar organized for Butchers at Town Hall



Mr. Agha Saiddain, Chairman, Hides & Skins Improvement S/C snapped with Provincial Minister Livestock Mr. Nauman Kabeer during the Seminar



Mr. Agha Saiddain, Chairman, Hides & Skins Improvement S/C along with Mr. Mansoor Iqbal discussing during the meeting held with DG, Livestock, Punjab





Mr. Agha Saiddain, Chairman, Hides & Skins Improvement S/C presiding Seminar for Hide Collectors at PTA-NZ Office, Lahore.



Diplomatic Affairs Standing Committee



Mr. Gulzar Firoz
Chairman
Diplomatic Affairs
Standing Committee

Mr. Gulzar Firoz is looking after the activities of Diplomatic Affairs Standing Committee of PTA (Central) during the year 2017-18.

Following meetings have been arranged and participated by him in order to enhance export of Leather & Leather Products from Pakistan and he presented PTA's issues during his meetings held with the concerned authorities for redressal :

01. He participated in the meeting of FPCCI held with HE Yao Jing, Ambassador of China on 18th January'2018 in FPCCI, Karachi under the chairmanship of Mr. Ghazanfar Bilour, President to discuss issues being faced by the leather exporters of Leather Industry during export to China. Mr. Gulzar Firoz emphasized to the Ambassador in the above meeting to issue visas to such businessmen and particularly leather industry businessmen who are regularly visits and have been visiting China many times in the last several years.

Mr. Gulzar Firoz also requested the Ambassador to exempt such businessmen from the requirement of NOC from the Chinese Interior Ministry.

His Excellency Mr. Yao Jing agreed in principle and assured that this proposal will be considered favourably.



A group photograph of the participants with HE Yao Jing, Ambassador of China visited FPCCI, Karachi on 18.01.18

02. Mr. Gulzar Firoz met Italian Consulate General, Madam Anna Ruffino at KATI office on 30, July 2018. During the meeting Mr. Gulzar Firoz emphasized that to promote bilateral trade and particularly exports of leather from Pakistan to Italy exchange of trade delegations should be encouraged.

Mr. Gulzar Firoz appreciated visa policy of Italy but requested the Consul General to issue Visas for atleast 02 years for those PTA Members who have been frequently visiting Italy for the last several years.

The Consul General very kindly agreed in principle and assured that visas will be issued for longer periods depending case to case but usually maximum period to be 02 years.

Mr. Gulzar Firoz invited the Consul General to visit PTA Office.



03. Mr. Gulzar Firoz also met the Indonesian Consul General Totok Priyanto at KATI on 13 July 2018. He invited the Consul General to visit PTA office.



کوئی ای سی اے (کائی) کے سربراہان ملک انڈونیشیا کے قسطنطنیہ جہاز تک پہنچاؤ کوئی کی شہر میں کر رہے ہیں۔ اس موقع پر میزبان سید سید سعید، مسوولین اور دیگر اہل کار نے ان کا گرم و دوستانہ استقبال کیا گیا ہے۔

Import / Customs Affairs Standing Committee



Mr. Ejaz Ahmed Sheikh

Chairman
Import / Customs Affairs
Standing Committee

Mr. Ejaz Ahmed Sheikh headed the Import / Customs Affairs Standing Committee of PTA during the year under review. He actively took-up the matters of PTA Members regarding Sales tax, Income Tax, Rebate Claims to Customs Authority Concerned for immediate resolution. As a result of persistent approach, some of the members have got their rebate claims.

Following important issues have already been taken up with the Ministry concerned for expeditious favourable consideration :

01. To remove Quarantine requirement on import of basic raw materials (Raw Hides & Skins) imposed through SRO 1067(I)/2017 dated 20th October'2017.
02. To remove 2% Addl., Custom Duty on import of Raw Materials for Leather Industry imposed vide SRO # 630(I)/2018 dated 24.05.2018.
03. To withdraw Custom Duty / Sales Tax on import of Tanning Machineries for the up-gradation Leather Sector.

Besides above, he worked on control/stopping illegal export of donkey hides and stopped export of raw and Wet blue materials which was under invoiced.



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- Fuel Analysis (Petroleum Testing)
- Inspection Services
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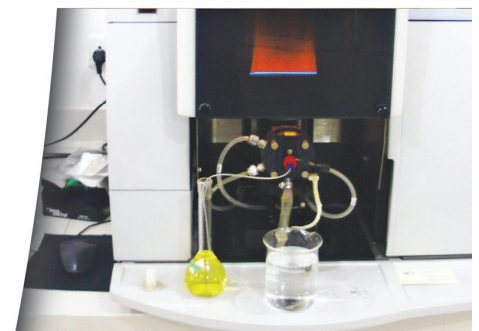
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Articles

An Honest Truth



by
Agha Saiddain
Chairman
Hides & Skins
Improvement Standing Committee

Sleeping with clarity is better than being vigilant and observant with confusion. According to all Divine-Books the first human being on earth was Adam and Eve. According to these books it was animal skin used by Adam, Eve, and their children for dressing, storage of food, and water and even housing (Tents). From the very beginning animal meat and skin were essential partner of human race. The human race would have vanished to exist without animal meat and skin. Both remained as important as water and oxygen till human started growing other foodstuffs and fabrics. Later on it might be wheat, potato, rice and may be animal wool to offer human being substitute for meat and skin. But both meat and skin remained partner of human race on earth. The use of animal meat, milk, and animal skin is inborn and natural among human beings. Majority among human race are both carnivorous and vegetarian. This is how human kind was created by God. The Need Hierarchy Theory of famous Psychologist Maslow Says that hunger and thirst are two basic needs of human and animal. The creator arranged both water and food before His creation on this planet. Any interference in this natural system is unnatural and bound to disappear after some time. Some NGOs through publicity and advertising using false facts are busy in creating dissonance among consumers about natural leather. Their ultimate goal is to raise dissonance level at a point where consumers will check the label before buying any leather product and will prefer to buy only plastics and synthetic materials. These NGOs want to distort perception of consumer to the level where big brands will write on the labels **“No animal skin is used only synthetic material”**. What we can see in their publicity campaigns is that all these are based on element of fear and hypocritical love for animal. They enjoy meat and beef before creating stories about animal welfare, traceability, animal killing etc. The other fears they use are fear of environment, chrome tanning, emission of methane gas during the life cycle of animal. With their incorrect information they are busy in developing perception among masses that leather making is toxic and rearing of livestock is only major source for global warming. Uptill now global tanning sector has not really challenged these false claims. Tanning sector has information and valid arguments which is based on honest truth and solid facts.

According to FAO statistics the Global Cattle herd was 1035.3 million in 2013 and average annual growth rate of cattle herd is 0.8% as such the size of cattle herd in 2017 should be 1068.83 million. According to the study conducted by US Hide Skin and Leather Association (USHSLA) the annual slaughter of cattle at global level was 240 million heads during the year 2013 the same source says that

average weight per hide is approximately 30 kilos meaning that total annual weight of hides would 7.2 billion Kilos. To dump these in landfill will cost US\$ 950 million per year. Similarly, global population of Sheep and Goat was 1172 million and 1005 million heads respectively and according to FAO source the annual slaughter of Sheep and Goat was 542.50 million and 424 million heads respectively. Based on average weight of Sheep and Goat 700 gms per skin the total weight of sheep and goat works out 675 million Kilos which cost another US\$ 90 million per annum to dump. Every year developing nations are spending US\$ 45 billion on Municipal Waste Management which is estimated to reach US\$ 150 billion in 2025 (Source: PROPARCO). Adding another 7.875 billion kilos to this would cost huge amount with many kinds of ground contamination and air pollution. The tanning industry itself is pollution controlling and waste management sector handling 7.875 billion kilos of waste of hide and skin. Hides and Skins are by product of beef and meat industry. Who on earth raises animal for leather, the answer is none. Why would these NGOs blame leather sector for degradation of Amazon, methane emissions, and bad practices during animal rearing and for other environmental issues. The tanning industry is recycling hides and skins (by product of meat industry) into leather and beautiful leather goods like shoes, garments, gloves, bags, auto upholstery, furniture and many other articles. This recycling industry of hides and skins provide jobs to million of people in the world and specially in poor and developing countries. The developed nations are also benefitted by selling their leather chemicals, accessories, and machinery for this industry. The industry need to face anti leather NGOs and challenge their narrative based on falsehoods. As Mike Redwood says tanners must raise their honest voice and we must combine and sing in harmony. The most alarming news is that brands like NIKE have gone on back foot and are telling their end consumers that they use only FLYLEATHER in their shoes which is produced only from discarded leather scrap like unused splits, shavings, and trimmings and then combined these with synthetic fibers and fabric. This material is ultimately in shape of rolls which is easy to cut and good for mass production. The Global Leather Coordinating Committee (GLCC) which bring together ICT, ICHSLTA and IULTCS have informed NIKE that they are unconvinced by claims of environmental footprints of FLYLEATHER due to system boundaries NIKE has used in calculation are not clear. The leather sector need to raise combined voice to disallow to use word "leather" with such products and terms like synthetic leather, bonded leather and e-leather must be discouraged. We must introduce "LEATHER MARK" like "WOOL MARK" to save this ancient industry which has put lot of effort in R&D to reduce consumption of water and energy together with use of environmental friendly chemicals. If we compare pollution load of tanning industry as compared to other industries and carbon emission of fossil fuels it is only a fraction. The leather industry need to work on comparison between synthetics and natural leather. To create liking and love for this ancient material we have to join together and develop a narrative based on honest truth and follow it strongly and aggressively.

Agha Saiddain

Overview And Analysis Of The Leather Sector Of Pakistan At A Glance



S. M. Muneer
Former Chairman, PTA

I am pleased to share my views with this specific article on leather Industry of Pakistan on the eve of august annual event of PTA for publishing its Outcome Report for the year 2017-18. The Leather Industry is the mother Industry of Leather Sector of Pakistan, which is 2nd biggest export oriented Industry of the country and contributing significantly to the country's GDP around 5.4% with necessary value addition & innovation in Leather Tanning Process. I would also like to share a brief history of establishment of Leather Industry in Pakistan started with the production of pickled and vegetable tanned hides & skins from the inception and today we are producing not only wet blue and curst forms of leather BUT we are also producing best quality innovative articles of Leather in finished forms with necessary value addition to cater to the needs of foreign buyers/customers particularly to International brands of the world with satisfaction.

In 1947, there were few tanneries operation on a small scale producing sole leather. In 1950's tanneries were set up at Karachi and Lahore. 1960's and 70's marked the establishment of tanneries at Karachi, Lahore, Kasur, Multan, Sialkot, Sahiwal and Gujranwala and other parts of the country in sophisticated manner with all equipped machineries/equipments with necessary value addition to produce high quality leather upto the international standards while thereafter foreign collaborations/ties were also made in Leather Sector of Pakistan to become export oriented sector of the country in fetching precious foreign exchange for the national exchequer. It is a job oriented sector providing employment to a very large segment of the society, which is around 1 Million (approx) direct or indirect employment in this vital sector of the country. Leather Industry including Leather Garments, leather Footwear, leather Gloves, Leather Products/Made-ups is the 2nd largest export earning sector after textile. Currently, this sector is contributing around US\$ 948 Million for the year 2017-18 (July-June). But has the great potential to multiply volume of exports with the improvement of quality and diversification in different range of products. The exports are also carried out in un-tanned raw leather due to the high precious quality of livestock available in Pakistan.

