

### Textile exporters to get export refund soon

President of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Zubair Tufail has said that talks with the government are under way on payment of export refund so that the liquidity crunch faced by textile exporters can be addressed.



Zubair Tufail,  
President of the  
Federation of  
FPCCI.

He visited the 10th international textile machinery and garment technology exhibition IGATEX Pakistan 2017 on the second day of the event, at the Karachi Expo Centre. He expressed the hope that the issue of refunds would be resolved soon. Payment of refunds would ease the financial burden on exporters as cash flow position would improve. It will also boost the morale of exporters.

Appreciating the efforts of organizers of the exhibition, the FPCCI President noted that Pakistani exporters needed modern technologies and machinery to enhance their share in the international market and were happy to see the diverse products with superior quality being displayed at the exhibition.

He laid stress on the introduction of latest machinery to increase textile production in Pakistan. Bangladesh, despite being a cotton deficient country, has around \$35 billion exports. Similarly, other countries, which prefer to adopt modern ways of production, are increasing their market share.

He reiterated that Pakistan needed modern machinery and technology and this event provided such avenues to traders and industrialists. The exhibition is playing a vital role in the introduction of most modern machinery to the local industrialists, which increases productivity.

### Pakistan's FCCI to set up textile corner

The Faisalabad Chamber of Commerce and Industry plans to establish a textile corner in its research and development cell to help the textile sector



to adopt and upgrade new technology with the help of the experts of the National Textile University (NTU). An earlier memorandum of understanding between FCCI and NTU has been upgraded to facilitate this initiative.

According to the new memorandum of understanding, FCCI and NTU will jointly arrange awareness sessions for the benefit of textile manufacturers. Dr

Tanveer Hussain, Rector NTU, said that technology up-gradation was a continuous process to survive in the competitive international markets. A cheque of Rs 0.5 million was presented to NTU by FCCI to carry out the research activities and bring a qualitative improvement in the industry-academia linkage.

Textile is the biggest industry of Pakistan which earns foreign exchange of \$12 billion per annum for the country. Out of it, \$6 billion is contributed by the exporters of Faisalabad, said President of FCCI Muhammad Saeed Sheikh. However, textile exports have been declining for the last many years due to international recession coupled with the energy crisis and inconsistent domestic policy.

### Textile certification a must to access global markets

The value-added textile sector should opt for Oeko-Tex certification in order to get access to international markets without any impediments, suggested Khawaja Muhammad Younas, Chairman of All Pakistan Bed sheet & Upholstery Manufacturers Association.

The Ministry of Science and Technology would repay Rs 200,000 to Rs 400,000 as compensation. Last year, Pakistan, Bangladesh and India – which are major textile exporters, suffered a major setback when their Oeko-Tex certification was revoked. He was speaking at an information seminar organised by Hohenstein Institute Pakistan about Oeko-Tex certification. The event was held to create more awareness of the standards and services provided by the company.

Younas asked the value-added industry that they could submit their compensation claims through the upholstery association. Hohenstein Institute Pakistan Country Head SM Khalid pointed out that his company had been working for nearly 70 years on the testing and certification of textile products of all kinds.

### APTMA: China to invest in Pakistan's textile sector

Tianjin Peoples Association for Friendship with Foreign Countries, Vice President Chen Weiming has said that the high cost of doing business and environmental challenges in China have made Pakistan an ideal destination for the relocation of Chinese textile industry.

Chen, while heading a delegation of the association, made these remarks during a meeting with members of the All Pakistan Textile Mills Association.

He said the world economy is developing in the face of new challenges and choices; the company strives to develop import and export trade through the adjustment of industrial structure. Their aim is multidisciplinary, multiple-format, diversified development of modern textile enterprises in the future.



Dr Tanveer  
Hussain, Rector  
NTU.



Aamir Fayyaz,  
Chairman,  
APTMA.

Aamir Fayyaz, Chairman of the All Pakistan Textile Mills Association (APTMA) urged the Chinese textile sector to invest in Pakistan by setting up joint ventures with Pakistani entrepreneurs or by relocating their facilities to Pakistan.

He said, Chinese investors could take advantage of the duty-free market access under the GSP+ facility.

He also pointed to the incentives provided to textile value-added exporters by the government recently, which include the provision of DLT at 4% on yarn and grey fabric, 5% on processed fabric, 6% on textile made ups and 7% on apparels against export realization.

Fayyaz also added that Pakistan's foreign investment policy allows zero percent duty on imports of capital goods, zero percent corporate income tax rate and 10 years corporate income tax holiday among various other subsidies.

APTMA Senior Vice Chairman Zahid Mazhar invited Chinese investors to take advantage of the liberal trade and investment policies in Pakistan by entering into joint ventures with Pakistani entrepreneurs in the textile industry. He welcomed Chinese interest in relocating the industry to Pakistan.

