

Textile Briefs

National

- ❖ Chairman APTMA Tariq Mahmood said the announcement of Federal Budget-2009-10 is a good omen, but textile industry demands on reduction in cost of doing business and market access have not been addressed in accordance with the industry aspirations. He said the announcement of Rs 40 billion as industrial support fund does not clarify that what amount is being earmarked for each sector.
- ❖ The Economic Co-ordination Committee (ECC) of the Cabinet is likely to approve Rs 1500 per 40-kg intervention price of cottonseed aimed at stabilising price. During 2008-09, the government had approved intervention price of Rs 1,550 per 40-kg in Punjab and Rs 1,465 per 40-kg in Sindh to stabilise the price of cottonseed so that growers could get it at reasonable rates.
- ❖ The Pakistan Cotton Ginners Association (PCGA) has rejected the summary to fix the support price of seed-cotton (phutti) at Rs 1500 per 40 kg for the cotton season 2009-10. It has demanded of the government to review the summary sent by Ministry of Food & Agriculture and to fix the support price of seed-cotton at Rs 1800 per 40 kg.
- ❖ Federal Advisor on Textiles Dr Mirza Ikhtiar Baig has requested the FBR chairman to withdraw income tax notices on R&D subsidy issued to the value added textile sector. He said the move would further deteriorate declining textile exports.
- ❖ The exports of textile products have declined by 9.55% during the first eleven months (July-May) of the current financial year 2008-09, apparently due to acute energy outages, weak security environment and tight monetary policy. The exports of textiles group declined to \$8.724 billion in July-May period against \$9.645 billion of the same period of the last fiscal year.
- ❖ The cotton shortage has reached over 3 million bales, as there is demand of more than 14 million bales against total production of 11.3 million bales in 2008-09. This year again, cotton crop is well short of the local demand, which has necessitated expensive imports of cotton said APTMA Chairman.
- ❖ The government has decided to allocate Rs 70 billion package for the revival of five export sectors in the Federal Budget 2009-10 in the shape of reduced gas prices and incentives for value addition, said Dr Asim Hussain, Adviser to the Prime Minister.
- ❖ The Council of All Pakistan Textile Association (CAPTA) urged the government to revisit tax anomalies in the proposed budget 2009-10, saying that stiff taxation will altogether collapse the already dwindling textile industry.
- ❖ The bedwear exporters have rejected the Federal Budget-2009-010 announced by the State Minister for Finance, saying there is nothing positive to generate employment, increase exports and earn more foreign exchange. Shabbir Ahmed, Chairman Bedware Exporters Association (BEA) said that the budget speech by State Minister on Finance disappointed the exporters as there was no positive indicator to increase country's exports.
- ❖ The value-added sector has urged the government to plead forcefully the case of Pakistan for duty free entry of Pakistani textile in the US market. Both the Chairmen of Pakistan Hosiery Manufacturers Association (PHMA) and Pakistan Sweater Exporters Association (PAKSEA) said in a press statement that Pakistan should seek a preferential treatment from the US due to its proactive role in war against terrorism.
- ❖ The Chairman, Pakistan Apparel Forum (PAF), Javed Bilwani criticised the US for not including Pakistan in the list of textile exporting countries, to which its legislator has recently proposed a duty free access to the US markets. He said that Pakistan being the South Asian strategic partner in pre and post cold war and also the US non-Nato ally has been overlooked for a duty free access despite combating the global terror from the frontline.
- ❖ The US Ambassador to Pakistan ruled out the possibility of giving Pakistani exporters duty-free access to the American market. Speaking at the inauguration ceremony of new secretariat of American Business Council in Karachi, Anne W Patterson said it was not possible under the current economic conditions.
- ❖ Cotton brokers have urged the government for resumption of 'Hedge Trading' with immediate effect to safeguard the interests of all segments of cotton economy. Muhammad Naseem Usman, Chairman of Karachi Cotton Brokers Forum, said that if the government would not resume the hedge trading this year, brokers would start it themselves from next cotton season.
- ❖ The Punjab agriculture department has asked all the District Officers (DO) to devise a cotton crop management plan in line with the prevalent situation to save the crop, which at present is at different growth stages and confronting problems of sucking pests and armyworm.
- ❖ The government has allocated an amount of Rs.509.746 million for various ongoing schemes of Textile Industry Division, under the Public Sector Development Programme (PSDP) 2009 10. According to budgetary allocations, Rs.246 million have been earmarked for providing and laying dedicated 48 inch diameter mild steel water pipeline for Textile City Karachi whereas Rs. 207 million have been allocated for Faisalabad Garment City Project. The government under PSDP allocated Rs.25 million for Lahore Garment City Project and Rs 17.33 for up gradation of EDF Funded Textile Institutes.◆