

Textile Briefs

National

- ❖ The Ministry of Textile has disbursed Rs 2.2 billion among 1146 registered units on submission of their research and development (R&D) claims. Government had earmarked Rs 5.6 billion for R&D. To claim R&D dues it is mandatory to register all textile units with the Ministry of Textile.
- ❖ A round table conference of value added textile sector has recommended that the government should give local industry a 3% to 5% rebate on yarn purchased from the local suppliers. In order to save the value-added textile sector the government would review quota of 35,000 tonnes on yarn export, said Mirza Ikhtiar Baig, Federal Advisor, Ministry of Textile at the conference organized by the Pakistan Denim Manufacturers and Exporters Association.
- ❖ The Federal government has set cotton production target for the ongoing Kharif season at 14 million bales against last year's output of 12.7 million bales. This target was set during the 92nd meeting of Federal Committee on Agriculture (FCA) with Nazar Muhammad Gondal, Federal Minister for Food and Agriculture in the chair.
- ❖ The Federal government would give 50% mark-up support for new investments in machinery and technology, and 20% grant of capital cost for establishment of new plants in textile sector. According to a notification, No 3(1 8)TID/10-P-I, issued by the Ministry of Textile Industries, this order will cover whole of Pakistan for five years, from September 1, 2009 to June 30, 2014.
- ❖ The Ministry of Food and Agriculture (MINFA) signed a Memorandum of Understanding (MoU) with an American firm, Monsanto, for the transfer of technology to produce disease-resistant cotton seed. Federal Minister for Food and Agriculture, Nazar Muhammad Gondal said that technology transfer would bring positive changes in agriculture sector; especially it would improve cotton crop production, besides protecting the crop from various diseases.
- ❖ Chairman All Pakistan Textile Mills Association (APTMA) Punjab Gohar Ejaz said that Pakistan Cotton Forum was constituted to protect interests of cotton growers, ginners and spinners throughout Pakistan by ensuring more productivity, quality and economic returns. According to him, the scope of the Pakistan Cotton Forum would be extended throughout Pakistan and no one should mix it up with provincialism.
- ❖ The Ministry of Textile Industry has refused to pay the 2% compensatory rebate to the spinners on local sale in lieu of the quota restriction on the export of cotton yarn, as committed by the then Finance Minister at the time of imposition of quota restriction on cotton yarn export.
- ❖ Federal Advisor on Textile, Dr. Mirza Ikhtiar Baig said that the government was targeting over \$ 10 billion of exports of textiles and garments made-ups in the successive years. He said that textile and garment are two of Pakistan' principal industries contributing more than 67% to total export earnings, accounting for around 46% of total manufacturing and employing over 38% of the manufacturing labour force.
- ❖ The Federal government would give 50% mark-up support for new investments in machinery and technology, and 20% grant of capital cost for establishment of new plants in textile sector. This support will be available to SMEs as defined under the SBP Prudential Regulations for SMEs.
- ❖ The textile export target of \$10.5 billion, set for 2009-10, is likely to be missed by \$1.5 billion, following yarn shortage, increase in electricity and gas tariff, and unscheduled load shedding, said Chairman of Pakistan Cotton Fashion Apparel Manufacturers and Exporters Association, Dr Shahzad Arshad.
- ❖ Banks have extended credit amounting to Rs 138.4 billion to the private sector during July 1st, 2009 to March 20th, 2010 compared with Rs 106.9 billion provided in the same period last year, said Deputy Governor, State Bank of Pakistan, Mr. Muhammad Kamran Shehzad. Out of the total credit to manufacturing sector (Rs 92.4 billion) 41% to textile while spinning, weaving, finishing of textiles received Rs 38.0 billion.
- ❖ The State Bank of Pakistan (SBP) increased export refinance rate by 0.5% to 9.0% from 8.5%, which exporters say would hurt their businesses and make funds more expensive for them. The Central bank said that the financing facilities under the export sales of the scheme for financing locally-manufactured machinery shall also attract similar mark-up rate structure.
- ❖ Bilal Mulla, former Chairman of the Pakistan Readymade Garments Manufacturers and Exporters Association said that the increases in refinance rate would hurt textile exports; this will create a tough situation for the exporters. He said textile exporters had been demanding a cut in these rates. In the last six months, all value-added exports have come down; this decision would further bring our exports down.
- ❖ The cotton crop output in the next season is threatened due to the delay of one month in release of irrigation waters. The other challenge is also posed by a delay in supply of Bt certified cotton seeds to the farmers. According to Chairman of Pakistan Cotton Ginners Association (PCGA), Rana Abdul Sattar, cotton farmers are still awaiting release of irrigation waters, which has been delayed by roughly 30 days as well as delay in supply of certified Bt cotton seeds.
- ❖ The APTMA Chairman Gohar Ejaz said that more than 55% of the \$5 billion investment in textiles during past seven years was made in spinning that has made the difference. According to the record of the Textile Commissioner of Pakistan in 2003-04 each mill of spinning industry had 14,000 spindles on average that has now increased to 31,000 spindles per mill for APTMA members and 25,000 spindles per mill for all spinning industry.◆