

THE PAKISTAN STEEL RE-ROLLING MILLS ASSOCIATION

(Recognised By The Government Of Pakistan)

(MEMBER BODY OF THE FEDERATION OF PAKISTAN CHAMBERS OF COMMERCE & INDUSTRY)

HEAD OFFICE

No. PSRMA/3/5220

June 19, 2025

ALL MEMBERS LAHORE CIRCLE

MINUTES

OF

MEETING

DATED:- 22-05-2025

The following members were present

1. Mian Manzoor Ahmad
2. Mr. Shoaib Javaid
3. Mian Abdul Rahman Ejaz
4. Mr. Sufi Imran
5. Mr. Usman Khalid (Online)
6. Mian Tariq Waheed
7. Main Muhammad Saeed
8. Sh. Muhammad Hanif
9. Mian M. Sethi
10. Mr. Awan

The Following business was transacted.

1. Confirmation of Minutes of Meeting Dated February 15, 2025.
2. To Discuss Tariff Rationalization Under the National Tariff Policy 2025-30.
3. To discuss Competition Commission Assessment Study on the Steel Industry in Pakistan
4. To increase in Office Rent.
5. Any other point with the permission of chair.

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Mian Manzoor Ahmad

Chairman PSRMA

Presided

- RECITATION:** The proceedings commenced with recitation from the Holy Quran by Hafiz Abdul Wahid Asst. Secretary PSRMA.
- Confirmation of Minutes:** Proposed by Mian Manzoor Ahmad Chairman PSRMA seconded by Mr. M. Imran Executive Committee Member the minutes of the last meetings held on 15-02-2025 were confirmed unanimously.
- To Discuss Tariff Rationalization Under The National Tariff Policy 2025-30:** The following points were discussed and decided to convey the view point of PSRMA to the Ministry of Industries & Production. Following tariff reforms shall be made integral part of draft National Tariff Policy 2025-30.
 - i. Elimination of ACD in 04 years, starting from this budget.
 - ii. Elimination of RD in 05 years.
 - iii. Phasing out 5th schedule in 5 years.
 - iv. Four Custom Duty Slabs (0%, 5%, 10%) and
 - v. Maximum Custom Duty at 15%

It is submitted that the above said proposals do not match with the ground realities prevailing since long in the Pakistan. Custom Duty, Additional Custom Duty, Regulatory Duty are being imposed to protect the domestic Industry of a country. Have these been relaxed without considering the challenges being faced by the local industry which is already at the brink of closure then where the industry would stand. The 50% industry is shut down and remaining is

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either operating at 50% capacity or at even break-even point. It rather moves now towards its closure and instead of manufacturing the country would be a trading hub having totally reliance on imports. It is also necessary to mention that FBR instead of registering the Un-Registered Units and taking them into Tax net has the trend of harassing the existing Tax Payers.

PSRMA consider this action of Govt. as anti-industry having threat to the foundation of industry. The reduced Tariff would result in an increase in imports exerting significant pressure on the foreign reserves, which are already under stress.

PSRMA urged the Govt. to re-think this hasty rationalization just before the budget which is to announced in first week of Next Month and to link the proposals with ground realities like cost of doing business and others. The Govt. must involve industry stake holders in constructive consultation to create a Tariff system that fosters both industrial growth and exports.

4. **To Discuss Competition Commission Assessment Study on the Steel Industry in Pakistan:** The following points were discussed and decided to convey the view point of PSRMA to the Competition Commission of Pakistan.

Chapter 1 of the Report deals with Introduction and Background of the Steel Industry.

Chapter 2 deals with The Market Structure of Steel Industry.

Chapter 3 provides Global Overview and Enforcement Action in the Steel Industry.

Chapter 4 contains Regulatory framework of the Steel Industry.

Chapter 5 states the Character / Role of Pakistan Steel Mill Karachi.

Chapter 6 is of Market Contest ability in Steel Industry.

Chapter 7 which is the last one relates to Conclusions and Recommendations.

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This Chapter highlights the challenges being faced by the Steel Industry like high energy cost, dependence on Imported Raw Material for High-Quality Products, Energy Constraints, limited local Raw Material availability effecting both Cost Structure and Production Capacity.

The Report recommend a **Stable and supportive Policy Environment** to utilize the natural resources of coal deposits and iron ore. Policies should focus on encouraging investment, reducing regulatory burden and ensuring level playing field for all Industry Players.

The Report says that **Several SROs** have been issued which are **adversely effecting the local Steel Industry**. Among these SROs, the most significant is SROs 501(1)/2023 which re-evaluated the minimum price for various Steel Products for charging Sales Tax, affecting both the Industry and the General Public. It is essential to maintain a balance between economic activity and tax rates. The report says that such policies not only create an uneven playing field but also discourage investment, limit industrial growth and unlimitedly obstruct the overall economic development.

The Report recommends **Formulation of a Comprehensive Steel Policy** for the sustainability of the Steel Industry as there is no formal policy framework to enhance the local production capacity and productivity which is currently operating on 35-40 percent capacity. It is recommended to formulate a robust Steel Policy with the goals to reduce Production Cost, improve Competitiveness, protect local producers to curb dumping, improve efficiency, rationalize taxes & duties and to promote energy efficiency and cleaner production technologies.

The Report recommends **Reviewing the Misuse of Exemptions Granted to Erstwhile FATA / PATA**.

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The Report throw light on Non-Documented Steel Units which are distorting the formal Market Competitiveness and recommends that relevant authorities should take notice of the situation ensuring that these units comply with Tax regulations and quality standards.

Preventing Smuggling and Mis-Declaration Challenges.

Addressing Challenges in the Minning of Iron Ore.

The report has been examined by our Central Executive Committee and found in line with the concerns / threats being faced by the Pakistan Steel Re-Rolling Units.

5. **To Increase in Office Rent:** It is submitted that as per rule 10% increase is given annually in the rent of PSRMA Office which became due on every 1st of June each year. This year the increase @ 10% comes out to Rs. 50580/- w.e.f. 01-06-2025 for which formal approval of the Executive Committee was accorded.
6. **Closure:** There being no other point to be discussed the meeting ended with a vote of thanks to the Chair.

Thanks& Regards

FOR THE PAKISTAN STEEL RE-ROLLING MILLS

ASSOCIATION

S.MAZHAR HUSSAIN NAQVI

SECRETARY GENERAL

