

Textile Briefs

National

- ❖ Textiles exports increased by 4.3% to \$6.731 billion during the first eight month of the current fiscal on the back of an unprecedented rise in the export of cotton yarn, according to the data of Federal Bureau of Statistics (FBS). Yarn exports amount to 54% of Pakistan's total exports recorded during July-February 2009-10.
- ❖ All Pakistan Textile Mills Association (APTMA) said that government is interfering in free trade mechanism by imposing unnecessary restrictions on the yarn import that would put the spinning industry in quandary. Ministry of Textile has unilaterally decided to reduce the quantitative restriction on the export of yarn from 50,000 tonnes per month to 35,000 tonnes per month from March 2010.
- ❖ Textile tycoon Mian Muhammad Mansha of the Nishat Group has become the first Pakistani to enter the Forbes "World's Billionaire" list for 2010. Mansha has been officially recognized and ranked at number 937 on the Forbes list with an estimated net worth of \$1 billion. The Nishat Group is Pakistan's largest private sector employer and the biggest exporter of textile products.
- ❖ The exporters of textile sector should introduce more and more branding in the value added products for export in the international market. Federal Advisor on Textile, Dr Mirza Ikhtiar Baig at a launching ceremony of value added product said there is a strong need to have branded products to increase our exports and market share in the international market.
- ❖ The State Bank of Pakistan will provide export refinance facility for import of 2 million bales of cotton to meet the off-season shortage, said Rana Farooq Ahmad Khan, Federal Minister for Textile Industry. He said value-added yarn fetching a price of \$3.5 per kg would be allowed only to those units which are registered with the Ministry of Textiles as value-added exporters and within limits of their assessed capacities.
- ❖ Jawed Bilwani, Chairman Pakistan Apparel Forum said the spinners were selling yarn at 30% to 35%, below the import price. He said cotton production in the country was 20% below the requirement. Data of Federal Bureau of Statistics shows that export of all major value-added textile items had declined in February against January 2010 and during eight month period of July 09 to February 10 against July 08- February 09.
- ❖ Effective September 1, 2009 the government of Pakistan has announced a Mark up Rate Support for Textile Sector on their outstanding running balances of principal amount of floating rate loans availed by the industry from commercial banks/DFIs for financing import / purchase of textile machinery. Following government directives, the State Bank of Pakistan (SBP) has announced 2.5% mark-up rate facility on outstanding loans of textile industry under its Export Finance Scheme, and 5% mark-up rate support against long-term loans availed from banks/DFIs.
- ❖ According to Pakistan Cotton Ginners Association (PCGA), cotton arrivals reached 12.62 million bales as against the Government's revised target of 12.7 million bales for the prevailing season. Despite such high levels of production, cotton prices at the local market touched an all-time high of Rs5,650 per maund.
- ❖ Amtex Limited, one of the largest vertical integrated textile setup in Pakistan, has announced to issue the remaining 18.30 million ordinary shares to general public through initial public offering (IPO) at offer price of Rs 13 per share. It would be the 30% of the total IPO of 61 million ordinary shares. The subscription date would be March 24 and 25, 2010.
- ❖ The APTMA Chairman urged the government to lift ban on cotton yarn exports of quota immediately in the larger interest of the industry and exports. He said the industry should not be deprived of the right of free market mechanism by the pressure exerted by the apparel sector. The government had cut export quota of yarn to 35 million kilogram's from 50 million kgs to save the local industry.
- ❖ All Pakistan Textile Mills Association (APTMA) demanded to set up a minimum export price for towels, as its export price is below the current export price set for cotton yarn. APTMA (SB Region) Chairman M Yasin Siddik urged that the minimum export price should be brought down to \$2.7 per kg for it to be realistic.
- ❖ Vice Chairman FPCCI Standing Committee on Textile Ancillaries Mian Faraz Alam said cotton prices had raised by 60% in the international market. It was internationally priced at 50 cents per lbs which has increased to 80 cents per lbs now. The value-added sector is the sole beneficiary and is recipient of 20% yarn price decrease.
- ❖ The Textile Ministry has asked Finance and Petroleum Ministries to withdraw cross-subsidy on fertilizer sector, which is putting additional burden on the textile sector. The government is giving subsidy on gas to domestic consumers and fertilizer industry. The textile industry is pressing the government to remove the cross subsidy to provide some relief to their units.
- ❖ Sindh High Court ordered the Ministry of Commerce, the Ministry of Textile, the FBR, Customs and APTMA not to violate the yarn exporting limit of 35 million kgs per month imposed by the Ministry of Commerce through its order/notification. The Ministry on February 25, 2010 had ordered that export of yarn will be restricted to 35 million kilogrammes per month for all types of yarn for the next four months form March 1, 2010 to June 30, 2010.
- ❖ Director General Agriculture Department Dr. Anjum Ali has directed the Punjab Seed Corporation to fix the rate of attested Bt Cottonseeds at Rs 100 per kg. He said that farmers should not use unattested and poor quality seeds in the name of Bt cotton and should use only the government-attested seeds so that the virus attack could be minimized. ◆