Textile Briefs
National

- The new crop (2010-2011) in Pakistan is projected to yield between 13.5 million bales to 14 million bales of domestic size on an ex-gin basis. Against this output, domestic mills are likely to consume between 15.25 million bales to 15.50 million bales local size bales. With these provisions, Pakistan will need fully import around two million domestic size bales during the forthcoming season (2010-2011).
- The government has allocated Rs 10 billion in the Federal Budget 2010-11 for the 'Export Investment Support Fund' to provide mark up rate on export refinancing and rebate on fabric, home textiles and garments to achieve the export target of US $ 25 billion in the next five years, said Mirza Ikhtiar Baig Advisor to Prime Minister on Textile.
- In order to offset the duty impact on the polyester value chain, the government decided to zero rate the PTA duty for the user industries so that the downstream value added exports would not suffer. The zero rating was implemented through refund of the duties paid on PTA inputs which stood at 15% till June 2008 and 7.5% thereafter. This arrangement has continued during the current financial year (2009-10).
- The Federal government earmarked Rs 368.7 million for a new project to control biological cotton pests in Pakistan with emphasis on mealy bugs. According to Planning Commission sources, it envisages biological control of cotton pests with emphasis on mealy bug using insect parasites and predators.
- The textile sector expressed disappointment over the Federal Budget 2010-11, as it did not carry any incentives for the five export-oriented sectors. According to the budget documents, there is no subsidy for textile industry and the government has made no allocation for different schemes under the textile policy including Textile Investment Support fund, drawback of local taxes, refund of past Research and Development (R&D) claims, mark-up rates and magnetisation of PTA.
- The Punjab Employees Social Security Institution (PESSI) declared 30 leading textile groups defaulters of Rs 50 million and sent a list to the Punjab government for recovery of outstanding dues. According to PESSI sources, an amount of over Rs 50 million is outstanding against these textile mill groups and now they have become habitual defaulters financially hitting the government institution.
- Surprisingly, exports of yarn from Pakistan during the period July-2009 to May 2010 is to the tune of 588.3 million tonnes as compared to the 11 month-period last year, showing an increase of 22% when 20% of the spinning units have closed down, said M Jawed Bilwani, Co-ordinator, Value Added Textile Forum .
- The Executive Committee All Pakistan Textile Mills Association (Aptma) in its 13th meeting elected Shahzad Ahmed as the Chairman Aptma in place of Anwar Ahmed Tata, who resigned due to health reasons. Shahzad Ahmed is Pakistan's renowned businessman and belongs to a group of companies engaged in textile manufacturing business.
- Chairman All Pakistan Textile Mills Association (APTMA) Punjab has feared that the textile industry would not be able to procure upcoming cotton crop from farmers due to exorbitant international prices and irrational policies of the Ministry of Textile Industry. He said 70% of the $7 billion textile industry was at the verge of collapse at a time when new cotton crop arrives.
- Huge amounts of working capital of the exporters is held up by various government departments in refund regimes of sales tax, special excise duty, old research and development drawback, custom duty refund and local taxes drawback, said Chairman Pakistan Textile Exporters Association (PTEA) Khurram Mukhtar.
- The government plans to enhance budget allocation for Textile Ministry by over 50%, under Federal Medium Term Budget Estimates (FMTBE) 2010-13, in a bid to sustain the growth of textile sector products, and make them globally competitive.
- The Ministry of Textile refused to lift 15% regulatory duty imposed on the export of cotton yarn, asking the stakeholders to settle their dispute through negotiations. Spinners' delegation was in Islamabad to negotiate with the Ministry of Finance and the Ministry of Textile withdrawal of 15% RD on yarn.
- Former Finance Minister Dr Salman Shah said that the last five years were not good for Pakistan textile sector but now the situation was improving. He said the debt of textile sector was huge but it was not adjusted timely with the improvement in the industry. Fluctuation in global petrol prices had adversely affected the textile sector. He suggested the industry to put pressure on government to lower down the mark-up rates.
- The Indian government has started issuing licences after revalidation of the cotton contracts to allow export of 263,000 Indian cotton bales to Pakistan, purchased by Pakistani companies, said Federal Adviser on Textile Dr Mirza Ikhtiar Baig. He said that the Delhi Trade Minister had informed him that the Indian government had started issuing licences to its exporters.
- Federal Minister for Textile Industry, Rana Muhammad Farooq Saeed Khan has disclosed that government is formulating a new comprehensive cotton policy to safeguard the interests of all the stakeholders. He said that textile was a backbone of the national economy and it is at the top agenda of the government to boost this sector. He further declared that government would not put the cotton growers at the mercy of the market manipulators and would purchase the entire produce of the cotton and subsequently release it to the spinning sector as per demand.
- Australian cotton expert, Dr Neil Forrester has said shortfall in cotton production and import is costing about one billion US dollars to Pakistan every year. He was speaking to the participants of a seminar on Biotech Cotton in Pakistan" via satellite link, at National Institute for Biotechnology and Genetic Engineering (NIBGE), Faisalabad.◆