

Textile Briefs

National

- ❖ The All Pakistan Textile Mills Association (APTMA) and the World Wide Fund (WWF), Pakistan, have signed a memorandum of understanding (MoU) to better the management practices in cotton crop growing. The agreement, signed by Punjab Zone APTMA Chairman Akber Sheikh and (WWF-Pakistan) Director General Ali Habib, aims at preparing plan for sustainable cotton production and to meet growing demand of leading textile through better cotton initiative (BCI).
- ❖ The State Bank of Pakistan (SBP) said that poor performance of the textile sector was mainly a reflection of sharp slowdown in its exports. In its second quarterly report, the SBP said that the country's overall exports went up by 7.9% to \$11.7 billion, while imports grew by 22% during July-February FY08.
- ❖ The increase in the prices of petroleum products has escalated cost of textile exports, making Pakistan's textiles less competitive in the world market. This was stated by Pakistan Textile Exporters Association (PTEA) Chairman Tahir Ishaque Bharara during his meeting with a delegation of the All-Pakistan Textile Mills Association (APTMA).
- ❖ Textile machinery imports declined by 22% in eight months of the current financial year as industrialists did not find textile sector attractive for further investment. They said that investment on balancing, modernisation and renovation (BMR) of textile has been continuously declining since 2004-05 after a record of \$928.6 million investment in a year. According to Economic Survey, textile machinery imports declined to \$817.24 million in 2005-06, to \$502.97 million in 2006-07, and to \$281.725 million in July-February of 2007-08.
- ❖ Former Chairman Pakistan Readymade Garments and Exporters Association and Chief Executive Ashraf Industries Ijaz A Khokhar said there is a great need for setting up garment training institute, textile laboratory and development centre in this export-oriented city to help the garment sector and this sector would become a major player of foreign exchange earner and exports of this value-added sector would increase manifold in stipulated period of two years.
- ❖ Dr Shamshad Akhtar, State Bank Governor, while addressing the All Pakistan Textile Mills Association, has advised its members to seriously look into the consolidation of the sector as international and regional competitive pressures are going to further build up and it would be larger companies that are more likely to survive.
- ❖ Pakistan welcomed the United States' move of introducing special legislation for helping to set up the Reconstruction Opportunities Zones (ROZs) to increase exports to US. The ROZs will be located in the existing and new industrial zones in the Frontier Province, the earthquake affected areas of AJK.
- ❖ The long looming energy crisis in the country has forced most of the textile industrialists to shift their business to Bangladesh. The high cost of production due to power interruption that includes shortage of electricity and high gas tariff has forced industrialist to entertain less foreign orders than ever before. According to a rough estimate, the cost of production is 12% more than the regional competitors.
- ❖ Iqbal Ebrahim, Chairman, All Pakistan Textile Mills Association (APTMA) strongly criticizes announcement of increase in prices of petroleum products and electricity tariff. He said that this hike in prices of petroleum products and electricity would make textile export costlier and would render Pakistani textile exports non-competitive in the international market. Subsequently, India, China and Bangladesh would capture markets presently dominated by Pakistani exporters.
- ❖ Pakistan Cotton Ginners Association Chairman Sohail Mehmood has said that the Government research departments have done nothing to control mealy bug. They remained totally ignorant to the virus. He said that in the cotton season 2007-08, about 3 million bales of cotton were destroyed due to mealy bug in the season 2007-08 and expected that in the season 2008-09.
- ❖ After energy crisis, the skyrocketing prices and shortage of cotton have endangered the dollar one billion export orders of apparel products scheduled for June this year, said Ijaz Khokhar, former Chairman of Pakistan Readymade Garment Manufacturers and Exporters Association (PRGMEA).
- ❖ Punjab Zone APTMA Chairman Akber Sheikh said 20% electricity rate increase for the industry from March 1 without consultation with the industry, and a further 30% gas rate increase will effect the profitability of the textile industry.
- ❖ Pakistan will not be able to achieve next cotton crop target in 2008-09 unless production of quality seeds, supply of quality inputs and adequate water availability is assured, said growers and traders.
- ❖ Deputy High Commissioner of Bangladesh, Saquib Ali has offered tax concession to the foreign investors for five years on investment in his country. Addressing the hosiery manufacturers and exporters at Pakistan Hosiery Manufacturers Association (PHMA), he extended the support of Bangladesh Government to Pakistani apparel sector on establishment of units there.
- ❖ Iftikhar Ali Malik, country's leading businessman, and Former President of Federation of Pakistan Chamber of Commerce and Industry (FPCCI) said that country is facing an acute shortage of energy this time. Load Shedding adversely affects the production activity. Unless energy sources are developed, manufacturing cannot work to its capacity.
- ❖ All Pakistan Textile Mills Association (APTMA) will supply electricity to Karachi Electric Supply Corporation (KESC) on very cheap rate and for this purpose a 3-year agreement will be signed. This was unanimously decided in a meeting held between KESC and APTMA with Chief Secretary Fazlur Rehman in the Chair to determine power tariff. ♦