



Mr. Hamid Arshad Zahur
Sr. Vice Chairman



Mr. Muhammad Musaddiq
Chairman, PTA



Mr. Fazalur Rehman Sheikh
Vice Chairman



**PAKISTAN MEGA LEATHER
SHOW 2015**

LEATHER - FOOTWEAR - GARMENTS - GLOVES - GOODS

Important Events

- Organizing of Pakistan Mega Leather Show from 6-8th March' 2015 at Lahore International
- Joint Meeting of All Leather Sector Associations held with the authorities concerned of Ministry of Commerce.
- PTA demanded to include all items of Leather & Leather Products for allowing zero rated import duty into China or export from Pakistan to China in the 2nd Phase of China-Pak FTA
- Participation of Chairman, PTA in the Sixth World Footwear Development Forum held in Dongguan, China
- PTA demanded to withdraw Customs Public Notice for furnishing Undertaking alongwith DDB Claims by the Leather Exporters
- H.E. Bharat Raj Paudyal, Ambassador of Nepal visited PTA Central Office to meet the members.
- Up-coming Fairs & Exhibitions

Pta Genuine Demand To Withdraw Customs Public Notice # 01/2014-Exp/Hqr Dated 01.10.2014 Regarding Furnishing Of Undertaking Alongwith Duty Drawback Claims By The Leather Exporters

On the approach of PTA (Northern Zone) delegation led by Mr. Fazal-ur-Rehman Shaikh, Vice Chairman, PTA on the above subject issue, the Collector of Customs (Exports), Lahore advised to contact the Collector of Customs (Exports), MCC, Karachi as the Public Notice was issued by them and the Lahore customs was only implementing the same.

As such, under the advice of the Chairman, PTA (Central), Mr. Hamid Arshad Zahur, Sr. Vice Chairman, PTA held meeting with the Collector of Customs (Exports), Custom House, Karachi alongwith Shaikh Saqib Saeed Masood and Mr Ejaz Ahmed Shaikh, Members, PTA on 12th January'2015 to convince him to withdraw the unwarranted condition for furnishing the Undertaking by leather exporters alongwith their Duty Drawback Claims on the basis of the justified grounds contained in PTA's letter already sent in this regard to the Member Customs, FBR with its copy endorsed to all the Collectors of Customs (Exports) etc.

The Collector of Customs was pleased enough to agree to PTA's point of view and exempted leather exporters from signing and furnishing the prescribed Undertaking alongwith their Duty Drawback claims.

The decision of the collector was circulated amongst PTA's member exporters accordingly for information and guidance.

2nd Phase Negotiations of China Pakistan Free Trade Agreement (CPFTA) held in MOC on 8th December'2014

Mr. Fahim Ahmed, Secretary, PTA-Northern Zone, Lahore, as nominated by the Chairman, PTA (Central), attended the China Pakistan Free Trade Agreement (CPFTA), 2nd Phase Negotiations held on 8th December'2014 in the Ministry of Commerce, Islamabad. The meeting was chaired by Mrs. Rubina Athar, Additional Secretary-I, Ministry of Commerce.

The meeting was attended by a number of Private sectors/trade Associations during which PTA representative submitted necessary proposal to include all the items of Leather and Leather Products as contained in the list for allowing zero rated import duty into China or export from Pakistan to China. He also highlighted some salient features of 11 & 12th Indian Leather Development Plans and requested to negotiate tariff-lines for 2nd Phase of China-Pak FTA after studying India-China trade relationship and bilateral trade agreement between China and other countries.

PTA representative also pointed out that China-Pakistan FTA deals with thousand of tariff lines and in the presence of large number of stakeholders in the on-going consultative sessions all proposals could not be taken-up in one session. A such, it was suggested to arrange meetings with the stakeholders and sector Associations particularly in Karachi, Lahore and Sialkot for collective inputs from Pakistan for making smarter negotiation for 2nd phase of Pak-China FTA and to secure maximum benefits for Pakistan. Other participants also presented same opinion and requested the authorities to visit different cities for the purpose.