Briefing on the environment for foreign investment, he said the government had allowed foreign direct investment in all sectors, treated local and foreign investment equally, permitted 100% foreign equity investment, required no government sanction and allowed remittance of royalty, technical and franchise fee, capital, profits and dividends.

Mazhar pointed out that the cost of doing business in Pakistan was lower compared to China, calling it one of the biggest advantages for the Chinese which encouraged them to invest in the textile sector of Pakistan.

## Pakistan's Foreign Direct Investment increases by 12.4 percent

The Board of Investment (BOI) said that Pakistan's Foreign Direct Investment

(FDI) had increased by 12.4 percent in the third quarter of the current fiscal year from 1st January to end of March.

According to Shah Jahan Shah, the spokesman of Board of Investment (BOI), the government is committed to providing ease of doing business for foreign investors and also global competitiveness for Multinational Companies (MNCs).

He said that BOI had digitalized visa process for foreign investors and now that investors could apply online for a business visa from anywhere and they would be responded in very short period of time. The duration of visa process had now been reduced from six months to weeks subject to the verification from different agencies, he added.

Spokesman of BOI said, "We have also transformed the liaison and branch office from manual to online to facilitate the investors. He informed that Pakistan was in the top 10 countries for improving in investment laws and providing facilities for doing business to foreign investors.

Through new work plan, the government would hold a roadshow in China in coming few months to focus on textile and steel industry. He said that Chambers of Industries and All Pakistan Textile Mills Association (APTMA) would also collaborate in this regard.

Shah Jhan said that seven Special Economic Zone (SEZ) cells had been approved for facilitating the investors through one window operation to provide them facility at one place.



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The spokesman said that SEZs investors would get the facility for plant and machinery import without customs duty in all four provinces of the country. Three separate SEZs would be established in Punjab and Sindh and one in Khyber Pakhtunkhwa, he added.

Replying to a question, he said that nine more industrial zones had been approved for the high tech industry to enhance the export and employment opportunities in the country. He said the SEZ Cell had been furnished in the contemporary corporate style and would be equipped with state-of-art facilities.

He said that huge foreign investment in automobile sector would be expected from different groups. The spokesman said that Pakistan had one of the most liberal foreign investment regimes in South Asia. The BOI was fully committed to reviving the confidence of foreign businessmen to ultimately boost foreign investment in the country. He said that foreign investors were keen to invest in various sectors of Pakistan.



## More interaction in Pak, German business communities

Representatives of Federation of Pakistan Chambers of Commerce and Commerce (FPCCI) and Head of Mission of German Consulate in Karachi underlined the need for more interaction between the business communities of Pakistan and Germany.



*Carsten Muller, Head of Mission of the German Consulate.*

Head of Mission of the German Consulate, Carsten Muller was welcomed at FPCCI by Chairman Standing Committee on Diplomatic Affairs Alamgir Firoz, along with Chairman Standing Committee on Environment Gulzar Firoz and members of Pakistan-Germany Business Council of FPCCI.

Alamgir Firoz said Germany was Pakistan's largest trading partner amongst the European Union countries. He said major items of Pakistan exports to Germany were textile and textile made-ups,



*Alamgir Firoz, Chairman Standing Committee on Diplomatic Affairs.*

leather goods, carpets, surgical instruments, cutlery, rice and horticulture products. Whereas, machinery, pharmaceutical, motor vehicles, chemicals and dyes, iron and steel products were the major goods being imported.

Head of German Mission in Karachi, Carsten Muller said a good number of German companies were working in Pakistan for many years with major investments here. These included Linde, BASF, Bayer, Merck, Hoechst, Siemens and METRO.

He emphasized Pakistan and German business communities should increase the investment and trade and should get the full benefit from strong friendly relations between the two countries.

## Italian textile machinery industry participated in IGATEX

The ties between Pakistan and Italy in country's most prolific sector textile were further strengthened by the participation of more than 30 Italian textile machinery manufacturers, who participated in International Garments, Textile & Leather Machinery and Accessories held from April 26-29 Karachi at the Expo Centre.

Dr. Gianluca Robagotti, the Italian Consul to Pakistan said such a large Italian presence makes IGATEX 2017 an appealing meeting point for Pakistani textile industrialists and operators, adding

that the Italian Trade Commission, now embodied in the Consulate of Italy in



*Dr. Gianluca Robagotti, the Italian Consul to Pakistan.*

Karachi, is the government agency entrusted with the promotion of trade, business opportunities and industrial co-operation between Italian and foreign companies.

