

Textile Briefs

National

- ❖ The country's cotton consumption stood at 16.5 million bales is higher than the expected cotton production of 12.8 million bales, depicting a shortfall of some 3.7 million bales. The present scenario also reflects that cotton imports would further increase in the near future, according to leading importers.
- ❖ Pakistan Hosiery Manufacturers' Association (PHMA) has demanded of the Government to provide subsidy on the local sales of yarn, instead of its export to overcome the shortage in the local market. The Association maintained that increasing price of cotton yarn was resulting in the decline of production of value-added apparel products and making it uncompetitive in the world markets.
- ❖ The export of textiles stood at \$4.487 billion in July-November 2007-08 over \$4.510 billion in the corresponding months of previous year. During these five months, the export of almost all textile categories fell, particularly value added textile sector, which has been on the downward path since the beginning of this fiscal year.
- ❖ At least four textile mills and more than 2,500 bales of cotton were set ablaze in Sindh during the violence after assassination of former Prime Minister Benazir Bhutto, inflicting losses of millions of rupees to the country, said the spinners.
- ❖ Seven new cotton varieties (including two hybrid varieties) will shortly be placed for approval for cultivation, the varieties have quality traits and effective tolerance against cotton leaf curl virus, said Punjab Minister for Agriculture Khurshid Zaman Qureshi.
- ❖ Pakistan's \$43 million export orders for towel products have been diverted to India and Bangladesh during the first quarter of the current fiscal year due to high cost of production in the wake of soaring prices of cotton and cotton yarn, said Chairman of Towel Manufacturers Association (TMA) Muhammad Muzzammil Hussain
- ❖ Textile export target of \$ 19.20 billion would not be achievable in the face of shortage of raw material, the apathetical approach and numerous procedural irritants, said Mian Zahid Aslam Chairman Pakistan Textile Exporters Association (PTEA).
- ❖ Textile sector owes Rs 450 billion in loans to banks, of which it has defaulted on Rs 50 billion and another Rs 100 billion is on the verge of default by the textile units, said Chairman APTA, Adil Mahmood.
- ❖ The textile apparel industry has asked the Government to freeze utilities' rates for a period of 10 years and also enhance research and development support from 6% to 12% to make the industry competitive in the world market where tough competition from other nations have reduced their market share.
- ❖ Millions of dollars worth export consignments of textiles face disaster and default due to unscheduled irregular breakdowns and heavy load shedding of electricity and gas supply disruption, said Chairman, Pakistan Textile Exporters Association (PTEA) Mian Zahid Aslam.
- ❖ The All Pakistan Textile Mills Association (APTMA) is demanding of the Government to open all land routes between Pakistan and India specially Attari-Wagah route for importing medium staple cotton from India which has some more than 7 million bales surplus for export in 2007-08 season.
- ❖ The Pakistan Government has reportedly paid some Rs 23.5 billion to the textile sector as subsidies to make this sector competitive against China, India, and Bangladesh. Pakistan's total exports of textile goods in 2007-08 may be around \$13 billion, while that of Vietnam around \$48.5 billion, said an official of the Ministry of Textiles.
- ❖ Garments and knitwear on average account for 35% of total textile exports of \$10 to \$10.5 billion from Pakistan. Separately, knitwear exports are in the vicinity of \$2 billion while readymade garment exports range from \$1.3 to \$1.7 billion, said Pakistan Hosiery Manufacturers Association (Punjab) Chairman Adil Butt.
- ❖ The Ministry of Commerce has proposed the lowering of tax rates with a view to broadening the existing narrow tax base as well as reducing incentives for corruption. The Ministry is of the view that sales tax chain needs full documentation and that the compliance procedures need to be streamlined. The zero rating of textile sector to get rid of a major portion of the refund game was a big positive step.
- ❖ Russian Federation Ambassador Sergey N. Peskov said that Russia was a huge market, while Pakistan market too had much potential for Russian products. The trade volume, which was registered at US \$67 million in 1998-99, had now reached more than US \$500 million in 2006-07 and a similar trend was also being witnessed in the current fiscal year.
- ❖ In Pakistan, some 2.5 million bales to 3.0 million bales of Bt cotton are estimated to be produced in 2007-08 season, but indigenous cotton-seed has not been developed on commercial scale and smuggled seed from India is being sown.
- ❖ Caretaker Commerce and Textile Minister Shahzada Alam Mannoo has called for increasing R&D support for boosting textile exports and is considering presenting a new case for providing more subsidies for the textile sector. ◆