

### **PTA rejects proposed hike in electricity tariff**

KARACHI: Chairman Pakistan Tanners Association (PTA), Sheikh Afzal Hussain has condemned the proposed 38 percent increase in tariff of electricity by under quarterly adjustment formula framed by NEPRA & further increased fuel in Pakistan, terming it as last hammer on export of leather sector of Pakistan, which is already in declining trend and facing numerous issues regarding the promotion of exports of leather sector.

Whereas, general services tariff category has been introduced and criteria for lifeline consumers and industrial consumers having tariff category B1 & B2 has also been revised to the exorbitant extent. In addition, Rs3 per unit relief provided to industries under industrial support package has now been merged into consumer-end tariff and this adjustment will be shown separately in electricity bills. He said that the government of Pakistan had earlier given an incentive to export oriented industries in January 2019 by giving a discount rate of US cents 7.5 per KWH to boost the exports from the country and all other surcharges like fixed charges NJS, FPA, FC, QTA and ADMC were withdrawn to reduce the energy cost burden on zero rated industries. But unfortunately the government of Pakistan has withdrawn this subsidy from January 2020 on electricity bills and has made the electricity cost per KWH almost double, beside that the government has hit the nail in our heads to deposit the already given subsidy in year 2019 on electricity as 1st instalment of arrears in January 2020 electricity bills.

With keeping these hard facts in mind our member exporters are perturbed to cope with the hike in prices of electricity, as now introduced by the government, whereas the export orders were already booked by them with the foreign buyers/customers at the concessional tariff offered in 2019, resultantly they are losing the precious export orders causing severe loss of foreign exchange which the country desperately needs.

He also shared the industry statistics of the period of July-June (2018-19) for leather sector exports as compared to the corresponding period, which revealed sharp decline in the export of leather sector. Sheikh Afzal Hussain also articulated very strongly that such irrational decisions taken by the government of Pakistan would ultimately be a last nail in coffin of leather sector of Pakistan and rest of core export commodities of the country and it would become completely impossible for the leather industry to survive in the present business environment prevailing within the country.

The chairman urged the Prime Minister of Pakistan Imran Khan and advisor to PM on commerce and textile Abdul Razak Dawood to look into the matter and withdraw such irrational/ unjustified tariffs to provide level playing field to the leather sector of Pakistan and rest of the export oriented industries, otherwise, the export of leather sector would decrease drastically, which is already at bottom of line comparatively to previous years. Sheikh Afzal Hussain informed that in view of above peculiar nature of circumstances created within the country with the hike in prices of utilities bills, the cost of production has been increased and our member exporters are unable to compete in international market in comparison with neighbour competitors specially Bangladesh, India and China, resultantly there is no option left with this significant industry to close their export business/export activities in Pakistan in compulsion to make consider final resort to hand over the keys of their factories to the government in protest.