I am highly optimistic that the New Government would look into this significant sector of the country exceptionally to resolve its issues to provide more viable level playing field to this Industry to facilitate this Industry with effective tools to play its due pivotal role in strengthening the country's economy to

the desired extent as per aspiration of the Government. Major obstacles being confronted by the Leather Sector of Pakistan are briefed hereunder for sympathetic consideration for the resolution :-

- To Include Dyed / Finished Leather in the new DLTL scheme for the year 2018-21 to continue this incentive to vital Sector of the country as has already been extended to other sector of the country.
- Govt., subsidy for 75% Lab testing for Leather from Int'l recognized Labs, which is mandatory for selling the leather to Int'l Brands.
- 75% Govt, subsidy for establishing the Individual Treatment Plants at Tanneries in Pakistan, which is the vital need for enrolling into the folder of Leather Working Group (LWG) as to meet the pre-requisition for the desired certification in LWG.
- To allow Duty Free Import of Tanning upgraded/latest Machineries to enable the Industry to produce new innovative articles of finished leather for meeting the foreign buyers/customers demand.
- To remove Quarantine requirement/condition imposed through SRO1067(I)/2017 dated 20th October'2017 on import of basic raw materials (raw hides & skins)for the Leather Industry.
- To remove 2% Addl., Custom Duty on import of Raw Materials for Leather Industry imposed vide SRO # 630(I)/2018 dated 24.05.2018.
- Early finalization of FTA between Pakistan & 1) South Korea 2) Japan 3) Turkey 4) and most importantly with China (2nd Phase of FTA) to ensure inclusion of Leather of all sorts at zero rated import at destinations concerned from Pakistan.

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%

I am very much confident that this vital industry of the country (Leather Sector of Pakistan) already having great potential for acceleration & expansion with innovation would be flourished to a great extent in near future to explore new business avenues in particular and capture more international market share with the supreme motive to achieve the desired milestone for the export targets, which is all by virtue of persistent support of the Government of Pakistan with due incentives to provide level playing field to the Industry preferably at par with the regional competitors.

S.M. Muneer
Former Chairman, PTA

Facts About Formation Of Fatty Spew On Leather Surface: Causes & Remedies

by

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Introduction:

The white spots/patches of material appeared on Leather, termed in Leather trade as spews. There are two principle reasons for the development of this material on the surface of Leather.

- Micro-biological agents such as the growth of bacteria & fungi.
- Crystallization of material emanating from within the Leather.

Apart from tanning agents, oiling formulations are the most important auxiliaries for developing the character of Leather. Oiling formulations develop their effect by lubricating and thus insulating the Leather fibers. Coating the leather fibers with a fatty film reduces mutual friction and, hence, improves the suppleness and elasticity of the tissue.

Leather oiling formulations are generally vegetable and animal oils, fats and waxes, the hydrolysis, sulphonation, oxidation and hydrogenation products obtained from these materials by chemical transformation and, finally, mineral oiling formulations; more specifically:

To the Leather expert, oils and fats are understood to be esters of glycerol and fatty acids which are solid or liquid at room temperature. From the group of animal fats, fish oil, beef tallow and neat's foot oil in particular are used for oiling leather; from the group of vegetable fats, castor oil, rapeseed oil and linseed oil in particular are used. In waxes and resins, the fatty acids are esterified with relatively high molecular weight alcohols instead of glycerol. Examples of waxes are beeswax, Chinese wax, carnauba wax and wool grease; the most important resins include colophony and shellac.

Minerals oiling formulations are also important in the manufacture of Leather. These hydrocarbons are similar to natural fats and oils in some properties, but cannot be saponified. They are fractions from the distillation of petroleum which are called minerals oil in liquid form, Vaseline in paste-like form and paraffin in solid form.

Fatty mixtures used for oiling Leather tend to cause fatty spew in particular when they contain large quantities of free fatty acids. Free fatty acids generally have a higher melting point than their glycerides. The hydrolysis of fats during storage of the leather correspondingly increases the danger of fatty spew formation.

The quantity, composition and position of the fatty mixture of natural fat and fat liquor present in the Leather critically determine the extent and the composition of the spew. Fatty spew is observed more commonly at low temperatures than at relatively warm outside temperatures.

Any fats containing stearin or palmitin derivatives can cause crystalline fatty spew, the danger of spew formation increasing with increasing concentration. So called neutral fats, i.e. substances suitable for oiling Leather which do not contain any ionic groups in the molecule are useful while synthetic fats are highly favorable in this regard.

Since oiling is an almost essential step after tanning in the processing of Leather in order to achieve the required product properties, therefore, careful measurement should be taken during the imparted processes.



Fatty Spew (Major Defective Area)



Fatty Spew (Minor Defective Area)

Technique:

The advanced study for the type of material causing a fatty spew is a complex & expensive due to investigations through chromatographic & spectroscopic techniques in an Instrumental Laboratory.

However, a simple method for identification of the spew is that the defected areas of Leather heated from the flesh side, the white spots on the surface of Leather disappeared immediately and the greasy appearance on the grain side showed that the formation of spew was due to fatty material. On the other side those Leather specimens in which “bloom” existed after flame test, it means that was caused by either salt deposition or microbiological growth.

The main component (Fat Content & Fatty Acid) for technical evaluation of fatty spew from the Leather surface, having white patches on grain sides were determined through standard methods as shown in Tables 1&2.

Table 1: Analysis Of The Leather Samples With Minor Effected Area

Samples	Fat Content %	Fatty Acid % (Free)	Flame Test
S-1	15.50	6.50	Spot vanished
S-2	15.25	6.30	Spot vanished
S-3	16.00	8.00	Spot vanished
S-4	15.50	6.70	Spot vanished
S-5	15.25	6.25	Spot vanished
Mean	15.50	6.75	---

Table 2: Analysis Of The Leather Samples With Major Effected Area

Samples	Fat Content %	Fatty Acid % (Free)	Flame Test
S-1	16.75	8.20	Spot vanished
S-2	17.25	8.75	Spot vanished
S-3	17.50	8.50	Spot vanished
S-4	17.50	8.25	Spot vanished
S-5	17.25	8.80	Spot vanished
Mean	17.25	8.50	---

The mean free fatty acid in Leather samples (table-1) is 6.75% while in Leather samples (table-2) is 8.50% which are quite high in free nature and causes defects of white patches/ spots on the surface of leather in favorable conditions related to time & temperature as compared to Leather samples of low percentage of free fatty acid.

Conclusion:

Fatty spew is attributed to the secretion of solid fatty compounds from the Leather. It can be caused by the natural fat present in the leather or by fatty compounds which have incorporated in the leather during the oiling process.

So it is better to use special synthetic oil that has a minimal tendency to form fatty spew or to use oils of high iodine value, its mean that there would be less chance of spew in case of application of fat liquor and also try to tackle the problems before processing the wet blue by using the strong emulsifying agent to avoid spew formation due to natural fat, on the other hand, it will also beneficial because a verity of problems are caused by insufficient removal of natural grease like bad odor, poor preservation and lack of inner softness. On the other side high amounts of natural fat due to poor degreasing or the presence of fat liquors with high amount of natural oils have a quite negative effect and can form significant levels of chromium (VI).



Statistics

Exports Performance Of Leather & Leather Products From Pakistan During July-June 2017-2018 Vis-à-vis 2016-17

The export of Leather and Leather Products for the financial year July-June 2017-18 touched US\$ 948.265 Million as against the performance of US\$ 918.131 Million in the corresponding period of last year, showing growth of 3.28%.

During July-June 2017-18 about 26.179 million square meters of finished leather was exported to Hong Kong, Italy, China, India, Vietnam, Korea, Germany, South Africa, Bangladesh, Spain, Turkey, Indonesia, Japan, USA and some other countries while about 4.45% downward trend in Value of Finished Leather exports was registered and about 12.46% growth was witnessed in volume.

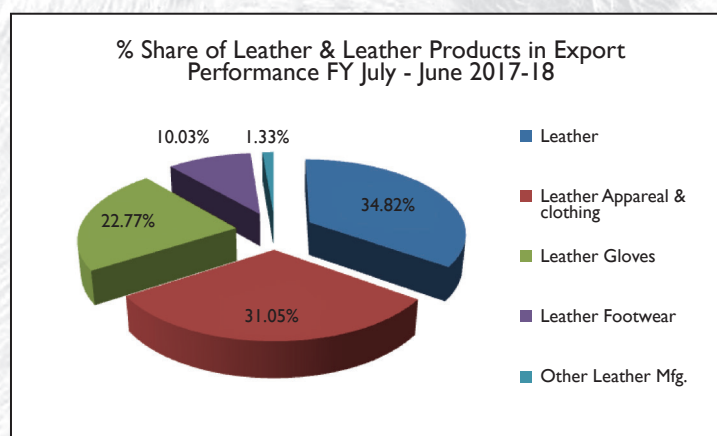
A Statement showing the Product-wise Export Performance during July-June 2017-18 vis-a-vis July-June 2016-17 is given below :

(Value in Thousand US Dollars)7

Commodities	Unit	July-June 2016-17		July-June 2017-18		% Change	
		Qty	Value	Qty	Value	Qty	Value
Leather	'000' SQM AUP/Sq.M	23,279	345,595 14.85	26,179	330,209 12.61	12.46%	-4.45% -15.04%
Leather Apparel & Clothing	'000' DOZ AUP/Pcs	753	291,893 32.30	861	294,399 28.49	14.34%	0.86% -11.79%
Leather Gloves	'000' DOZ AUP/Pair	4,751	187,109 6.56	6,032	215,881 5.96	26.96%	15.38% -9.13%
Leather Footwear	'000' Pairs AUP/Pair	5,339	81,384 15.24	6,018	95,150 15.81	12.72%	16.91% 3.72%
Other Leather Manufactures	'000' KGS AUP/Kg	943	12,150 12.88	1,022	12,626 12.35	8.38%	3.92%
TOTAL :			918,131		948,265		3.28%

Source : Pakistan Bureau of Statistics.

Export of Finished Leather holds a major share of 35% in Pakistan's total Leather & Leather Products exports with an export value of US\$ 948.265 million. This is followed by Leather Garments with a share of 31%, Leather Gloves 23%, Leather Footwear 10% and Other Leather Manufactures 1%.



