

Textile Briefs

National

- ❖ The Federal Board of Revenue (FBR) has granted exemption of customs duty on import of a wide range of textile machinery and equipment including machines for extruding, drawing, texturing or cutting manmade textile materials and textile winding (including weft-winding) or reeling machines.
- ❖ The government has for the first time made the Employees Old age Benefits Institution (EOBI) part of the textile policy and allowed its reimbursement to encourage women employment in textile industry and support the handicapped employees in textile units registered with the Ministry of Textile.
- ❖ Pakistan Cotton Ginners Association (PCGA) Vice Chairman, Aman-ullah Qureshi, has approved the State Bank of Pakistan's (SBP) decision regarding issuance of loans to cotton ginning factories to replace their old plant and machinery. He said this scheme would help in the replacement of outdated machinery and installation of modern plants to prepare cotton of international standard.
- ❖ Ministry of Textile Industry issued a notification regarding drawback of local taxes and Levies Order 2009 to provide for drawback of local taxes and levies collected from garments, home textiles and processed fabric manufacturing units. It extends to whole of Pakistan and it shall come into force at once and drawbacks under this order shall be allowed for the shipments made from the September 1, 2009.
- ❖ Federal Minister for Textile Industry Rana Farooq Saeed said that the export target of \$25 billion would be achieved in next five years as announced in the textile policy. He said that the textile industry was an important sector of economy and if the sector is properly developed it could create sufficient jobs for the people.
- ❖ The International Monetary Fund (IMF) has expressed concerns over incentives announced by the government under the first ever five-year Textile Policy, to achieve \$25 billion export target by 2015. According to the sources in the federal government, the IMF has conveyed its concerns to the Federal government, asking for an increase in mark up rate under the Export Refinance Scheme (ERS).
- ❖ The leather garments industry should be given equivalent status as the textile garments industry. This was urged by Fawad Ijaz Khan, Chairman of the Pakistan Leather Garments Manufacturers and Exporters Association (PLGMEA). Fawad was of the view that the main production operations, problems and constraints of both the textile garments and the leather garments are same and that in most cases the buyers of both types of garments are also same and these are sold in same department stores.
- ❖ Cotton remained under direct threat of a number of pests and diseases and production will remain far behind 12 million bales revised target from 13.3 million bales set for Kharif 2009-10 seasons, said officials sources in Ministry of Food and Agriculture. The textile sector will bear a burden of around \$600 million on import of cotton from USA, India and Brazil due to decline in cotton yield this season.
- ❖ The Central Chairman of the Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Mohsin Ayub Mirza has requested the government to cap the electricity rate for the textile industry for a minimum of two years. He said this should be done so that this foreign exchange-earning sector could sustain through the current difficult economic period and a better pricing could be worked out to compete in International markets.
- ❖ The Pakistan Textile Exporters Association (PTEA) would focus on immediate implementation of the five-year textile policy and drawback facility for all the exporters without any discrimination, said Khurram Mukhtar, newly elected PTEA Chairman.
- ❖ Federal Minister for Textile Industry, Rana Farooq Saeed Khan said that government is fully aware of economic potential of textile sector and President Asif Ali Zardari during his recent visit to UK has stressed on market access for Pakistani textile products to European countries.
- ❖ Monsanto, leading global provider of technology-based solutions and agricultural seeds, clarified that, it has applied for permission to the government of India to export Bt cotton seeds to Pakistan and that the matter was under consideration.
- ❖ The Federal Textile Advisor, Ikhtiar Baig, has urged the textile industry to utilize its potential after the government has issued relevant SROs and notifications. He said that Pakistan is the 4th largest producer of cotton and has most modern and latest technology, best-trained manpower and skilled labour.
- ❖ Ministry of Textile sources said that Pakistan is converting one bale of cotton into \$1,000 Value added product, whereas neighboring competitors are converting a bale into \$4,000 value. In the next five years (from 2009-14) the textile policy targets this rate of conversion to double from \$1,000 to \$2,000.
- ❖ The entire textile and export sector is under pressure as banks having not enhanced corporate lending, fearing further increase in non-performing loans. Bankers said the textile sector has not improved its performance, while risk is high with the textile sector which is the biggest defaulter of banking loans.
- ❖ The Pakistan Hosiery Manufacturers Association (PHMA) has demanded the government to restrict the export of raw cotton and cotton-yarn to countries competing with Pakistan's value-added textile products in the international market. The value added apparel exports are facing serious decline because of unrestricted export of cotton and cotton yarn. ◆