

Textile Briefs

National

- ❖ The State Bank of Pakistan has announced to extend the 3% mark-up subsidy for the spinning sector by one year to facilitate the textile sector. The textile sector is facing worst financial crisis due to the high mark-up on the back of tight monetary policy and was demanding cut in the interest rate. The period of mark up rate subsidy has been enhanced from one year to two years from 1st July 2007 to 30th June 2009.
- ❖ All Pakistan Textile Mills Association (APTMA) has accused the National Tariff Commission (NTC) of shutting down all avenues for competitive import of Polyester Staple Fibre (PSF) from Southeast Asia, through imposition of anti-dumping duty.
- ❖ Pakistan may scrap the deal with Monsanto on Bt cottonseed after signing the agreement with China. Recently, Pakistan has signed an agreement with China on Bt cotton. China itself introduced Bt cotton seed in its country after signing a Letter of Intent (LoI) with Monsanto in 1996 but developed its own Bt cottonseed after re-inventing it in Chinese laboratories.
- ❖ Pakistan and China signed two MoUs one on drip irrigation and the other on co-operation in Bt coloured cotton. The MoUs were signed by Dr Zafar Altaf from Pakistan side while Board Chairman Guo Qingren and Director General of Xinjiang Tianye Water Saving Irrigation System, Zhang Qi Quang represented the Chinese side.
- ❖ The Ministry of Textile is working on a new incentive package for the apparel sector with the continuation of sales tax zero-rating facility for the entire textile industry in 2009-10. The issue came to light during a meeting of the Steering Committee on Perspective Plan for Textile and Clothing Industry.
- ❖ Kissan Board Pakistan has demanded of the government to ban import of cotton from India forthwith to save 1,200 ginning factories from financial crunch. Secretary General KBP Malik Mohammad Ramzan said the Indian government has announced 5% subsidy for the importers of cotton from India.
- ❖ Advisor to Prime Minister on Textile Dr Mirza Ikhtiar Baig has said that leaders of the European Union (EU) have agreed to assist Pakistan in its quest for duty free market access and will get \$1.5 billion from duty free market access.
- ❖ The State Bank announced an Rs12 billion plan to help borrowers of the export financing scheme, deferring payment of their loans for one year. However, the borrowers having non-performing loans would not be able to avail the facility. Exporters have been demanding extension of payment, citing a slowdown in business activities and a liquidity crunch had put them in a difficult situation.
- ❖ Textile exports during the first half of the current financial year also declined by 1.74% when compared to the corresponding period of the last year, according Federal Bureau of Statistics. Textile exports during July-December (2008-09) were recorded at \$ 5.13 billion as against exports of \$5.22 billion registered during July-December (2007-08).
- ❖ Former Chairman, Pakistan Readymade Garment Manufacturer and Exporters Association (PRGMEA), Ijaz Khokhar has said that the Chairman, National Assembly Standing Committee on Textile, Akram Ansari and Textile Ministry in principally have agreed to set up 'Garment City' along with the technical training institute and textile development centre in Sialkot.
- ❖ With one voice, over 10 different textile bodies reiterated the call for resolving the longstanding issues of non-payment of R&D support fund and sales tax, soaring cost of production, rising energy tariffs and load shedding, high export refinance, different government levies on import and absence of long-term policies.
- ❖ The knitwear industry is in dire trouble as the number of knitwear exporting units has declined from 1183 in 2005 to only 840 in 2009. This was revealed in the presentation on the state of knitwear industry in Pakistan given by Pakistan Hosiery Manufacturers Association. Closure of over 30% of the industry should be an eye opener for the economic planners.
- ❖ Advisor to Prime Minister on Finance Shaukat Tarin has urged the businessmen to look at the next year while consolidating them during the current year. He flatly said that government has nothing in its kitty for continuity of Research & Development (R&D) fund in current fiscal, however, he promised to extend export refinance to the spinning sector.
- ❖ A new textile policy for a five-year period is being framed incorporating the measures for resolving the prevailing textile crisis but also comprehensive and advanced schemes for all textile sectors from cotton growing to value-added exports. This was disclosed by the Federal Minister for Textile Industry Rana Farooq Saeed Khan while addressing a seminar on "National Strategy for Textile Industry: issues and recommendations" at Pakistan Textile Exporters Association (PTEA) Auditorium.
- ❖ Pakistan has imposed provisional anti-dumping duty on imports of Chinese polyester staple fibre (PSF) ranging from 0% to 10.44% of the CIF value in a bid to provide protection to domestic manufacturers. The duty would be applicable on PSF into Pakistan originating in and exported from China for a period of six months before coming up with final dumping duties for five years.
- ❖ The spinning industry has strongly objected to the imposition of provisional anti-dumping duty on imports of Chinese polyester staple fibre (PSF) to provide protection to domestic manufacturers and lamented the hostile attitude of the government towards the spinners.
- ❖ Pakistan's share in world cotton production has dropped by 10% since 2004, making it an importer while India has boosted its cotton output by 25% to become a leading exporter of the commodity. ♦