Country-wise Analysis :

The major potential markets for Pakistani Leather and Leather Products are Italy, Hong Kong, China, India, France, Viet Nam, Bangladesh, Korea, Spain, Germany, Turkey, South Africa, Indonesia, Japan, USA, Canada, Thailand, Sri Lanka, Portugal, Russia, Singapore, UK, Malaysia, UAE, Poland, Netherlands, Philippines, Argentina, Sweden, Belgium, Greece, Australia, Kuwait and Norway during the year 2016-17 as compared to the same period of last year:

Country-wise Exports Of Leather Tanned From Pakistan During July-June 2016-17 Vis-à-vis July-June 2015-16

Value in '000' US\$

Commodity	Country	July-June 2015-16	July-June 2016-17	100% Share	100% Changed
LEATHER TANNED	ITALY	56,357	49,652	14.37%	-11.90%
	HONGKONG	64,573	47,616	13.78%	-26.26%
	CHINA	34,019	37,923	10.97%	11.48%
	INDIA	30,556	26,907	7.79%	-11.94%
	VIET NAM	23,447	25,609	7.41%	9.22%
	BANGLADESH	14,655	23,743	6.87%	62.01%
	KOREA	24,201	19,346	5.60%	-20.06%
	SPAIN	13,457	17,153	4.96%	27.47%
	GERMANY	13,567	12,019	3.48%	-11.41%
	SOUTH AFRICA	11,358	8,651	2.50%	-23.83%
	INDONESIA	8,864	8,165	2.36%	-7.89%
	U.A.E.	3,080	7,471	2.16%	142.56%
	JAPAN	5,328	4,749	1.37%	-10.87%
	THAILAND	4,351	4,413	1.28%	1.42%
	U.S.AMERICA	4,674	4,278	1.24%	-8.47%
	NETHERLANDS	3,698	4,089	1.18%	10.57%
	TURKEY	6,001	3,934	1.14%	-34.44%
	FRANCE	4,372	3,802	1.10%	-13.04%
	PHILLIPPINES	3,256	3,522	1.02%	8.17%
	PORTUGAL	3,369	3,083	0.89%	-8.49%
	POLAND	2,283	2,435	0.70%	6.66%
	RUSSAIN FEDERATION	1,886	1,496	0.43%	-20.68%
	MALAYSIA	848	1,078	0.31%	27.12%
	SRILANKA	633	976	0.28%	54.19%
	SINGAPORE	471	520	0.15%	10.40%
	UNITED KINGDOM	824	737	0.21%	-10.56%
	MEXICO	90	157	0.05%	74.44%
BELGIUM	13	9	0.00%	-30.77%	
Other Countries	22,522	22,062	6.38%	-2.04%	
	Total	362,753	345,595	100.00%	-4.73%

Source : Trade Development Authority of Pakistan.

Country-wise Exports of Leather Garments (Apparel & Clothing) from Pakistan During July-June 2016-17 vis-à-vis July-June 2015-16

Value in '000' US \$

Commodity	Country	July-June 2015-16	July-June 2016-17	% Share	% Changed
LEATHER GARMENTS (Apparel & Clothing)	GERMANY	77,968	77,957	26.71%	-0.01%
	US AMERICA	50,339	41,226	14.12%	-18.10%
	SPAIN	40,682	37,073	12.70%	-8.87%
	FRANCE	25,027	21,710	7.44%	-13.25%
	NETHERLANDS	25,259	20,214	6.93%	-19.97%
	UNITED KINGDOM	23,748	19,918	6.82%	-16.13%
	BELGIUM	10,819	11,407	3.91%	5.43%
	RUSSIAN FED	5,165	10,176	3.49%	97.02%
	ITALY	8,328	8,266	2.83%	-0.74%
	JAPAN	6,300	6,952	2.38%	10.35%
	DENMARK	6,565	4,788	1.64%	-27.07%
	CANADA	9,270	3,911	1.34%	-57.81%
	AUSTRALIA	4,103	3,774	1.29%	-8.02%
	SWEDEN	4,969	2,844	0.97%	-42.77%
	SOUTH AFRICA	2,737	2,542	0.87%	-7.12%
	GREECE	1,496	2,049	0.70%	36.97%
	POLAND	1,820	1,634	0.56%	-10.22%
	U.A.E.	1,907	1,124	0.39%	-41.06%
	CHINA	803	1,049	0.36%	30.64%
	NORWAY	1,000	901	0.31%	-9.90%
	PORTUGAL	746	643	0.22%	-13.81%
	MALAYISA	899	567	0.19%	-36.93%
	BRAZIL	504	348	0.12%	-30.95%
	HONGKONG	243	337	0.12%	38.68%
	BANGLADESH	468	304	0.10%	-35.04%
	SAUDI ARABIA	412	284	0.10%	-31.07%
	KUWAIT	404	278	0.10%	-31.19%
SINGAPORE	308	239	0.08%	-22.40%	
KOREA	331	173	0.06%	-47.73%	
TURKEY	183	71	0.02%	-61.20%	
INDIA	93	44	0.02%	-52.69%	
Other Countries	7,629	9,090	3.11%	19.15%	
	Total:	320,525	291,893	100.00%	-8.93%

Source : Trade Development Authority of Pakistan.

Country-wise Exports of Leather Gloves from Pakistan During July-June 2016-17 vis-à-vis July-June 2015-16

Value in '000' US \$

Commodity	Country	July-June 2015-16	July-June 2016-17	% Share	% Changed
LEATHER GLOVES	US AMERICA	33,838	40,618	21.71%	20.04%
	GERMANY	23,386	20,684	11.05%	-11.55%
	CANADA	13,343	16,344	8.74%	22.49%
	UNITED KINGDOM	10,958	10,831	5.79%	-1.16%
	SWEDEN	10,935	10,409	5.56%	-4.81%
	FRANCE	7,269	8,936	4.78%	22.93%
	SUADI ARABIA	10,683	6,673	3.57%	-37.54%
	SPAIN	6,414	6,180	3.30%	-3.65%
	POLAND	5,563	5,810	3.11%	4.44%
	U.A.E.	7,255	5,712	3.05%	-21.27%
	BELGIUM	4,917	5,040	2.69%	2.50%
	NETHERLANDS	5,900	4,715	2.52%	-20.08%
	ITALY	6,519	4,499	2.40%	-30.99%
	AUSTRALIA	2,796	3,804	2.03%	36.05%
	SOUTH AFRICA	3,704	3,079	1.65%	-16.87%
	DENMARK	4,449	2,870	1.53%	-35.49%
	NORWAY	1,497	1,838	0.98%	22.78%
	SINGAPORE	2,303	1,746	0.93%	-24.19%
	KUWAIT	1,365	1,501	0.80%	9.96%
	TURKEY	3,439	1,457	0.78%	-57.63%
	JAPAN	991	1,270	0.68%	28.15%
	QATAR	1,004	1,104	0.59%	9.96%
	VIET NAM	25	1,028	0.55%	4012.00%
	PORTUGAL	657	601	0.32%	-8.52%
	KOREA	615	493	0.26%	-19.84%
	SLOVENIA	713	425	0.23%	-40.39%
	EGYPT	621	422	0.23%	-32.05%
	RUSSIAN FED	234	417	0.22%	78.21%
	MEXICO	801	349	0.19%	-56.43%
	CHINA	259	340	0.18%	31.27%
	BRAZIL	350	323	0.17%	-7.71%
	CHILE	603	280	0.15%	-53.57%
INDONESIA	46	206	0.11%	347.83%	
INDIA	184	184	0.10%	0.00%	
PHILIPPINES	66	172	0.09%	160.61%	
HONG KONG	59	78	0.04%	32.20%	
BANGLADESH	16	33	0.02%	106.25%	
Other Countries	17,380	16,638	8.89%	-4.27%	
Total :		191,157	187,109	100.00%	-2.12%

Source : Trade Development Authority of Pakistan

Country-wise Exports of Leather Footwear from Pakistan During July-June 2016-17 vis-à-vis July-June 2015-16

Value in '000' US \$

Commodity	Country	July-June 2015-16	July-June 2016-17	% Share	% Changed
LEATHER FOOTWEAR	GERMANY	21,901	24,887	30.58%	13.63%
	ITALY	14,494	14,964	18.39%	3.24%
	UNITED KINGDOM	9,109	7,153	8.79%	-21.47%
	SPAIN	7,101	4,403	5.41%	-37.99%
	FRANCE	4,156	3,928	4.83%	-5.49%
	USA	3,620	2,580	3.17%	-28.73%
	AUSTRALIA	2,920	2,512	3.09%	-13.97%
	BELGIUM	2,351	2,351	2.89%	0.00%
	SOUTH AFRICA	2,550	2,005	2.46%	-21.37%
	AFGHANISTAN	3,462	1,505	1.85%	-56.53%
	NEATHERLANDS	6,283	1,480	1.82%	-76.44%
	SAUDI ARABIA	634	1,286	1.58%	102.84%
	SWEDEN	660	449	0.55%	-31.97%
	CANADA	109	442	0.54%	305.50%
	POLAND	149	191	0.23%	28.19%
	PORTUGAL	115	120	0.15%	4.35%
	KUWAIT	225	70	0.09%	-68.89%
	JAPAN	83	56	0.07%	-32.53%
	INDIA	104	47	0.06%	-54.81%
	INDONESIA	248	39	0.05%	-84.27%
	KENYA	17	37	0.05%	117.65%
	CHINA	71	24	0.03%	-66.20%
	TURKEY	24	20	0.02%	-16.67%
BANGLADESH	67	2	0.00%	-97.01%	
Other Countries	8,698	10,833	13.31%	24.55%	
Total :		89,151	81,384	100.00%	-8.71%

Source : Trade Development Authority of Pakistan.

Country-wise Exports of Other Leather Manf. from Pakistan During July-June 2016-17 vis-à-vis July-June 2015-16

Value in '000' US \$

Commodity	Country	July-June 2015-16	July-June 2016-17	% Share	% Changed
Other Leather Manf.	GERMANY	2,988	2,975	24.49%	-0.44%
	US AMERICA	3,596	2,624	21.60%	-27.03%
	UNITED KINGDOM	1,166	1,235	10.16%	5.92%
	NETHERLANDS	1,527	1,041	8.57%	-31.83%
	SOUTH AFRICA	218	469	3.86%	115.14%
	BELGIUM	392	447	3.68%	14.03%
	ITALY	427	398	3.28%	-6.79%
	U.A.E.	307	372	3.06%	21.17%
	SPAIN	411	354	2.91%	-13.87%
	FRANCE	616	309	2.54%	-49.84%
	AUSTRALIA	362	253	2.08%	-30.11%
	DENMARK	152	212	1.74%	39.47%
	SWEDEN	286	207	1.70%	-27.62%
	SAUDI ARABIA	168	136	1.12%	-19.05%
	POLAND	94	89	0.73%	-5.32%
	CANADA	128	88	0.72%	-31.25%
	RUSSIA	44	65	0.53%	47.73%
	JAPAN	80	58	0.48%	-27.50%
	NEW ZEALAND	45	50	0.41%	11.11%
	KOREA	20	26	0.21%	30.00%
BANGLADESH	21	23	0.19%	9.52%	
THAILAND	34	4	0.03%	-88.24%	
OTHER COUNTRIES	1,016	715	5.88%	-29.63%	
Total :		14,098	12,150	100.00%	-13.82%

Source : Trade Development Authority of Pakistan.

