

# Textile Briefs

## National

- ❖ Cotton ginneries have cancelled some 0.4 million-bale contracts with Trading Corporation of Pakistan (TCP) due to rising prices of the commodity in the domestic market. They said that the Ministry of Commerce in November last year instructed the country's grain traders to procure cotton on high priority basis from ginneries at a support price of Rs 3,202 per maund aimed at stabilising price, which was depleting in the local market due to slow demand.
- ❖ Pakistan private sector urged US President Barack Hussein Obama to announce direct market access to Pak products on zero rate duty while meeting with President Asif Ali Zardari to help stabilize its bleak economy as Pakistan has suffered a colossal loss of \$68 billion since turmoil in Afghanistan and war against terror.
- ❖ US program of Reconstruction Opportunity Zones (ROZ) must be implemented instantly and make sure cent percent buy back as 550 textile weaving, spinning, textile make-up and garments units with full infrastructure needs immediately rehabilitation and direct US market for stabilizing the national economy on war footings, said President Federation of Pakistan Chamber of Commerce and Industry (FPCCI) Sultan Ahmad Chawala.
- ❖ Federal Minister for Textile Industry, Rana Mohammad Farooq Saeed Khan has said that land will be provided for the new campus of National Textile University (NTU) while two new textile colleges would also be constructed at Chunian and Karachi. He said that Ministry of Textile industry and HEC will provide Rs 450 million while government of Pakistan will allocate Rs 1350 million to improve the infrastructure facilities in this university.
- ❖ Textile policy will help Pakistan to bag US \$25 billion during first five years through cultivation of Bt cotton and optimum values addition in cotton chain, said Rana Mohammad Farooq Saeed Khan Federal Minister for Textile Industry. He said Pakistan has huge potential to develop its cotton chain, but we failed to exploit it because of inconsistent policies.
- ❖ The hosiery and knitwear sub-sector comprises 3,500 large, medium and small units, 85% of which are small enterprises, 10% medium ventures and only 5% large integrated factories. The knitwear exports consists of knitted garments; knitted bed sheets, socks etc. and has the largest share of the nation's textile exports. Export of these products is 35% of the nation's exports, said Javed Bilwani Central Chairman of Pakistan Hosiery Manufacturers Association (PHMA).
- ❖ New cotton crop (2009-10 season) sowing process is gaining momentum day by day while in early sown areas, cotton plants are developing well indicating its maturity by the end of June month. Hundreds of companies have started to sell Bt cotton seed in the markets of southern Punjab without passing through any research processes. More than 400 companies have spread their low standard Bt cotton seed in the market and its production capacity is reported to be less than 60%.
- ❖ According to latest IMF report of the first quarter of 2009, Pakistan will see hard days in 2009 when exports would further decrease, unemployment rate would increase making living of people more difficult. Like other countries, Pakistan has to face the affects of global recession but its domestic factors pose more dangerous threat to its economy.
- ❖ Total exports of the country are projected to be \$19.9 billion in next fiscal year 2009-10 as against the latest estimates of \$19.5 billion in ongoing fiscal year 2008-09, projecting an increase of just \$400 million.
- ❖ The Chairman, Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA), Jamshaid Hanif has demanded of the government to dispose of pending 60% R&D support claims for shipments up to June 30, 2008 ahead of Federal budget 2009-2010.
- ❖ The government has decided to provide ten-year tax holidays for Gwadar Export Processing Zone, said Federal Minister for Industries and Production. The cabinet has approved awarding tax holidays for industrial units to be set up in Gwadar. The zone would be established over 46,000 acres areas where industrial units, warehouses and others would be established.
- ❖ European Commission Ambassador Jan De KOK has said that the European Union was seriously considering broadening and deepening its trade relations with Pakistan. Speaking at the Lahore Chamber of Commerce and Industry, the envoy said that EU was among the largest trading partners of Pakistan and presently its 20% of exports were going to Europe and of that about 65% were textile and foot wear.
- ❖ The Finance Ministry, Planning Commission and the Textile Ministry are slipping over the brewing economic storm that will certainly hit the masses while the government will have no money to help out the different sectors of economy like the governments did in United States and European countries,' said Abid Saleem, a Researcher and Analyst. He said that waiting for foreign help would sink the economy so deep that it might take years to recover while the political consequences could be more severe.
- ❖ Pakistan lacks proper standardisation system for raw cotton and on this account loss is reportedly estimated around US \$2.0 billions. Pakistan on the basis of its operational capacity has great potential of increasing its textile exports to the level of US \$25.0 billions annually.
- ❖ Exports of textile products declined by 7.58% during July-March 2008-09: from \$7.7883 billion of the same period last year to \$7.193 billion. As a result, total exports declined to \$723 million in March 2009 as compared to \$930 million in March 2008.
- ❖ According to the Pakistan Cotton Ginneries' Association (PCGA) report, Pakistan produced a total cotton crop of 11.349 million bales (around average weight of 163 Kg a bale) bales ex-gin in 2008-09 season while last season it was 11.35 million bales. ♦