The Addl. Secretary, MO Commerce assured during the meeting that the Government would continue holding Consultative Sessions with the stakeholders concerned to finalize recommendations for the 2nd Phase of China-Pak FTA in consultation with sector Associations and trade bodies concerned in different cities.

One-Point Agenda Meeting of PTA CEC held on 13-Dec-2014 to discuss holding of Pakistan Mega Leather Show-2015 at Int'l Expo Centre, Lahore

Mr. Muhammad Musaddiq, Chairman, PTA and Convener, Steering Committee of Pakistan Mega Leather Show-2015 (PMLS-2015) apprised the Central Executive Committee of the lackluster response of the TDAP to sponsor the PMLS-2015 because of financial stringency.

As a result of consensus developed amongst CEC members, PMLS Steering Committee and the Chairmen of both the Zones finally decided to hold the Pakistan Mega Leather Show from 6-8th March'2015 at Lahore Int'l Expo Centre jointly by Pakistan Tanners Association and Pakistan Footwear Manufacturers Association (PFMA) at their own also inviting other leather related Associations to join this Exhibition not only to make it a real success but also accentuate the positive image of Pakistan widely to attract foreign buyers and investors who currently hesitate in visiting Pakistan.



Members discussing via Video Conference about Organizing PMLS-2015 at Lahore

Following important decisions were taken by the Central Executive Committee, PTA :

1. To continue approaching the TDAP and Ministry of Commerce for seeking financial assistance as maximum as possible for holding PMLS-2015.
2. To implement decision immediately for organizing PMLS-2015 at our own sources.
3. To book 2-Halls in Lahore Int'l Expo Centre. Hall No.1 for PFMA exhibitors and Hall No.2 for PTA member participants.
4. To request Prime Minister of Pakistan for the Inauguration of PMLS-2015 as Chief Guest.
5. To invite Commerce and Finance Ministers as Guests of Honour.
6. To release PMLS Advertisements in prominent International Leather Magazines for wide publicity.
7. To consider proposed holding of Fashion Show on the occasion of PMLS.
8. To invite PFI, BLC, SATRA etc. to arrange their stands and help desks for leather industry during the show.



Members discussing via Video Conference about Organizing PMLS-2015 at Lahore

9. To allow PITCO for arranging half day workshop for the Commercial Counsellors of all the EU countries.

PTA-SZ delegation held meeting with CE, TDAP, Mr. S.M. Muneer on 7th January'2015

A PTA-SZ delegation led by Mr. Hamid Arshad Zahur, Chairman, PTA-SZ and Sr. Vice Chairman, PTA Central, comprising Mr. Amir Majeed, Vice Chairman, PTA-SZ, Mr. Gulzar Firoz, Senior member, Mr. Danish Khan and Mr. Rehan Hannan held meeting with Mr. S.M. Muneer, Chief Executive, TDAP in his office at Karachi on 7th January'2015 to discuss key issues of Leather Industry as enumerated hereunder :

1. To arrange release of the following huge refunds immediately without further delay :
 - A. Pending Sales tax claims
 - B. Pending Duty Drawback Claims
 - C. Pending Income Tax Refund Claims

Mr. S.M. Muneer, CE, TDAP assured to take-up the matter of pending claims of PTA members concerned regarding Sales Tax, Duty Drawback and Income Tax with the Ministers for Commerce and Finance for expeditious settlement. It was also pointed out that the Finance Minister, Mr. Ishaq Dar already announced for the clearance of all the pending claims by 30.09.2014 but no positive measure has so far been taken in this regard.

2. To release the first tranche of approved fund of Rs.10 Million out of total approved amount of Rs.194 Million by EDF Administration, TDAP/MOC for meeting inevitable operational expenses / upgradation of National Institute of Leather Technology (NILT), Karachi

Mr. Hamid Arshad Zahur, Vice Chairman, PTA made a presentation on NILT containing particularly request to release the first tranche of the approved fund of Rs.10 Million as referred to above. Mr. S.M. Muneer assured that he would persuade the authorities concerned for early release of the approved fund. He also personally suggested that a reminder letter be issued by Chairman EC, NILT and also Chairman BOG/PTA for consideration and approval in the next Meeting of the Board of Directors of TDAP.