Five Years Export Performance Of Leather & Leather Products (2013-14 To 2017-18)

Value in '000' US \$

S/No.	Commodities	Unit QTY	July-June 2013-14		July-June 2014-15		July-June 2015-16		July-June 2016-17		July-June 2017-18	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
01.	Leather Tanned A.U.P per Sq.M	'000' SQM	29,349	551,413	22,272	489,412	17,072	362,753	23,279	345,595	26,179	330,209
				18.79		21.97		21.25		14.85		12.61
02.	Apparel & Clothing of Leather A.U.P per Pcs.	'000' Pcs.	16,668	406,254	11,544	365,738	10,812	320,525	9,036	291,893	10,332	294,399
				24.37		31.68		29.65		32.30		28.49
03.	Leather Gloves A.U.P per Pair	'000' Pairs	47,682	202,548	42,564	216,914	30,402	191,157	28,506	187,109	36,192	215,881
				4.25		5.10		6.29		6.56		5.96
04.	Leather Footwear A.U.P per Pair	'000' Pairs	7,398	98,803	6,919	109,761	5,744	89,151	5,339	81,384	6,018	95,150
				13.36		15.86		15.52		15.24		15.81
05.	Leather Manufactures N.S. A.U.P per Kg	'000' 'Kgs'	1,366	16,311	1,068	13,988	1,150	14,098	943	12,150	1,022	12,626
				11.94		13.10		12.26		12.88		12.35
TOTAL:				1,275,329		1,195,813		977,684		918,131		948,265

Source: Pakistan Bureau of Statistics



Import Of Leather & Leather Products Into Pakistan During July-June 2016-17

Conversion Rate : US\$ 1 = Rs.104.69

S/No	Commodities	Unit	QTY	July-June 2016-17 Value	
				in '000' Rs.	in '000' US\$
01.	Leather	Kgs	7,588,712	2,967,804	28,348
	i. Whole Hides & Skins Bovine Animal Raw & Pickled Hides & Skins (Buffalo & Cow Hides, Lamb, Sheep (with & without wool), Goat & Kid Skins)				
	ii. Wet Blue Lamb, Sheep, Goat, Kid and other Wet Blue Skins	SQM	3,014,010	1,238,329	11,829
	iii. Hides (Buffalo, Cow) & Skins (Lamb, Sheep, Goat & Kid) Wet State, Dry State, Crust/Other Leather further Prepared (Sheep/Lamb, after tanned, Chomis, Patent Laminated Material Leather & Paring other waste of Leather)	SQM	1,448,787	1,316,660	12,577
				5,522,793	52,754
02.	Leather Garments Leather Apparel & Clothing	DOZ	69,749	332,667	3,178
03.	Leather Gloves	DOZ	8,616	37,485	358
04.	Leather Footwear	Pairs	5,444,572	2,512,451	23,999
05.	Other Leather Manufacturers				
	i) Suitcases Comp/Paten Leather, Hand Bags, Articles carried in pocket leather, other container o/s of leather/comp, gas kit of Leather, Washer of Leather	Nos.	64,508	196,979	1,882
	ii) Saddlery & Harness, Leather Articles for Machinery, other article Leather/comp	Kgs.	3,004,314	1,135,355	10,844
				1,332,334	12,726
TOTAL:				9,737,730	93,015

Source : Federal Bureau of Statistics.

Livestock Population In Pakistan (2008-09 To 2017-18)

Million Numbers

Fiscal Year	Buffalos	Cattle	Goats	Sheep	Camels
2008-2009	29.9	33.0	58.3	27.4	1.0
2009-2010	30.8	34.3	59.9	27.8	1.0
2010-2011	31.7	35.6	61.5	28.1	1.0
2011-2012	32.7	36.9	63.1	28.4	1.0
2012-2013	33.7	38.3	64.9	28.8	1.0
2013-2014	34.6	39.7	66.6	29.1	1.0
2014-2015	35.6	41.2	68.4	29.4	1.0
2015-2016	36.6	42.8	70.3	29.8	1.0
2016-2017	37.7	44.4	72.2	30.1	1.1
2017-2018	38.8	46.1	74.1	30.5	1.1

Source: Ministry of National Food Security & Research.

Production Of Hides And Skins (2011-12 To 2017-18)

Units '000' Nos.

Species	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Cattle Hide	6,995	7,258	7,532	7,816	8,111	8,416	8,734
Buffalo Hide	6,842	7,050	7,232	7,447	7,669	7,897	8,131
Camels Hide	101	102	104	105	106	108	109
Total Hides	13,938	14,410	14,868	15,368	15,886	16,421	16,974

Species	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Sheep Skin	10,745	10,873	11,001	11,132	11,264	11,397	11,532
Goat Skin	24,237	24,986	25,664	26,359	27,073	27,807	28,560
Fancy Skins Lamb Skin	3,192	3,229	3,268	3,306	3,345	3,385	3,425
Kid Skin	11,318	11,624	11,939	12,263	12,595	12,937	13,287
Total Skins	49,492	50,712	51,872	53,060	54,277	55,526	56,804

Source: Ministry of National Food Security & Research.

National Institute Of Leather Technology (NILT)

The prestigious National Institute of Leather Technology (NILT) basically established in 1998 by PTA in financial collaboration of TDAP is now being managed under the independent Board of Governors. This institute housed in a splendid building in Korangi Industrial Area imparts technical and scientific training to the students as well as to the in-service technicians to enable them to serve the tanning, leather sector industry proficiently. Most of the members on the Board of Governors of NILT are from Pakistan Tanners Association who have been contributing their tangible share to make it a state of the art institute aimed at upgrading qualitatively all the leather sectors to be competitive in the world market.



The National Institute of Leather Technology (NILT) is having a qualified faculty team to keep leather industry abreast with modern technology and practices as well as to provide a platform for human resource development. NILT was set up as an institute on national level of an international standard. This institute is planning to upgrade its status which needs full financial support from the Government.

NILT is affiliated and recognized by Sindh Board of Technical Education and Internationally by University of Northampton U.K. Presently Academic courses of DAE (3 Years), Executive Diploma (1 Year) and BBSYDP course (6 Months) are continued at the institution in addition to the college section classes which includes (Commerce, Computer Science, Pre-Medical and Pre- Engineering).

Moreover Principal and its team is also trying to improve educational standard of the students quantitatively and qualitatively. It is also expected that this year the new admission in DAE as well as in college will be more as compare to last year.

Combined Effluent Treatment Plant (CETP)

The Combined Effluent Treatment Plant (CETP) for Korangi Tannery Cluster in Sector 6-C, Korangi Industrial Area, Karachi was set up with the cooperation of Pakistan and Dutch Governments as well as TDAP, Ministry of Commerce, Government of Sindh, City District Government and PTA (Southern Zone).

The main objective of the CETP running under its President Mr. Gulzar Firoz is to benefit tanning community at Korangi Cluster, general public, marine life as well as to meet National Environmental Quality Standards (NEQS) which is a mandatory international requirement.

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Annual Report 2017-18

Pakistan Tanners Association



Presented by

Mansoor Iqbal
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Mansoor Iqbal

Chairman (Northern Zone)
Pakistan Tanners Association





Annual Report 2017-18
by
Mansoor Iqbal
Chairman (Northern Zone)
Pakistan Tanners Association

Dear Members,

Assalam-o-Alaikum!

First of all, I thank Al-Mighty ALLAH who helped me to work for the betterment of Leather Industry.

The feelings of immense pleasure and great honor rest with me while presenting the Annual Report before the members of Pakistan Tanners' Association – Northern Zone. This report will highlight the activities and performance of Pakistan Tanners Association-Northern Zone during the year 2017-2018.

Honourable members who spared precious time to attend Executive Committee meetings and the Annual Meeting deserve my sincere thanks. It is a matter of respect and great honor for me to have been elected unanimously as the Chairman of Pakistan Tanners' Association – Northern Zone for the year 2017-2018 in the last Annual General Meeting. I would like to put forward my appreciation for the cooperation and assistance by all members of the Executive Committee and Special Invitees during this period. I'm grateful to PTA Central Office for its guidance and support in resolving various matters. I am also obliged to Mr. Amanullah Aftab, Chairman PTA Central whose valuable cooperation helped me out in successfully discharging my responsibilities as Zonal Chairman. I would also like to thank all the Ex-chairmen of PTA-NZ who have been attending the Executive Committee meetings and provided guidance based on their experiences. My thanks are due for Mr. Badre Alam Vice Chairman PTA-NZ whose timely support enabled me to run the affairs of the Association. I'm also grateful to Mr. Anjum Zafar, Mr. Azam Malik, Mr. Shahid Usman, Mr. Naeem Akhtar and last but not the least, Mr. Agha Saiddain for their invaluable guidance and support available to me throughout the tenure. My task has been completed successfully and it was possible only due to the team effort that empowered me to strive for the betterment of industry. I hope and pray that for continued success members would strive with the same passion and spirit.

I. Condolences

During the last year, relatives and dears of our member firms and industry fellows passed away. Association office timely expressed its condolence to the agrieved member. May we pray to Allah, the Almighty, to bless the departed soul in eternal peace and grant courage to the bereaved family to bear the irreparable loss with fortitude.

- Sister of Mr. S M Naeem Vohra, M/s Vohra Asian Leather Crafts (pvt.) Ltd., Lahore.
- Father Mr. Mushtaq Ahmed Cheema, Director of M/s Leather Field (pvt.) Ltd., Sialkot
- Mr. S M Naeem Vohra, Director M/s Vohra Asian Leather Crafts (pvt.) Ltd., Lahore
- Son of Mian Naeem Javed, Ex-Chairman PTA-NZ, Director Sublime Group, Sialkot
- Sheikh Muhammad Naeem Director Siddiq Leather Works (pvt.) Ltd., Lahore
- Wife of Iqbal sb (M/s Zahoor Sancho Karachi)
- Mr. Tariq Masood Ch. Director M/s Leather Age, Lahore
- Sister of Mr. Javed Siddiqi, Director M/s Stylo Shoes, Lahore

Detail of activities of the Association during the year 2017– 2018 is given hereunder:

Revision Of Subcommittees

At the very start of this year, I suggested necessary revisions in the long list of zonal subcommittees in which most of the committees remained dysfunctional and/or dormant. In this regard, I consulted senior zonal members and finalized following zonal subcommittee after merging and/or removing various subcommittees:

- PTA-NZ Environmental Sub-Committee
- PTA-NZ Export/Rebate/Sales Tax Strategic Sub-Committee
- PTA-NZ Rates & Hide Market Sub-committee
- PTA-NZ Finance & Accounts Sub-committee
- PTA-NZ Membership Scrutiny Subcommittee

Zonal Executive Committee of PTA-Northern Zone also endorsed the proposal and approved the above constitution of zonal subcommittees.

Meetings Of Zonal Executive Committee

Besides the Annual General Body Meeting when elections were held in accordance with the Memorandum and Articles of Association, five(05) Zonal Executive Committee Meetings were held so far to discuss some very important matters concerning the leather tanning industry. Present meeting going on is 6th meeting in the series.

