

Textile Briefs

National

- ❖ The Government has decided to reduce import duty on polyester staple fibre (PSF) to 3.5% from existing 6.5%, said Adil Mahmood, Chairman, All-Pakistan Textile Association (APTA). He said Prime Minister's Advisor on Finance and Economic Affairs Dr Salman Shah has assured us that duty on imported PSF will be slashed soon after ECC's approval.
- ❖ The National Assembly Standing Committee on Textile has asked the Government to extend gas subsidy to the textile industry and allow import of medium staple cotton from India through land route to stabilise commodity price in the domestic market.
- ❖ Minister for Textile Industry Mushtaq Ali Cheema said that the Bt cotton has to be imported timely otherwise spinning and other sub-sectors of textile would be badly hurt.
- ❖ Prime Minister Shaukat Aziz said successful implementation of wide ranging structural reforms and good macroeconomic policies has transformed Pakistan's economy into a stable and resurgent one. The country's economy has attained the status of the fastest growing economies in Asia because of the Government policies and reforms.
- ❖ Federal Minister for Foreign Affairs Khurshid M Kasuri has said in a meeting of the Karachi Chamber of Commerce and Industry that Pakistan will be establishing stronger trade ties with India which will be worth US\$10 billion in the next four years.
- ❖ All Pakistan Textile Association (APTA) has said that the shortage of polyester fibre and its increased prices were gravely affecting the spinning sector. APTA spokesman Tanveer Shaikh said many polyester-fibre producing units were at the verge of closure or producing short of their capacities.
- ❖ Ministry of Food, Agriculture and Livestock (MINFAL) has estimated that mealy bug, if not controlled in time, could destroy 5 million bales of cotton this year.
- ❖ The Government approved exemption of customs duties on import of machinery for installation of new industrial units in China Specific Special Economic Zones (SEZ).
- ❖ The Federal Board of Revenue (FBR) has issued a list of locally manufactured goods for the purpose of concessionary notifications. The list was notified through a Customs General Order No 11. The goods, detailed in the appended list of this CGO, are manufactured locally.
- ❖ An exclusive industrial estate for women entrepreneurs is being set up as the Small Scale Industrial Estate on Superhighway. The Special Women Zone spread on 30 acres will accommodate manufacturing units and will be the first such Zone in Pakistan. The Zone, which will have small and medium size cottage industries, will be equipped with electricity, gas, water, roads, hospital, mosque, community centre and a women bank.
- ❖ Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Chairman Ijaz A Khokhar has warned that the survival of the garments industry is impossible without converting it into value added units. He said association members were awaiting a notification to invest in the Northern Areas to set up export units.
- ❖ Bilateral trade between Pakistan and Germany has now risen to about \$2 billion per annum and is likely to grow further. At present German exports to Pakistan were valued at \$1.2 billion and Pakistan's exports to Germany \$700 million annually.
- ❖ Some 60 cotton-ginning factories across the country have started operations, as the arrival of phutti has restarted after the stoppage of rains in different parts of the country, said Central Chairman of Pakistan Cotton Ginners Association (PCGA) Suhail Kharal.
- ❖ The Textile Industry Development Policy 2007 is expected to offer 10-year tax holiday to encourage foreign investment in textile machinery manufacturing and 10-year tax holiday for foreign investment in establishment of bonded cotton warehouses in the country.
- ❖ Pakistan will try to attract global manufacturers of shuttleless textile machines through the proposed 10 year tax holiday to encourage them to set-up manufacturing units in Pakistan. The proposed initiatives of the Government would result in increase in textile exports by enhancing the production capability of the textile sector.
- ❖ Mian Zahid Aslam, Chairman PTEA, pointed out that Trade Policy 2007-08 has envisaged establishment of Reconstruction Opportunity Zones (ROZs), wherein export opportunities without any tariff and trade barriers would be allowed but no progress has been made so far in this direction and the exporters are unaware of any facilities and benefits available under these ROZs.
- ❖ Ministry of Industries, Production and Special Initiatives, has directed the Technology Up-gradation and Skill Development Company (TUSDEC) to re-engineer a model ginning facility for the ginning sector.
- ❖ Over 1,000 Pakistani textile sector professionals and businessmen visited Munich (Germany) in mid-September to attend the world's largest textile machinery exhibition-ITMA. ◆