3. To remove 5 years participation condition from TDAP's rules & regulations in Int'l Fairs as recently amended and removal of most fatal " clause 3.2 (a) No exporter will be eligible for TDAP's support in excess of 2 fairs in a year" from TDAP's guidelines.

The CE, TDAP advised to write a letter to TDAP, requesting removal of this clause, allowing eligible exporters to exhibit at more than 2 fairs in a year and that the maximum limit be raised from current 2 fairs to atleast 4-6 fairs in a year so that the matter may be taken up in the next TDAP meeting in February'2015 to be headed by the Minister of Commerce.

04. To allocate Rs.50 Million out of EDF for holding/organize Pakistan Mega Leather Show, 6-8th March'2015 at Lahore by all stake holders I.e. PLGMEA, PFMA, PGMEA & PTA jointly for image building of the country.

Presented PTA proposal for granting Rs.50 Million out of EDF for organizing Pakistan Mega Leather Show in Lahore and requested Mr.Muneer for his support. He assured that TDAP will entertain 50% of cost of construction and space rental. He also advised PTA delegation to submit a complete proposal with all cost details for review and approval.

05. To continue to extend facility of Matching Grant for setting-up of Effluent Treatment Plants in Individual Tanneries for PTA's remaining member tanners and also for new established Tanneries.

- o6. To continue to extend incentive for sharing 25% Financial Cost for setting-up of Labs in individual Tanneries for PTA remaining members/tanners and also for Labs of newly established Tanneries.

For points 5 and 6 above, the CE, TDAP advised to send a proposal to TDAP along with the copies of the Public Notice or change of Trade Policy to revive the above facility. He also mentioned that TDAP used to share cost of tests done by exporters abroad which are not available at local testing labs.

Joint Meeting of All Leather Sector Associations with the Ministry of Commerce, Government of Pakistan Held on 8-Jan-2015 at PTA-NZ Office, Lahore



Syed Wajid Ali Bukhari, EDG, MOC addressing PTA Members in PTA-NZ Office, Lahore regarding formulation of LEPC

On the request of PTA, the authorities of Ministry of Commerce held a joint Meeting of all the Leather Sector Associations in PTA-Northern Zone Office, Lahore instead of Islamabad on 8th January 2015 to discuss and consider opinions/suggestions of the Stakeholders concerned for formulation and functions of Leather Export Promotion Council of Pakistan (LEPC), announced under Strategic Trade Policy Framework 2012-15 for which necessary TORs for LEPC composition have already been submitted by PTA and PLGMEA to MO Commerce for consideration / implementation.

The meeting chaired by Syed Wajid Ali Bukhari, Executive Director General (Domestic Commerce), Ministry of Commerce along with Mr. Atiq-ur-Rehman, Director General

(Domestic Commerce), and Mr. Muhammad Ashfaq, Deputy Director, Ministry of Commerce and attended by the representatives of PTA, PLGMEA, PFMA and PGMEA from Lahore and Karachi via Video Link as well as representatives of PLCIP and Project Director of PITCO Mr. Usman H. Malik and Mr. Muhammad Hameed from PITCO also attended the meeting as observers.

Syed Wajid Ali Bukhari, EDG, MOC addressing PTA Members regarding formulation of LEPC in PTA-NZ Office, Lahore Mr. Atiq-ur-Rehman, DG (Domestic Commerce) further explained that Ministry of Commerce has studied different models of the council working in and outside Pakistan, including CLE India. From Ministry of Commerce, he extended following guidelines during the meeting for the formation of proposed LEPC:

- LEPC should have minimum Government intervention;
- LEPC should enjoy full ownership of private sector and be fully empowered to take all sorts of decisions for the betterment of leather sector;
- Chairman of LEPC should be from private sector
- Public-private representation is proposed to be 30%-70% respectively;
- Organization structure of LEPC would be totally private; and
- Government will remain involved for funding and financial supervision only.