In addition to seven meetings of Executive Committee, the 38th Annual General Body Meeting has also been scheduled for 08-Sep-2018 when the annual election results will be announced held in accordance with the Memorandum and Articles of Association.

It would be encouraging to note that Members and Special Invitees of Executive Committee remained very active which helped improving the participation and involvement of members in these meetings and affairs of the industry. It is a healthy sign for the industrial growth and in the upcoming days, need is direly felt for adopting measures to improve members' interest in the affairs of the Association and Leather industry.



Views of different sessions of Northern Zonal Executive Committee Meetings

Central Managing Committee Meetings

Elected representatives of PTA from Northern Zone made active representation in the Central Managing Committee of PTA by attending the meetings at Karachi/Lahore held through video conference. In this connection, PTA Northern Zone co-hosted all sessions of Central Managing Committee meetings. This measure is proving its worth and helped improving participation in meetings and the same is anticipated to continue in future.



Views of different sessions of Central Managing Committee Meetings hosted at PTA-NZ Office

Inland Revenue Matters with Corporate Regional Tax Office (CRTO) Lahore

With the start of tenure, the Association kept close liaison with the Chief Commissioner CRTO Office Lahore. I'm very much thankful to Mr. Anjum Zafar, Convener Export/Rebate/Sales Tax Strategic Sub-Committee, who arranged and led delegations of Members and hold meetings with Chief Commissioner RTO. During the meetings, we had fruitful discussions on following aspects of Sales tax wherein members also discussed many of their problems directly with the authorities.

A. **Release of RPOs as announced by FBR/Finance Minister**

As promised by the government, these RPOs worth 780 million were released by the end of October 2017.

B. **Regular & Deferred Claims issue**

PTA explained to the Chief Commissioner that if for any reason refund claim file is transferred

from ERS to manual processing, this file is kept pending and not processed in time. Due to late manual processing of this file, subsequent claims cannot be submitted through ERS until manual processing of earlier file is completed. Therefore, we requested to process such manual files within a prescribed period of maximum 1-2 weeks and provision may be made for submission of fresh claims by ERS.

Matter of long standing Deferred amounts was dig out to its maximum length. Members of PTA were aggrieved that department is not attending the amounts that got deferred after initial processing of cases. Hence a huge balance has piled up on account of 'Deferred payments'. We explained about the problems that members are facing at execution floors. We made them to release the problem that after initial processing, deferred amounts in respect of old cases are not being shown on the systems of processing staff. Therefore, staff is not attending the deferred amounts.

Chief Commissioner explained that for deferred amounts, claimants are required to deposit manual files on counters. PTA also circulated the same requirement to all members/exporters for smooth processing of deferred claims.

C. *Income Tax Refunds*

We remained successful in explaining the authority the fact that since 2011, income tax refund have been completely stopped. Chief Commissioner expressed his concern and assured to release small amounts initially, with frequent pace, in order to provide relief and comfort to the tax payers and exporters.

D. *Exemption Certificates for exporters for import of machinery & spares*

We also managed to explain that exporters having more than 80% export sales were allowed to have exemption of withholding tax on import. For such facility, exporters had previously been issued with Exemption certificates however, for last year, the system has been discontinued and exporters need to apply for exemption on his every import. We have been informed by the authorities at the office of Chief Commissioner Inland Revenue (CRTO) that FBR has changed the procedure and is issuing Exemption Certificates on L/C to L/C basis. However, we shared few instances where the department refused issuance of Exemption Certificates even on L/C basis. During these sessions, PTA remained successful in establishing close interaction with the government authorities and resolving the issues/problems of member firms.



Views of different sessions of Meetings Chief Commissioner Inland Revenue (CRTO) Lahore

Pending Claims of Customs Duty Drawback

As far as the refund of duty drawback is concerned, it was a difficult year for members exporting from Lahore Airport. Collector of Customs (Preventive), Lahore despite of our vigorous followup and several commitments, could not release payments of duty drawback cheques.

Another big hurdle that we came over successfully was the posting of Chief Accounts Office at MCC (Preventive), Lahore. After January-2018, no Chief Accounts office was in place. PTA also wrote several letters to FBR, Auditor General of Pakistan, Ministry of Commerce, TDAP, FPCCI and LCCI. Alhamdulillah, thorough effort of PTA brought fruits and Auditor General of Pakistan issued orders for the posting of Chief Accounts Officer in MCC (Preventive) Lahore in July-2018.



Views of different sessions of Meetings at Collectorate of Customs (Preventive), Lahore

We continuously maintained close interaction with the authorities and hold several meetings with the Collector of Customs (Preventive) Lahore. These efforts finally resulted in the release of pending cheques just before and after the Eid-ul-Azha 2018 holidays.

PTA Central office Karachi kept liaison with Customs Collectorate at Karachi for the pending customs rebates. Patronage of Mr. Amanullah Aftab Chairman PTA along with support of senior members from Karachi needs special appreciation.

Liaison with Trade Development Authority of Pakistan, Lahore Office

PTA-NZ has been maintaining close liaison with Trade Development Authority of Pakistan, Lahore Office to resolve our members'/ exporters' day-to-day problems concerning exports. This cooperation



Views of Meeting ongoing with Mr. Riaz Ahmed Director General TDAP, Lahore

remained alive in the regime and in this regard we had a meeting of Export Promotion Committee in July 2018 with Director General TDAP.

Following main points were taken up with DG TDAP with in the meeting:

- A.** To revive the forum of Export Facilitation Committee thereby inviting all relevant departments to interact with exporters for quick redressal of issues.
- B.** Inclusion of Dyed/Finished Leather HS Codes in New DLTL.
- C.** Removal of Customs duty @ 3% and Additional Customs duty @ 1% on import of raw materials.
- D.** Pending Customs rebate claims at Lahore Airport.
- E.** Revision of SRO 578 thereby including 24 tanning machines.
- F.** Tax credit under 65(b) cannot be availed by exporters filing tax returns under FTR (fixed tax liability) u/s 115. Therefore exporters are being penalized against local sellers.
- G.** Withdraw CD/ST on import of Tanning Machineries for Leather Sector.
- H.** Release of 25% balance subsidy amount of Rs.20,904,890/- on WWTP by 8 tanneries.
- I.** Removal of Quarantine condition imposed through SRO 1067(I)/2017.
- J.** 75% Matching Grant for setting-up of Effluent Treatment Plants in Individual Tanneries which is a fundamental requirement for enrolling our member exporters in LWG along with 75% Government subsidy on International Lab Testing
- K.** Operational issues related to FTA with China
- L.** Early finalization of FTA between
 - a.** Pakistan and South Korea
 - b.** Pakistan and Japan
 - c.** Pakistan and Turkey
 - d.** Pakistan and Thailand; and most importantly
 - e.** Pakistan with China (2nd Phase of FTA)
- M.** To increase the budget of participation & marketing/promotion there by removing irrespective 3-5 years' participation condition & 2 times in a year condition.



Views of Meeting ongoing with Mr. Riaz Ahmed Director General TDAP, Lahore

Meeting was called by TDAP to discuss reasons for declining leather exports and problems related to exports. PTA delegates had detailed discussion on important issues during which the delegates insisted that a higher committee meeting be arranged by inviting member exports/commissioner sales tax/collector customs and representatives of Ministry of Commerce and Federal Board of Revenue to Lahore at TDAP office where exporters could have joint meeting to get fruitful results instead of just formalities of meetings. Director General endorsed this important point and ensured to support us and will take up matter with relevant authorities for having such meetings quarterly.

All above points were discussed and supported by DG TDAP and recorded in minutes for follow up. PTA

Liaison With Zonal Office Of Federation Of Pakistan Chambers Of Commerce And Industry (FPCCI)

At this forum, our members also represented and attended several meetings wherein voiced for different matters of our interest and benefit. The presence of PTA-NZ member at the platform of FPCCI is very important and it needs to be maintained in future.

It was a privilege for leather industry as one of our honorable members; Sheikh Khurram Aftab has been nominated at the Vice Chairman of FPCCI Subcommittee on Leather & Leather Products. He arranged to hold one meeting wherein he invited all leading members of PTA. Mr. S M Muneer was invited as Chief Guest on the occasion.

Liaison With Lahore Chamber Of Commerce And Industry

PTA-NZ has been maintaining close working relationship with Lahore Chamber of Commerce & Industry, Lahore Office. This relationship remained active in the period under report.

We also forwarded our letters to President Lahore Chamber of Commerce as to use his good office for highlighting issues pertaining to leather industry of Pakistan. We are extremely grateful to President Lahore Chamber of Commerce & Industry for supporting our concern by writing a letter to Auditor General of Pakistan for the early appointment of Chief Accounts Office in Model Customs Collectorate (Preventive) Lahore.



Agha Saiddain in a Group photograph with Members of Leather and Leather Products Subcommittee LCCI

Joint Meetings For Pakistan Mega Leather Show 2018

On the initiative of Central Office of Pakistan Tanners' Association, PTA-NZ remained host of various sessions of Joint Steering Committee Meeting for Pakistan Mega Leather Show 2018. Member representatives from Pakistan Footwear Manufacturers Association used participated in these meetings also go discuss and finalize arrangements for Pakistan Mega Leather Show.



Views of different sessions of PMLS-2018 Meetings held at PTA-NZ office

Meeting With EU Monitoring Mission For PLCIP/TRTA-III

In November 2017, a single member EU Monitoring Mission Mr. Daniel Linotte visited PTA-NZ office along with Mr. Usman Malik and Mr. Mohammad Hameed of PITCO. Purpose of EU Mission's visit was to ascertain and ensure the benefits that PTA and its member industry received under PLCIP/TRTA-III.

Member participants from PTA elaborated in detail the assistance received under the program. Mr. Muhammad Musaddiq, Mr. Agha Saiddain and Mr. Azam Malik joined undersigned in the discussion. We emphasized on the need of continuing the program to complete the tasks that are yet incomplete and need further funding to carry out till finish.



Group Photograph of PTA members with EU Monitoring Mission and PITCO Officers

Liaison With State Bank Of Pakistan Lahore

State Bank of Pakistan is an important stakeholder institution for exports especially in the background of on-going DLTL schemes for boosting exports.

With Reference to Duty Drawback of Taxes for Textile & Non-textile, a meeting was scheduled under the chairmanship of Mr. Shaukat Zaman, Group Head, FX & DFG, to discuss the operational matters/issues regarding current / upcoming duty drawback schemes.

I along with Mr. Anjum Zafar participated in the meeting where representatives from almost all the exporters' association were also invited to participate.

Exporters' Association were given opportunity to discuss their problems and suggestions in respect of DLTL schemes. Salient problems highlighted during the meeting were:

- ✱ Multiple rejections of cases leading to time-barring of cases
- ✱ FIFO not being observed, cases under older schemes (of 2009-12) are still pending where payments of recent cases have been released.
- ✱ GD against software import is not possible
- ✱ Approval of EE/EF statements
- ✱ Issues with ITRS
- ✱ Banks/CBUs are not giving confirmation against cases received. So they can reject any case at later stage causing time-barring

SBP authorities informed that payments under DLTL schemes are waiting allocation of funds by the government. In this regard, exporters suggested SBP authorities to consider issuing bonds/credit notes. These credits notes will be chargeable against exporters' tax (sales tax, customs duty, income tax etc.) liabilities hence liquidity problems for government as well as for the exporters could be resolved in this way.

