

# Textile Briefs

## National

- ❖ Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) said that the government should waive taxes until the stuck up claims of refunds are settled. The Association criticized the government for delaying the release of Rs23.42 billion under the Duty Drawback of Local Taxes and Levies (DLTL) Scheme. The PRGMEA spokesman said the State Bank of Pakistan has cleared only Rs 5.3 billion so far out of total claims of Rs28.72 billion submitted by exporters until fiscal year 2011.
- ❖ The Chairman of Pakistan Cotton Ginners Association (PCGA), Amanullah Qureshi, has welcomed an agreement signed between a Turkish member of Board Agaglu, Atif Saeed Dada, and Federal Minister for Professional and Technical Training, Riaz Pirzada, for exporting cotton to Turkey, and said that this agreement would help in stabilising prices of cotton in Pakistan because Turkey requires at least 5 million bales cotton.
- ❖ The profit after tax of Gul Ahmed Textile Mills has increased to Rs 1.196 billion in the year ended June 30, 2011 (FY11) as compared to Rs 0.477 billion earned in FY10. The company's earnings per share increased to Rs 18.85 in the period under review against Rs 7.52 in the same period last year. According to the financial results sent to Karachi Stock Exchange, the company's sales increased to Rs 25.435 billion in FY11 against Rs 19.688 billion in FY10. The company's profit before taxation increased to Rs 1.537 billion in FY11 as compared to Rs 0.708 billion in FY10.
- ❖ Japanese firms will invest in the upcoming Pakistan Textile City in the Eastern Industrial Zone of Port Qasim in Karachi. The Textile City project is aimed at attracting maximum foreign direct investment to the country's textile and garment industry. The plan is to establish at least 277 new textile and garment units in the demarcated area for the project.
- ❖ Towel Manufacturers' Association (TMA) of Pakistan hails State Bank on reducing its policy rate of 150 basis points to 12% with immediate effect. Since July, 2001, State Bank also reduced its policy rate by 50 bps which yielded good results scratching inflation rate in the country and its economy.
- ❖ The decision of the State Bank of Pakistan (SBP) to bring down the policy rate is hailed by the cotton traders as they expect cotton trade would show improvement in the coming days, dealers said. The Karachi Cotton Association (KCA) official spot rate remained at last level at Rs 6,300.
- ❖ During last fiscal year, textile sector did not make borrowings for expansion / new projects, but borrowings remained limited to working capital which was reflected in increased exports. During July-August, the textile sector's borrowings fell to Rs484 billion from Rs514 billion in June 2011.
- ❖ The farmers believe that only agriculture could revive the country's economy, provided GST on the sector is not levied. The Farmers Association of Pakistan (FAP) on behalf of the farmers and agricultural implements manufacturing industry has appealed to the government to reconsider the decision on GST on agri sector.
- ❖ Pakistan Denim Manufacturers and Exporters Association (PDMEA) discussed the issue of anti-dumping duty by Turkish government on the import of Pakistani textile products and trade concession to 65 Pakistani textile items by European Union (EU).
- ❖ The Pakistan Hosiery Manufacturers and Exporters Association (PHMA) has approached Prime Minister Yousuf Raza Gilani to withdraw huge increase in water tariff by Karachi Water and Sewerage Board (KW&SB), and appealed for uniform tariff all over the country.
- ❖ Textiles industry constitute 8.5% of the national GDP, make up for over 5% of total market capitalization at country's bourses and over 40% labour force in the country is currently being employed by this sphere, said Mian Gohar Ejaz, Chairman All Pakistan Textile Mills Association (APTMA). He said that out of the total \$14.75 billion textile exports, goods worth \$2.5 billion currently were being dispatched to the United States.
- ❖ Pakistan is reported to have sold some more than 166,000 bales of raw cotton in export mostly to China. Peak arrivals of seed cotton are expected in current month (November) and heavy cotton arrivals may squeeze cotton market in late November to December month when money market would become tight in view of closing of calendar year 2011 and increased load shedding of power and gas especially in Punjab.
- ❖ Central Chairman Pakistan Readymade Garments Manufacturers and Exporters Association (Prgmea) Ijaz A. Khokhar said that if the US put in place trade restrictions with change in the duty structure, which at this point ranging between 12% and 14% , varying according to the textile products value, and it increases the customs levies would not be in Pakistan's interest. He said that the US could impose trade restrictions on Pakistan's textile export of \$4 billion a year of which home textile shared the major part.
- ❖ Government of India would support the European Union's plan to enhance textile exports from Pakistan's flood-hit areas, by offering tax privileges. This was stated by Minister of Commerce and Industry Anand Sharma during a meeting with Pakistan's Minister for Trade Makhdoom Amin Fahim. India was earlier against the EU proposal because of pressure from local textile lobby, but the direct support by the Central government is being seen by both the countries as a step towards improving bilateral relations.
- ❖ Workers and owners of power looms observed eight-hour token hunger strike in Manzooraabad, Faisalabad as a protest against increasing the power tariff by 100% in three years and recent increase of three to four rupees per unit and failure to supply electricity regularly. ◆