Mr. Atiqur Rehman, DG, MO Commerce asked the participating Associations to try their best to resolve on the functions of proposed LEPC. He also proposed a few functions of the proposed LEPC which are given below:

- Promoting, facilitating & attracting foreign direct investments into the Pakistan Leather Industry including joint ventures, technical collaborations & strategic alliances
- Disseminating market information, trends & policy implications and publishing information on commercial, technical and technological developments in the Pakistan leather industry.
- Participating in major International fairs & specialized trade shows across the globe, organizing buyer-seller meets in Pakistan and abroad besides B2B meetings in focus countries
- Offering technical, marketing & design assistance to Pakistan exporters in terms of design inputs, product development, branding and marketing.
- Inviting key resource personnel for fairs, seminars and lectures for exchange of information, knowledge, ideas and strategies.
- Serving as a vital connecting link between the government and the industry members, while focusing on the overall health and growth of the Pakistan leather industry

Mr. Fawwad Ijaz Khan, Ex-Chairman PLGMEA raised a question on the proposed sourcing of funds for LEPC and its operations. He suggested that LEPC should not be financed from the Export Promotion Development Fund as there are many examples in place where EDF funded councils/boards could not perform effectively and became a burden on the funds which is actually exporters' money and should be invested wisely on the promotion and benefit of exporters only.

Mr. Atiq-ur-Rehman DG MOC replied that LEPC will receive its initial 100% financing from Government. Its budget would not be part of EDF funding. Instead, financing of LEPC will find its place in PSDP allocations and remain part of regular annual Federal Budgets.

Mr. Agha Saiddain, Ex-Chairman PTA told that formation of LEPC has been a long standing demand of PTA for which he also strived hard in his tenure as Chairman PTA. He also highlighted his efforts and support thus secured from Dr. Safdar Sohail, the then Director General, PITAD in respect of inclusion of LEPC and its formation in the text of Strategic Trade Policy Framework document prepared in 2012.

He suggested that we should discuss and finalize formation and functions of LEPC immediately leave discussion on the financial aspects of LEPC to some other session.

Mr. Anjum Zafar invited the attention of authorities of Ministry of Commerce to include a proposed function of creating linkages with livestock sector, being the parent sector of leather hides and skins.

Ch. Ahmed Zulfikar Hayat, pointed out LEPC function, inter alia, is to periodically look after the efficient / prompt release of Sales Tax, Income Tax and duty drawback refunds.

Syed Wajid Ali Bukhari concluded the meeting by advising to form a joint committee having participation from each Association. The Joint Committee of all Associations concerned will sit together to arrive at unanimous decision about formation and functions of LEPC. The Joint Committee's recommendations will be submitted to Ministry of Commerce expeditiously.



Representatives of Leather Sector Associations PTA, PLGMEA, PFMA & PGMEA are busy in discussion on LEPC with the Executive Director General, MO Commerce via video link in PTA (CO) Karachi and PTA (NZ) Office, Lahore

Participation Of Pta Chairman To Sixth World Footwear Development Forum In Donguan, China On 20Th Jan 2015

A-Shoes invited Chairman, PTA to participate in the Sixth World Footwear Development Forum in Donguan China. They also asked to participate in group dialogue

Host: Mr.Flavio Kunz, Sales and Marketing Director of Brown shoe company Inc

Mr.Rafeeqe Ahmed, Chairman Council of Leather Exports, India

Mr.Muhammad Musaddiq, Chairman of Pakistan Tanners Association

Mr.Diego Gieco, Asian President of Argentina Hispano Leather Company

Mr.Naseem Manzoor from Apex Bangladesh and Mr.Mauro Wecker director of M.W Leather company Brazil could not attend group dialogue.

Mr.Musaddiq presented the information about Pakistan, the market situation cow, buffalo, sheep, goat & price situation highlighting quality of cow & buffalo is of high standard in



Mr. Muhammad Musaddiq, Chairman, PTA addressing the Conference.

South Asia and the increasing export of meat will help supply of raw material.