SBP authorities ensured that these suggestions will be taken up with government. In addition, SBP authorities decided not to reject cases with minor issues like few dollars less amount of claim/realization etc. Further SBP also decided to directed all banks to process and/or reject pending cases within 30 days otherwise penalty will be imposed on violating banks.

Hides and Skins Preservation During Eid-ul-Azha Meeting with Mr. Nauman Kabeer Provincial Minister Livestock

As per practice of previous years, PTA Northern Zone tried to activate and mobilize arrangement newly appointed Interim Provincial Government and Livestock and Dairy Development Department, Government of Punjab. In this regard, I'm thankful to Mr. Agha Saiddain who joined in the delegation visiting the Provincial Minister for Livestock Mr. Nauman Kabeer. Provincial Minister was briefed on the losses occur to hides and skins collected during Eid days due to:

- ✱ Extreme hot weather
- ✱ Handling and transportation of hides and skins
- ✱ Late or no salting of hides and skins



Mr. Agha Saiddain and delegates meeting Provincial Minister for Livestock, Punjab



Agha Saiddain presenting to Minister a copy of report published by Lambert Academic Publishing UK

The delegation requested him to replicate the same set of activities with same budget as had been undertaken last year. Mr. Nauman Kabeer assured of his fullest support for the stated objectives.

Hides And Skins Preservation During Eid-ul-azha Meeting With Director General (Extn.) Livestock Punjab

Meeting with Provincial Minister rolled the ball and we got another appointment with Dr. Mansoor Ali Director General (Extn.) Livestock Punjab where we had a detailed meeting with the functionaries of Livestock Department. Due to change in top management, Livestock department functionaries were not so optimistic this time to carry out the subject activities as done in past years. However, PTA ensured to discuss the matter for the release of sufficient funds with Provincial Minister Livestock.



Detail of other activities to be carried out during the campaign for preservation of hides and skins was also discussed and finalized with the Director General.



Hides And Skins Preservation During Eid-ul-azha Awareness Seminars For Butchers & Hide Collectors

Pakistan Tanners Association – Northern Zone and Livestock Department, Government collaborated to organize three awareness seminars for butchers and representatives of hide collectors ie. Welfare organizations, religious institutions and hospitals.

First seminar was held on 14-July-2018 at Town Hall. Provincial Minister for Livestock Mr. Nauman Kabeer was the Chief Guest on the occasion.



Mr. Agha Saiddain Chairman Hides & Skin Improvement S/C addressing the seminar participants



Mr. Nauman Kabeer, Provincial Minister Livestock Punjab addressing the seminar participants

Second seminar in the series was held on 23-July-2018 at PTA-NZ Office. Director Livestock Mr. Muhammad Ashraf was Chief Guest on the occasion.



Awareness Seminars: Snapshots of session held at PTA-Northern Zone Office



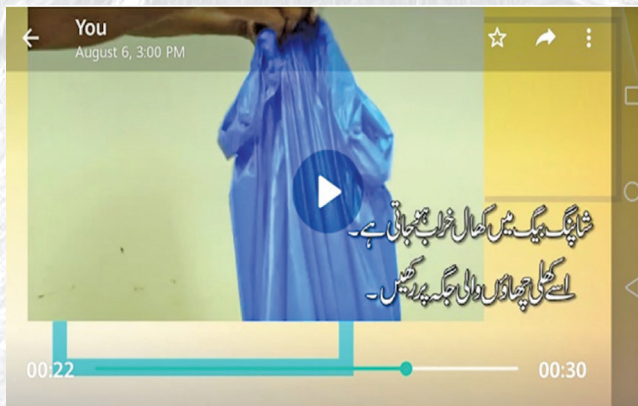
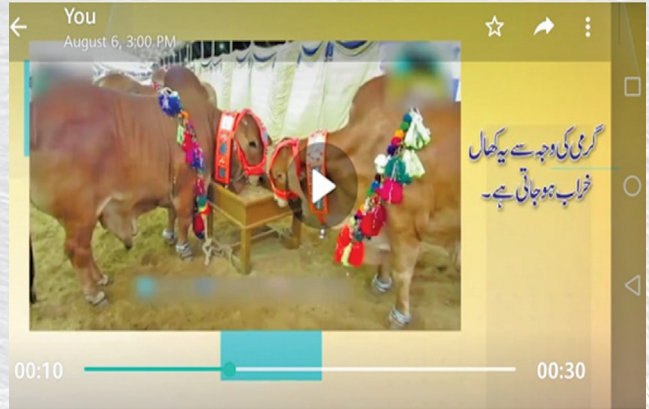
Col. (R) Mubashar Javed Malik Lord Mayor Lahore addressing to audience



Lord Mayor Lahore (R) with members of Hides Preservation Committee

Last (3rd) seminar was held on 18-August-2018 at PTA-NZ Office. Col. (R) Mubashar Javed Malik Lord Mayor Lahore was invited as the Chief Guest.

Participants from different religious and welfare organizations and institutions took keen interest in the discussion. They appreciated the concern and efforts of PTA and Livestock Department Punjab. For mass awareness, Livestock Department arranged telecast of a 30 sec TVC on measures and advices to preserve raw hides on national TV channels.



Screen shots of TVC (30 sec) prepared and telecasted by Livestock Department Punjab

LIAISON WITH HIDE COMMITTEE AT DEPUTY COMMISSIONER OFFICE LAHORE

A series of meetings was held in the office of Deputy Commissioner and Additional Deputy Commissioner to discuss Hides & Skin collection arrangements in Lahore City during Eid days. A District Hide Committee comprising of representatives from the following department/organizations been formed there to discuss the agenda:

- ✱ District Government
- ✱ Police
- ✱ Intelligence Bureau
- ✱ Military Intelligence,
- ✱ Tanners & Lahore Hide Market; and
- ✱ Other stakeholder institutions

It was informed that as per notification received from Home Department, NOCs will be issued to the registered NGOs, institutions, welfare organizations to collect hides/skins along with designated collection points.

All hides/skin collectors will be directed to arrange shuttle service for removal of stocks within 3 hours and keep the collection points clean.

It would be mandatory for all hides/skins collectors to maintain record of stocks collected.

For masjid/madaris, NOC is must and District Government will communicate the same to all levels.

List of banned organizations will be circulated widely through press.

Acceptance of stocks without NOC at any stage in Lahore hide market should not be permitted.

Secretary Lahore Hide Merchants Association highlighted the issue of traffic jam in Lahore hide market due to arrival of stock carrying lorries/trolleys. Last year, hot weather caused a significant percentage (15-20%) of stock damage on lorries/trolleys stuck up in traffic jam around Lahore hide market. DSP Police was asked to finalize arrangements for smooth arrival and check-in facility for stock carrying lorries in Lahore hide market during Eid days. Lahore Hide Merchants Association was also required to maintain and provide supplier-wise record of transactions made during Eid days.



Mr. Mansoor Iqbal Chairman PTA-NZ attending meeting with Additional Deputy Commissioner Syed Amar Shafiq

Liaison and Working with PTA Central

During the year under report, PTA-NZ Secretariat remained in active coordination with all activities at PTA Central. Members from PTA-Northern Zone joined Chairman PTA Central at several meetings arranged at Ministry of Commerce and FBR Islamabad. In this regard, I fully recognize the support of Mr. Anjum Zafar who travelled to Islamabad several times to attend important meetings.

In addition, Joint Steering Committee for PMLS-2018 also arranged its several meetings in PTA-NZ office. PTA-NZ Secretariat spent a lot of its time and energy for bringing success in this mega event. PTA-NZ Secretariat is determined for next organization of PMLS-2018 as announced for 27-29 January 2019.

Liaison with Environment Protection Department

In the pursuit of initiating a review of Provincial Environmental Quality Standards (PEQS), PTA-NZ arranged meetings with Capt. (R) Saif Anjum, Provincial Secretary Environment Protection Department in his office.

Subsequent sessions on the same agenda were also arranged with Mr. Javed Iqbal Director General EPA and Mr. Tauqeer Qureshi Director EPA.

PTA already had submitted a draft working paper/proposal for the review of tannery specific environmental quality standards along with request for their review and revision.

Secretary Environment disclosed that his department is going to initiate discussions with all industry sectors for the review of environment quality standards so that a workable set of standards could be finalized. He also informed about government's consideration to finance industry projects for cleaning water and pollution abatement. He told that Government of Punjab is trying to bring funding from World Bank to fund viable projects in different sectors.

PTA delegates appreciated the efforts by the department and informed them that Leather Working Group - LWG is an upcoming challenge for leather industry. Compliance of local environmental laws and standards is set mandatory under LWG protocols. With the given set of PEQ Standards, it is practically impossible to achieve and install financially viable solution. Therefore, PTA is coming to the department to review the standards and bring it within the feasible and optimal range. PTA urged that department to consider reviewing the standards in phases.

A series of discussion further are expected on the subject matter.

Dissemination And Consultative Workshop On Baseline Assessment For Resource Efficient Cleaner Production (RECP) In Punjab Held On May 3rd, 2018 At Lahore

World Bank with the support of Korean Green Growth Trust Fund (KGGTF) is undertaking various initiatives for promoting resource efficient cleaner production in Pakistan and South Asia. World Bank is also considering financing of Punjab Green Development Program for strengthening environmental protection and promoting green development in the Province. The activities under these two projects aim to control air and water pollution which has eroded GDP of the countries including Pakistan in the South Asia region.

Resource-efficient cleaner production (RECP) practices and technologies can help in abating and controlling pollution at source. In this context, World Bank organized a dissemination and consultative workshop on Baseline Assessment for Resource Efficient Cleaner Production (RECP) in Punjab on May 3, 2018 at Avari Hotel, Lahore. As an important stakeholder, PTA-Northern Zone has been invited to the dissemination and consultative workshop. Mr. Anjum Zafar, Mr. Agha Saiddain and Secretary PTA-Northern Zone attended different sessions of the workshop.



USAID SMEA Focus Group Discussion On Leather Held On (07-Sep-2018)

USAID Small and Medium Enterprise Activity (SMEA) project, being implemented by Chemonics International and its partners. SMEA is supporting Pakistan in SME-led economic growth that will help create jobs, foster entrepreneurship, and contribute to an increased GDP.

As part of their business enabling environment reforms, USAID SMEA Project is providing technical assistance to the Environment Protection Department in Punjab to develop the leather environmental standards. In this regard, they are organized a Focus Group Discussion Lahore to discuss the Existing environmental standards in Pakistan and problems faced by entities in leather value chain in their compliance



Snapshots of Focus Group Discussion held at USAID Office

My thanks are due for Mr. Muhammad Musaddiq Convener Environment Committee who participated and represented PTA-NZ in the focus group discussion.