Italian market share in the world exports of textile machinery is about 11%. According to the Association of Italian Textile Machinery Manufacturers (ACIMIT), creativity sustainable technology, reliability and quality are the characteristics which have made Italy a leader in the manufacturing of textile machinery. There are approximately 300 companies who produce textile machines and related accessories, for a total of about 12,000 employees.

Italian Trade Commission is ready to help the business community of Pakistan to build direct relations with their Italian counterparts, and any query that will be sent to the Italian Trade Commission office in Karachi will be thoroughly looked into and a comprehensive response will be provided to increase trade.

## Exporters fear loss as duty drawback payments delayed

The value-added textile exporters are exposed to heavy financial losses as they have passed on the benefit of cut in cost to the international buyers immediately after the announcement of PM incentive package to the export-oriented industry but not a single penny has been released so far in this regard. This was stated by Pakistan Hosiery Manufacturers Association Chairman Adil Butt.



Prime Minister  
Nawaz Sharif.

Prime Minister Nawaz Sharif had announced incentives worth Rs.180 billion in a bid to boost Pakistan's sagging exports, declaring 7% duty drawback rates for value-added textile exporters. The international buyers' local representatives, who are fully aware of all government policies, demanded the cut in prices of our goods with the same ratio declared by the government. And we have to pass on

this benefit to them to keep Pakistan goods competitive in the world market, but it is unfortunate that payment of duty drawback is being delayed constantly.

The Chairman said that the exporters will definitely go into losses if FBR does not release funds, as they have already sold their items on 5%-6% less margin. He said that the value-added textile exporters would not meet their export commitments due to severe liquidity crunch.

He termed the liquidity crunch as a major hurdle in the promotion of exports. The textile industry had been facing unprecedented crises for many years and consequently, a sizeable textile capacity had been impaired.

## Government taking steps to boost textile sector



Hassan Iqbal,  
Secretary Ministry of  
Textile Industry.

Secretary Ministry of Textile Industry Hassan Iqbal said the government was fully aware of the economic importance of the textile sector and PM's textile package of Rs 180 billion was aimed at to boost the sector. He was addressing a function organised by All Pakistan Bed sheets and Upholstery Manufacturers Association (APBUMA).

He said registration of textile exporters was imperative to get the incentives under the Rs 180 billion textile package. He added that the registration system had been streamlined and payment will be started as soon as applicants will deposit the required documents. Regarding old claims of sale tax, income tax etc., he said the Ministry was in contact with the FBR.

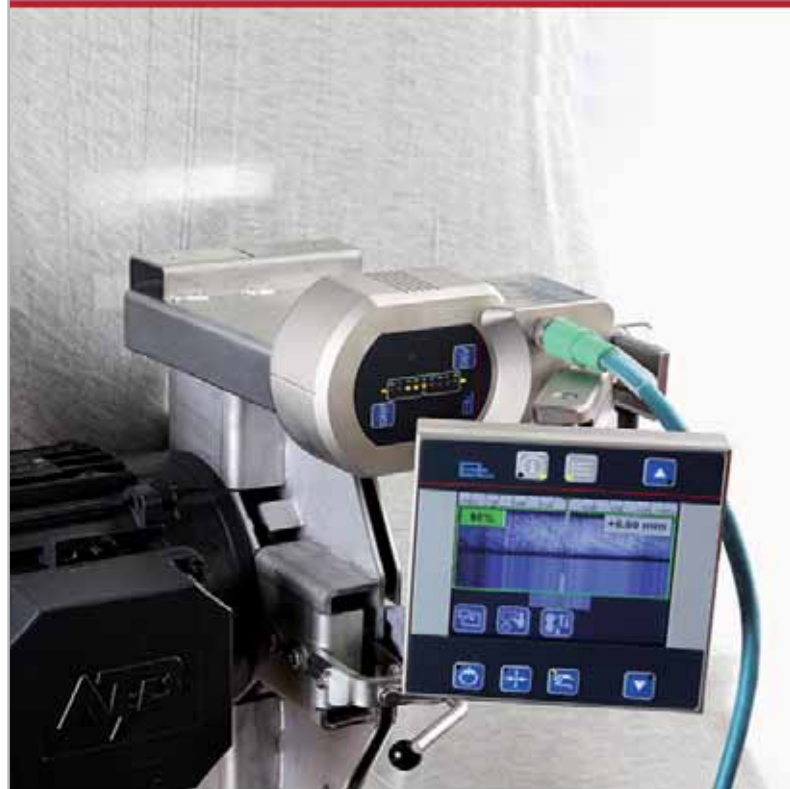
The Secretary also appreciated a proposal to set up a textile spinning and stitching Institute in Faisalabad and said he would direct Joint Secretary training to process this case. The government had offered lucrative incentives for the import of the textile machinery and ready to offer more concession to the textile sector. ♦

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