Mr.Peter T.Mangione, the former president of NSRA-USA presented on multimedia 98 pages report of world footwear sighting the production of footwear all kind is about 14 Billion pairs in 2014 & 85% exported around the world. Total production of world is 22 Billion while in India is about 2 Billion pairs. Ironically they had no data of footwear production from Pakistan so I requested Pakistan footwear manufactures association to send them data. On this occasion I invited A group one of individual shoe manufacturer in China who have invested heavily in Ethiopia and also invited Mr.Peter T.Mangione former president of footwear manufacturer & retainer association of USA, to visit Pakistan Mega Leather Show 2015.



A view of dialogue of Chairman, PTA (R) and Chairman, CLE (L) during World Footwear Conference in China

I had opportunity to be with Mr. Rafeeqe Ahmed for all day and discussed about the working & structure of CLE India with respect to planned formation of Leather Export Promotion Council in Pakistan, which will help PTA for future deliberation and discussion with Ministry of Commerce Islamabad. Also invited Rafeeqe Saheb now again selected as Chairman of Council of Leather Exports India to visit PMLS 2015 with an Indian delegation. He kindly agreed.



A group photograph of the participants awarding shield during 6th World Footwear Industry Development Forum held in Donguan, China. From 2nd (L) Mr. Muhammad Musaddiq, Chairman, PTA also seen

Meeting Held With H.E. Bharat Raj Paudyal, Ambassador Of Nepal In Pakistan On 23rd January'2015

At the instance of Consulate General of Nepal in Karachi, His Excellency Ambassador of Nepal Mr. Bharat Raj Paudyal accompanied with Mr. Trithi Raj Aryal, Counsellor/Deputy Chief of Commission of Nepal and Mr. Mushtaq Chhapra, Consul General of Nepal visited PTA Central Office on 23rd January'2015 to meet members of the Association and discuss promotion of the bilateral business between both the Countries.

Mr. Muhammad Musaddiq, Chairman, PTA presided over the meeting from PTA-Northern Zone Office, Lahore through video link and Mr. Hamid Arshad Zahur, Sr. Vice Chairman from Karachi and welcomed the Ambassador of Nepal and his team for their interest to boost trade ties.

The Chairman, PTA apprised H.E. Bharat Raj Paudyal about the forthcoming grand event of Pakistan Mega Leather Show'2015 to be held in Lahore from 6-8th March'2015 in Lahore International Expo Centre. He invited His Excellency, Nepalese Tanners, shoe makers, importers, raw and wet blue suppliers etc to visit this grand show to see eye catching Pakistani Leather & Leather Products.

The Chairman, PTA delivered his presentation containing the statistical data of bilateral trade of Raw Hides & Skins, Leather Articles and Leather Footwear. He made his observation about negligible trade of Leather & Leather Products b/w both the countries and specially import of Raw, Wetblue Buffalo/Cow

Hides which was stopped since 2007 till date.

He emphasized the need to maintain and promote technical expertise in the Tanneries of Nepal and need to enhance its export of Raw, Wet Blue and Crust Leather of Buffalo/Cow. For the up-gradation of Nepalese Tanneries and getting technical expertise in the field of Leather, the Chairman, PTA invited him to visit state-of-the-art National Institute of Leather Technology, Karachi and send their Nepalese students for getting training and technical modern methods of processing of finished Leather, manufacturing of Leather Garments, Gloves and Footwear.

He requested the H.E. Ambassador of Nepal to provide duty structure, list of Nepalese Importers/Exporters, contact details of Associations to initiate the process of business link. He also proposed to exchange trade delegation and organizing single country exhibitions.

Sr. Vice Chairman, Mr. Hamid Arshad Zahur requested the H.E. Ambassador to provide the Livestock data and availability of Raw Hides & Skins per annum in Nepal to help further strengthen the bilateral trade.