USAID SMEA project authorities also invited the participants to through light on:

- Government departments' perspective about existing policy and infrastructure for implementation and any lack thereof.
- Rationale for 'phased' industry specific standards across leather value chain.
- Modus operandi for implementation of proposed standards and relevant industry's compliance.
- Commitment of relevant industry for efforts and compliance to environmental standards and expectations from government departments.

Awareness Session IN COLLABORATION WITH SGS PAKISTAN on Chemical Management(31-OCT-2017)

PTA-Northern Zone office arranged and coordinated Awareness Session on Chemical Management in collaboration with SGS Pakistan, Lahore office. Representatives from several member companies attended the session and termed it as very useful in understanding internationally acceptable measures Chemical management which is also a prerequisite for tanneries interested in having membership of Leather Working Group – LWG.



Experts from SGS Pakistan giving presentations during session.

View of Awareness session attended by representatives of PTA member firms

Mr. Badre Alam Vice Chairman PTA-NZ (Left) attending the Awareness session on Chemical Management

Awareness Session In Collaboration With SGS Pakistan on health, Safety, & Risk Assessment (3-May-2018)

PTA-Northern Zone office arranged and coordinated Awareness Session on Health, Safety, & Risk Assessment in collaboration with SGS Pakistan, Lahore office. Representatives from as several member companies attended the session and termed it as very useful in understanding internationally acceptable practices on health & safety and to assess the risk involved in with various industrial activities.



Representatives from Members firms of PTA attending Seminar



Group photograph of participants attended Seminar

Meeting of Mr. Badre Alam Vice Chairman PTA-Northern Zone with representatives of PUM Netherlands held on 21st April 2018

Representatives of PUM Netherlands visited office of Pakistan Tanners' Association Northern Zone. Mr. Badre Alam Vice Chairman PTA-NZ welcomed the participants. He discussed with them the issues and services of PUM Netherlands for the benefit of leather industry of Pakistan.

Different avenues of cooperation between the two organizations were discussed during the meeting.



Group Photograph of Vice Chairman with representatives of PUM Netherlands

Liaison With Print And Electronic Media

To highlight different zonal issues, PTA-NZ office maintained liaison with print and electronic media.

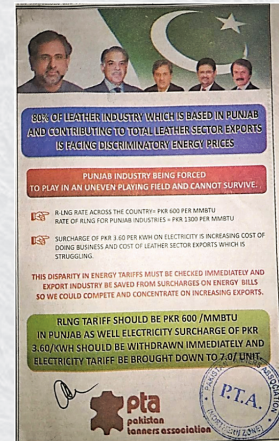
Campaign Against Unfair Power And Gas Tariffs In Punjab

In February 2018, PTA-NZ decided to register its concern over unfair power and gas tariffs for Punjab based industries.

In this regard, PTA-NZ arranged to release a quarter-paged colored advertisement in Daily Business Recorder addressing to the Prime Minister of Pakistan and other authorities to consider reducing electricity tariff to PKR.7 per unit and RLNG rate at PKR.600/mmbtu.

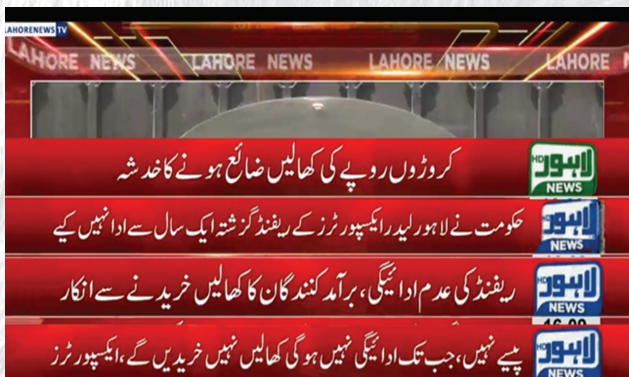
Advertisement bear results and government considered revising the tariffs for Punjab-based industry.

We are grateful to PTA Central Office for sponsoring the expense of subject advertisement in the wider interest of leather industry of Pakistan.



Impact of advertisement remained instrumental in capturing the attention of government authorities on the issues highlighted in the advertisement.

News Releases & Tickers For The Release Of Duty Drawback Refunds



Monthly Market Quotations

PTA-NZ office has been providing to the Central Office, Karachi, the Monthly Market Prices of W.S Buffalo hides and W.S Cow hides indicating the rates of various grades, selection and sizes i.e Extra large, large, medium and small. It has become a regular feature to arrange market rates of above-said commodities for publication so that our members should remain in touch with the prevailing prices of the market. These are issued not only for the guidance of the members but also for the up-to-date information of Customs authorities. I'm especially thankful to Mr. Shahid Usman and who assisted the Association in collecting and providing rates for onward submission to PTA Central office, Karachi.

Visa Recommendatory And Other Certificates/letters

During the year under report, we have been issuing recommendatory certificates/ letters to our members or to their representatives, on the receipts of their formal request for the same, and requesting the Foreign Embassies – Consulate Generals for the grant of visa facilities to visit their countries for business tour to explore the possibilities for development of export trade. Generally these letters/ certificates are issued after thorough scrutiny.

DLTL Certificates to all leading manufacturing-cum-exporting members units as required under SRO 1248 (I)/2017 dated 14-Dec-2017 were also issued during the period under report.

Correspondence

The incoming queries have promptly been responded and the problems of the members brought into the notice of the concerned authorities. Besides the correspondence with the Government departments, Semi-government, other agencies, the Association also remained in touch with Central Office at Karachi.

Finance

The Statement of Accounts for the year 2017-2018 is presented before the house for its perusal and approval.

In addition to current bank balance, there is an amount of Rs.644,000/- receivable from Environmental Lab Society. Necessary arrangements are underway for the transfer of these amounts.

Here, I'm also obliged to Mr. Azam Malik, most recent Ex-Chairman of PTA-NZ, who stayed with me to finalize and close the account for PTA-NZ Office renovation.

It is my pleasure to put on record that I've taken personal interest in maintaining and updating PTA-NZ Office Books of Accounts (Cash book, Bank book). From now onwards, these books will be maintained and updated. I've also arranged installation operationalizing accounting software which is capable of generating various accounting reports as and when required.

As regard to PTA claim against MCB, PTA-NZ has approached Civil Court through Mr. Agha I.A Imran Advocate who has been pleading the case at different forums earlier. It is pertinent to mention here that the Executive Committee has already decided to offer 25% of the recovered amount as his professional charges.

Case proceedings were filed in Civil Court in October 2010. Progress on suit filed against MCB in civil court is quite slow. Secretary PTA-NZ also visited court for appearance as witness but due to the absence of Honorable Civil Judge witness could not be recorded. MCB Bank also wants to keep the case proceedings in abeyance.

Membership

Presently, PTA-Northern Zone has 63 members on its register. Out of which, 46 are "Corporate" and 17 firms are registered in "Associate" class. During the year under report, following new members joined PTA-NZ as member of the Association:

- ✦ M/s Leather Connections (pvt.), Lahore
- ✦ M/s Abdul Hafeez Leather (pvt.) Ltd., Lahore
- ✦ M/s Naseer Farid Tannery, Sialkot

I welcome the new entrant and hope that their firms would be our active members and make the best use of the Association, thereby enabling it to strive for the cause of the leather industry.

Secretariat of the Association

In spite of limited staff, the smooth and hardworking of staff deserves appreciation for the commendable services rendered during the year under report by taking vital interest in the affairs of the Association. I am pleased to put on record my great acknowledgment for efficient working of the all the Secretariat staff. I'd also like to acknowledge my sincere thanks to the Central Office of Pakistan Tanners' Association, Karachi for their full cooperation and support extended to me during this period.

Conclusion

In the end, I'm thankful to the members of Executive Committee for providing proper advice and timely guidance. It needs to mention that during the year, complete harmony and friendly atmosphere was observed and differences in opinion were resolved in a most amicable manner. I pray to Almighty Allah to nourish this atmosphere in future, Ameen. I also pray that we may continue our efforts towards the advancement and development of leather tanning industry. I wish for Pakistan Tanners' Association and its members to see success in all their endeavors, Ameen.

Mansoor Iqbal

*Chairman, Pakistan Tanners' Association
Northern Zone*



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Annual Report 2017-18

Pakistan Tanners Association



Presented by

Ejaz Ahmed Shaikh
Chairman (Southern Zone)

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Website: www.pakistantanners.org

Ejaz Ahmed Shaikh
Chairman (Southern Zone)
Pakistan Tanners Association





Annual Report 2017-18
by
Ejaz Ahmed Shaikh
Chairman (Southern Zone)
Pakistan Tanners Association

With the grace of Almighty Allah and confidence of PTA members reposed in me, I was elected unopposed as Chairman of PTA (S.Z) for the year 2017-18. It is my privilege to present this Annual Report 2017-18 of the outgoing Executive Committee of PTA (S.Z) under my Chairmanship and its various Sub-Committee and to present their performance and efforts during the past year for uplift & betterment of our leather Industry for review by its members. This feedback will certainly help the future Executive Committee to take directions and put more efforts to achieve the goal of further amelioration of our Leather Industry next year.

Before I relate major efforts and achievements of my tenure, I would like to accept openly that the improvement in efforts and directions for development emerge from positive criticism which I have always welcomed.

The relentless & persistent efforts of Pakistan Tanners Association (S.Z) were crowned with success with the help and guidance of Mr. S.M. Muneer its Patron-in-Chief, Mr. Gulzar Firoz, President, PTA (S.Z) Environmental Society, Mr. Aziz Ahmed, Chairman, Infrastructure Committee, Mr. Muhammad Shafi, Vice Chairman, and Executive Committee Members.

The Association elections in Southern Zone brought to the fore, the representatives of young generation, highly educated having inherited experience of exporting Leather Industry and vibrating with enthusiasm to register foot – prints of National Leather Industry in global markets. We are confident that in view of sustained endeavours of the Association, we will Insha-Allah make it.

The following combination of new elected alongwith sitting members constituted the Executive Committee for 2017-18 :

Corporate Class

New Elected Members :

1. Mr. Khawaja Masood Ahmed
2. Mr. Javaid Tariq Shaikh
3. Mr. Tariq Mahmood

Sitting Members

1. Mr. Ejaz Ahmed Shaikh
2. Mr. Muhammad Shafi
3. Mr. M. Danish Khan
4. Mr. Kamran Habib
5. Mr. Saad Anis

Associate Class

- | | |
|------------------------|-------------------|
| 4. Mr. Muhammad Mansha | 6. Mr. Aziz Ahmed |
|------------------------|-------------------|

Mr. Aziz Ahmed & Kamran Habib resigned his seats and was replaced by Mr. Hamid A. Zahur – Noor Leather & Mr. S. Tahir Iqbal - Harmain International, were co-opted to fill-in the Corporate & Associate Class seats of Executive Committee which fell vacant in this process.