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- ❖ As per International Cotton Advisory Committee (ICAC), the world is facing a serious cotton crisis as its overall production is declining against the increasing demand. The shortage is expected during current fiscal year to be over six million bales. Cotton production world-wide will decline by 0.423 million bales during the 2008 fiscal year.
- ❖ Presently, automotive textile industry in India has a share of 7% in the total domestic technical textile market, which is worth US\$ 590 million and is forecasted to reach approximately US\$ 987 million by 2010. The figures are not only lucrative for the automotive component industry but also hold brilliant prospects for the associated automotive textile industry.
- ❖ According to Euratex - the European Apparel and Textile Organisation, the total of twenty five clothing, textiles and manmade fibre industries had a combined turnover of €201.9 billion in 2006. Of this figure, textiles accounted for around €114 billion, clothing for €77.8 billion and manmade fibres for a further 10.1 billion.
- ❖ The textile industry is one of the major contributor to China's big trade surplus. It saw a \$129.2 billion trade surplus last year, accounting for 71% of the nation's total. In the first quarter of 2007, the textile industry's trade surplus reached \$27.28 billion, accounting for nearly 60% of the total surplus.
- ❖ According to a latest report by US customs, in the first quarter of this year, many Vietnamese apparel exports were put under dumping watch due to their low rates. As a result, Vietnamese Ministry of Industry and Trade has advised local textile exporters to focus on high-value apparel exports in the case of US.
- ❖ Cotton is the single most important textile fiber in the world, accounting for nearly 40% of total world fiber production. While some 80 countries from around the globe produce cotton, the United States, China, and India together provide over half the world's cotton.
- ❖ US limits on textile and apparel imports from China are still far from being reached. Tension is, however, rising for a small number of categories and specially with cotton trousers. Although a 2% rise in annual quota levels was decided in Washington, quota prices are rapidly rising in China, reflecting an expected lack of available licenses in the last months of the year.
- ❖ India's cotton yarn production jumped in the two past years and could continue its rapid growth in the near term, after new investments were announced by major spinners. The country is, however, increasingly focusing on cotton textile production, to the detriment of other fibers.
- ❖ The East India Cotton Association (EICA) forecasts that production in this cotton year which runs from October 2006-September 2007 is likely to touch 2.82 million bales against previous estimates of 2.7 million bales. Meanwhile, domestic cotton consumption has increased from 1.68 million bales in 2002-2003 to 2.40 million bales in 2006-2007.
- ❖ Vietnam Ministry of Finance recently issued a decision to reduce import tax for a large range of products, including sewing machines, in an attempt to curb inflation and boost economic development. According to the decision, the tax on import of sewing-machines is expected to be cut down from 40% to 30%. Vietnam currently depends chiefly on imports to satisfy the domestic demand for sewing-machines. Japan, China, India and Taiwan are among major suppliers.
- ❖ Australian cotton production for the 2007-08 season is forecast at 500,000 (0.5 million bales, or approximately 113.5 TMT. This forecast represents a significant fall from previous estimates and reflects the lack of rainfall since early July.
- ❖ Cotton yarn prices are mostly stable in China, although declining on certain local markets. With raw material costs now decreasing, spinners may get better margins, as demand is also expected rebounding in the near future. Spun polyester yarn prices would possibly fall in line with lower PSF prices.
- ❖ According to provisional data, India's textiles and clothing exports during 2006-07 were of the value of \$18,730 million, as against exports valued at \$17,520 million during 2005-06, registering a growth of 7%, the Minister of State for Textiles E V K S Elangovan, informed the Lok Sabha.
- ❖ China is on track to overtake the US as world's second-largest exporter this year and could top Germany as world's leading exporter next year, said Vice Minister of Commerce Yu Guangzhou. China currently ranks third in export volume after Germany and the US. He said Beijing could overtake the US by the year-end if current trade trends continue.
- ❖ The Government of Bangladesh is likely to impose some non-tariff barriers (NTBs) on import of silk and silk products to safeguard the local silk industry. The Ministry of Textiles and Jute recently asked the National Board of Silk to prepare a set of proposals in this regard.
- ❖ Tehran is gearing up to host a Japanese textile exhibition at Iranian Artists Forum. The event will display products by a team of nine women from the Textile Design Association of Japan, headed by Hiroko Watanabe. This show was included workshops on traditional Japanese origami and wrapping cloths.
- ❖ The Bangladesh Government has finalised the modality to sign a memorandum of understating (MoU) with the Indian Government to export 8 million pieces of readymade garments (RMG) every year. The Commerce Ministry has already submitted it for the approval from the Council of Advisers. ♦