In response to the above, H.E. Bharat Raj Paudyal expressed his views and offered to the leather exporters for investment in NEPAL and apprised that Nepalese Government has announced 2-tier incentives as under :

1. Duty Free Import of Raw Materials, Tanning Machines etc.
2. To exempt Income Tax from Export earnings.

He also invited Pakistani Leather & Leather Exporters, visitors, observers in 4th Int'l Trade Fair to be held in Kathmandu from 12-16th



Chairman, PTA, Mr. Muhammad Musaddiq (R) presiding the Meeting via Video Link from PTA-NZ Office, Lahore



Mr. Hamid Zahur, Sr. Vice Chairman, PTA presenting PTA's Crest to H.E. Bharat Raj Paudyal, Ambassador of Nepal in Pakistan

March'2013 wherein 17-countries are participating which will be int'l platform to make business ties and B2B meetings.

H.E. Ambassador of Nepal very kindly consented to participants in PMLS-2015 in Lahore and assured to communicate the information by disseminating amongst Nepalese Tanners / buyers for maximum participation in the Leather Show.

NILT OFFERED BENAZIR BHUTTO SHAHEED YOUTH DEVELOPMENT PROGRAM (BBSYDP)

National Institute of Leather Technology (NILT) is undertaking a program called Benazir Bhutto Shaheed Youth Development Program (BBSYDP). 200 talented and well-deserving students from all over Karachi have been selected for this program. All students will get Rs 2500/- per month scholarship from Sindh Government through Bank. The programme for training of 200 students will also help to meet the expenses/cost for NILT.

The duration of the course is 6 months and is customized as per leather industry's requirements. Its syllabus mostly includes practical work so that future industry leaders can be more competent in field of Leather Technology. Extensive practical work included in this program will enable students to become more proficient in leather technology. These skilled students will be a good addition to the industry. The industry owners will feel proud to make them part of their companies. Because of their proficiency and practical knowledge, it is expected that candidates of this program will be immediately employed in the current Leather Industry of Pakistan. All the cost will be paid by the Sindh Government .



**PAKISTAN TANNERS ASSOCIATION
(CENTRAL OFFICE)**

**EXPORT OF LEATHER AND LEATHER PRODUCTS FROM PAKISTAN
DURING JULY-DECEMBER'2013 VIS-À-VIS JULY-DECEMBER'2014**

VALUE = (U.S. Dollars in Thousand)

COMMODITIES	UNIT	JULY-DECEMBER 2013		JULY-DECEMBER 2014		% CHANGE
		QTY	VALUE	QTY	VALUE	
LEATHER	'000' SQM	13,869	251,570	11,848	248,222	-1.33%
	AUP/Sq.M		18.14		20.95	15.50%
LEATHER APPAREL & CLOTHING	'000' DOZ	722	217,548	517	201,964	-7.16%
	AUP/Pcs		25.11		32.55	29.65%
LEATHER GLOVES	'000' DOZ	4,174	104,538	3,246	106,099	1.49%
	AUP/Pair		4.17		5.45	30.51%
LEATHER FOOTWEAR	'000' Pairs	3,142	44,815	3,778	56,044	25.06%
	AUP/Pair		14.26		14.83	4.00%
OTHER LEATHER MANUFACTURES	'000' KGS	624	7,483		7,816	4.45%
	AUP/Kg		11.99			
TOTAL :			625,954		620,145	-0.93%

Source: Pakistan Bureau of Statistics.

NOTE : Export figures for the months of November & December 2014 are Provisional.

UPCOMING EVENTS

Following International Fairs will be organized by PTA with the approval of TDAP:

- Pakistan Mega Leather Show, 6-8th March'2015, Lahore, Pakistan.
- MM&T Section of APLF, 30th March to 1st April'2015 at Hong Kong.
- Shoes & Leather, 1-3rd June'2015. Guangzhou, China.

**Mailing Address:
Pakistan Tanners Association
(Central Office)**

46-C, 21st Commercial Street, Phase II Extn., Defence Housing Authority, Karachi-75300.
Tele # 92-21-35880180, 35880184 Fax # 92-21-35880093
Email: info@pakistantanners.org / ptacentral@pakistantanners.org
For Booking of Advertisement please contact at Tele # 21-35899819