The total PTA (S.Z) members after renewal for the year 2018-19 is as under :

Corporate Class Members : 42

Associate Class Members : 63

Executive Committee - PTA S.Z 2017-18

- | | |
|------------------------|---------------|
| 1. Ejaz Ahmed Shaikh | Chairman |
| 2. Muhammad Shafi | Vice Chairman |
| 3. M. Danish Khan | Member, E/C |
| 4. Hamid A. Zahur | ~~~~~ |
| 5. Saad Anis | ~~~~~ |
| 6. Javeed Tariq Shaikh | ~~~~~ |
| 7. Kh. Masood Ahmed | ~~~~~ |
| 8. Tariq Mahmood | ~~~~~ |
| 9. Muhammad Mansha | ~~~~~ |
| 10. S. Tahir Iqbal | ~~~~~ |

I am thankful to all my Executive Committee colleagues, especially the young willing colleague, the Vice Chairman Mr. Muhammad Shafi who always extended his full cooperation and participated in common efforts for achieving goal of wellbeing and uplift of our Leather Industry.

I am thankful to Mr. Aziz Ahmed, Chairman Infrastructure Committee who was very regular in attending the meetings and participated in Executive Committee debates on issues discussed in the Committee and helped in the decision making process.

I must also thank our very senior member Mr. Gulzar Firoz who was very regular in attending the meetings and participated in Executive Committee.

The following Sub-Committees were constituted after taking over of the new Executive Committee run the affairs of PTA on democratic lines, Powers were delegated to the relevant Sub-Committee to deal and resolve various problems & issues that are generally referred to PTA (S.Z).

Sub-Committees

- i) Finance & Administration Sub-Committee
- ii) New Membership Sub-Committee
- iii) Arbitration Sub-Committee
- iv) Electric / Gas Sub-Committee
- v) Infrastructure Sub-Committee
(Road, Cleanliness, Telephone, Water)
- vi) Special Committee on Solid Waste Lifting

Chairman

Mr. Ejaz Ahmed Shaikh
“ ” “ ”

Mr. Gulzar Firoz
Mr. Kamran Habib
Mr. Aziz Ahmed

Mr. Muhammad Shafi

I am grateful to the members of the Sub-Committees for putting their efforts and dedicating their precious time to the betterment of Leather Industry and doing their best in this respect. I am happy to record that every member of the Executive Committee extended his utmost cooperation.

The Executive Committee PTA (S.Z) has continued its effort for uplift of Tannery Zone and had meetings with the Govt. Officials for getting our problems resolved.



Our meeting between DC – Korangi, Mr. Abdul Wajid Sheikh in his office along with me and Mr. Aziz Ahmed Chairman Rehabilitation & Infrastructure Committee on 17-11-17 to discuss early starting of Rehabilitation & Infrastructure Program in Tannery Zone Sector 7/A.



Our meeting with Mr. Abdul Wajid Sheikh, Deputy Commissioner Korangi, along with other Members of OVERSIGHT Committee, formed by Commissioner Karachi to visit the Tannery Zone, Sector 7-A, Korangi Industrial Area for their Projects approved by Honorable Chief Minister Sindh. Meeting was attended by Mr. Ejaz Ahmed Sheikh, Chairman PTA (S.Z), Mr. Muhammad Shafi, Vice Chairman, PTA (S.Z) & Mr. Aziz Ahmed, Chairman, Rehabilitation & Infrastructure Programme.



PTA (S.Z) is pleased to announce that Honorable Chief Minister, Sindh has approved proposals of Rs. 277.396 Million for Sector 7-A. A joint survey in this regard was conducted by the following Officials, Commissioner Office Team, Deputy Commissioner Office Team, Assistant Commissioner Korangi, Mr. Zubair Chaya (CEO KITE Limited), Mr. Masood Naqi (Ex-President KATI), Chief Engineers, Mr. Ejaz Ahmed Sheikh (Chairman PTA – S.Z), Mr. Aziz Ahmed (Chairman Rehabilitation & Infrastructure Committee) & Mr. Muhammad Shahid (STAR Tannery) on 13-11-17.



Deputy Commissioner Korangi, Mr. Abdul Wajid Sheikh Sb, on request of Chairman PTA (S.Z) Mr. Ejaz Ahmed Sheikh Sb & Infrastructure Committee Chairman Mr. Aziz Ahmed visited the GC-Bin on Road-5000 for its Rehabilitation Work on 28-03-2018



A luncheon Meeting was held in PTA (S.Z) Office in which Deputy Commissioner Korangi, Mr. Abdul Wajid Sheikh Sb was Chief Guest along with other members. Meeting was presided by Chairman PTA (S.Z) Mr. Ejaz Ahmed Sheikh Sb. Meeting was regarding the Infrastructural work to be started in Sector 7-A on 07-04-2018.



Deputy Commissioner Korangi, Mr. Abdul Wajid Sheikh Sb, called PTA (S.Z) Infrastructure Committee Members led by Chairman Infrastructure Committee, Mr. Aziz Ahmed in his Office on 09-04-2018. Meeting was regarding Infrastructural Programme of Sector 7-A.



Chairman PTA S.Z Mr. Ejaz Ahmed Shaikh & Mr. Aziz Ahmed Chairman Rehabilitation & Infrastructure Committee meeting with Attock Refinery (NRL) officials of Lt. Col. Masood-ur-Rehman, Manager Administration & Management & Mr. Mushtaq Ahmed Soomro, Manager Admin. NRL, at PTA S.Z Office on 31-10-17 to discuss Construction of Southern Avenue Road and other related matter.



Mr. Ejaz Ahmed Sheikh, Chairman PTA (S.Z) & Mr. Aziz Ahmed, Chairman Rehabilitation & Infrastructure Committee called Mr. Ejaz Ahmed Khan, Commissioner Karachi, in his office on 05-12-2017 to discuss Projects approved by the Honorable Chief Minister Sindh, Mr. Syed Murad Ali Shah Sb, specifically for Tannery Zone, Sector 7-A, Korangi Industrial Area



Mr. Younus Dhagga, Secretary Commerce, Ministry of Commerce along with Mr. Inam Ullah Khan, Secretary TDAP and other High Officials of Ministry of Commerce visited PTA (S.Z) on 13-01-2018 to discuss prolonged issue of Pakistan Tanners Association. Meeting was also attended by Mr. Tariq Malik, President KATI and other Senior Members of Pakistan Tanners Association.



Mr. Aijaz Ahmed Maher Sb, Secretary Industries & Commerce Department, Govt of Sindh visited PTA (S.Z) Office on Invitation of Infrastructure Committee on 11-04-2018. Later Secretary Sb, surveyed Sector 7-A.



A 02 Member Delegation led by Chairman PTA (S.Z), Mr. Ijaz Ahmed Sheikh and Chairman Infrastructure Committee PTA (S.Z), Mr. Aziz Ahmed called Secretary Industries & Commerce, Govt of Sindh, Mr. Aijaz Ahmed Mahesar in his Office on 04-05-2018, to discuss ongoing Infrastructure Schemes of Sector 7-A.



Pakistan Tanners Association Delegation under Chairmanship of Mr. Amanullah Aftab, Chairman PTA called Mr. Ghazanfar Bilour, President FPCCI, to congratulate them and celebrate remarkable victory in FPCCI Elections on 02-01-2018. Mr. S M Muneer (Bhajan) the Soul of Leather Industry were also present at this Auspicious Moment.



PTA (S.Z) Infrastructure Committee Members led by Chairman, Mr. Aziz Ahmed visited the site of GC-Bin on Road-5000 for its expansion & rehabilitation work to be done on 27-03-2018.



Col. Fawwad, Wing Commander, 84-Wing, Pakistan Rangers called Mr. Ejaz Ahmed Sheikh, Chairman, PTA (S.Z) in Southern Zone Association Office on 23-01-2018 to discuss Law & Order issues in Tannery Zone, Sector 7-A. Mr. Muhammad Shafi, Vice Chairman, PTA (S.Z) and other Members were also present in that Meeting.



PTA (S.Z) Delegation were invited to have a Meeting with Brig. Shahid Iqbal Sb at Rangers Head Quarters on 19-04-2018. Law & Order related issues were discussed during the meeting and specially illegal parking of Long Vehicles & Tankers on Road 5000 was also brought in notice of the Rangers.



Meeting was held in PTA (S.Z) Office on 16-4-18 with Consultant M/s Zaheer & Co, appointed by KITE Pvt Ltd. for the ongoing Projects Approved by Honorable Chief Minister Sindh, including Sector 7-A.



PTA (S.Z) Delegation led by Chairman Mr. Ejaz Ahmed Sheikh, met Director K-Electric in his office. Issues related to New Connections and Extension in Load were thoroughly discussed. Chairman appreciated kind gesture of K-Electric for having meeting with PTA (S.Z) Delegation.



Mr. Aziz Ahmed, Chairman Infrastructure Committee held meeting with GM Connectivity K-Electric & GM Billing K-Electric in PTA (S.Z) Office. Several issues related to Supply and un-announced load shedding were discussed in the meeting. Deployment of 02 K-Electric Mobile Van was also agreed by the GM Connectivity, in PTA (S.Z) Office during EID-ul-AZHA holidays.



Chairman PTA (S.Z), Mr. Ejaz Ahmed Sheikh invited Rangers Officials, Police Officials & Traffic Police Officials in PTA (S.Z) Association Office, to discuss Law & Order situation and also to discuss smooth flow of Raw Hides / Skins from all over the City during EID-ul-AZHA.



Meeting was held with Deputy Commissioner Korangi, Madam Qurat-ul-Ain Memon in PTA (S.Z) Office. Chairman Ejaz Ahmed Sheikh, briefed the Deputy Commissioner Korangi about the ongoing projects approved by Honorable Chief Minister Sindh. A presentation was also given to Deputy Commissioner, by Chairman Infrastructure, Mr. Aziz Ahmed, regarding problems been faced by the Tanneries Members.

The Secretariat At PTA.

Before I conclude my report I also appreciate the untiring efforts of the Secretary PTA (S.Z) Mr. Raiyan Muhammad in particular and all the Secretariat Staff who remained committed and dedicated to their work throughout my tenure and I hope that they will keep discharging their duties with more devotion in future as well.

I once again thank the Mr. Muhammad Shafi, Vice Chairman, all the members of my Executive Committee & Sub-Committees for encouraging me and fully supporting me in taking up all challenges and achieving above stated improvements for our leather industry.

I thank you and bid farewell with prayers that may Allah. The all Mighty bless this industry and that it may flourish and progress and progress and people associated with it directly and indirectly, may prosper ever.



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Royal Leather Industries Ltd Decorated With Highly Commended Tannery of Asia for the Year 2013



Royal Leather is comprised of Tannery and Stitching Factory which produce Hi Fashion Leather and Leather Products with the most modern machinery imported from Italy, France, Germany and Finland. It is an established and popular company with an excellent track record for the best customer satisfaction. We have never compromised on the quality so that our highly appreciated outcomes are resulted of our well organized procedures running by excellent working relationship among work force which lead us to enhance our customer trust and quality of product in green environment.



Export Compliance Trophy

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