

Textile exporters hail government's incentive package

The value-added textile export associations hailed the Economic Co-ordination Committee (ECC) of the Cabinet on approval of export package for 2017-18 which will provide 50 percent of the export package incentive for eligible textile and non-textile sectors on the same terms as for the period from January 1 to June 30, 2017 without condition of increment and the remaining 50 percent of the rate of incentive would be provided if the exporter achieves an increase of 10 percent or more in exports as compared to the corresponding period of the last year as proposed by Commerce Ministry.

In the joint statement by Muhammad Jawed Bilwani, Chairman, Pakistan Apparel Forum; Muhammad Zubair Motiwala, Chairman, Council of All Pakistan Textile Association (CAPTA); Tariq Munir, Chairman, PHMA; Kamran Chandna, Chairman, PAKSEA; Shaikh Muhammad Shafiq, Chairman, PRGMEA; Sohail Aziz, Chairman, PCFA said that such export encouraging initiatives and foremost practical steps and measures to curtail the costly inputs is inevitable to enhance exports. They added that an additional 2 percent drawback for export to non-traditional markets - Africa, Latin America, non-EU European countries, Commonwealth of Independent States and Oceania and the expeditious settlement of payments claims by the State Bank of Pakistan (SBP) are great initiatives by the government.

They suggested that the incentive amount should be credited to the exporters account at the time of realization of export proceeds as all export related information / documents are submitted online and available with government like E-Form is generated through WeBOC and submitted to SBP, GD is generated online in WeBOC and Foreign Exchange Payment realized through Authorized Dealer and reported to SBP. This will save the precious time of exporters which was used in the online submission of export details at RDA Cell website and eliminate the risk of time barred of claims.

They urged the government to take on board the stakeholders - the Associations while drafting and finalizing



the Duty Drawback of Taxes Order 2017-18 and share the draft for review.

Members of the associations further said that the measures announced in the ECC meeting will surely provide relieve, the burdened exporters facing severest ever liquidity crunch, for their survival and termed these measures as short-term solution, however, to surpass the previous record of annual exports of \$25 billion and to achieve a milestone, it is crucial for the government to provide conducive environment by reducing cost of inputs - electricity, gas, water rates.

They proposed that Government should bring cost of inputs - electricity, gas, and water rates 20 percent lesser than rates prevailing in regional competitor countries.-

Textile, clothing exports grow 8pc

Pakistan's exports of textile and clothing products posted nearly eight per cent growth year-on-year to \$3.25 billion in the first quarter of 2017-18, as reported by the Pakistan Bureau of Statistics (PBS).

One of the reasons for the revival in textile and clothing exports is the cash subsidy offered under the prime minister's exports enhancement package.

The release of pending refunds and better energy supplies also contributed towards increasing exports.

The main driver of growth was the value-added textile sector. Exports of ready-made garments went up 16pc in the first quarter in value and 19pc in quantity. Similarly, exports of knitwear edged up 9pc in value and 15pc in quantity during the period under review.

Exports of bedwear went up 7.1pc in value and 1.8pc in quantity while those of towels posted a paltry growth of 0.91pc in value.

In the category of primary commodities, exports of cotton yarn witnessed a year-on-year increase of 4.5pc while those of yarn other than cotton recorded a rise of 7.67pc.

Exports of made-up articles, excluding towels, increased 8.64pc. Art, silk and synthetic textile exports grew 88.8pc during the period under review.

However, exports of tents, canvas and tarpaulin dipped over 32pc. Proceeds from raw cotton exports recorded a year-on-year increase of 69.7pc.

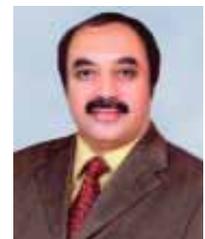
The import bill of machinery, oil and eatables increased 17.5pc to \$7.56bn in July-September.

Imports of textile machinery witnessed a growth of 26.5pc in the first quarter.

Export package: Commerce minister assures textile sector of govt support

PRGMEA Central Chairman Ijaz Khokhar said that IAF President Han Bekke and Secretary General Matthijs Crietee will visit Pakistan to inaugurate the regional office and the newly-constructed PRGMEA office in Sialkot.

He said that on the occasion the MODINT, which is the largest importers association of home textile, garments and



Ijaz Khokhar, PRGMEA Central Chairman.

textile, will sign a MoU aimed at enhancing trade of readymade garments between Pakistan and the Netherlands. Khokhar said that the establishment of IAF office in Pakistan will open new avenues for the textile industry to collaborate with international buyers and leading brands.

"Besides granting domestic membership to garment manufacturers, this office will also help in arranging B2B meetings among importers and exporters of apparel sector across the world," he said.

He ensured that the IAF will address major issues being faced by the textile industry of Pakistan and bring those issues to limelight, including compliance, gender training and exchanges of delegations.

International Apparel Federation to open office in Pakistan

The International Apparel Federation (IAF) is going to open its first regional office at the Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) House in Sialkot where PRGMEA will also ink an MoU with the Dutch National Fashion & Textile Association Netherlands (MODINT) for the first time in Asia.

The move seems a timely step considering Pakistan's rapidly declining textile sector and its dwindling exports.

Private Banks refuse to reschedule loans sick textile units

Turning down the request on the part of textile exporters, private banks have refused to reschedule loans for the revival of sustainable sick textile units. The revival of textile units running under capacity was aimed at increasing the exports in the textile sector.



Mohsin Aziz, Senate Standing Committee on Textile Chairman Senator.

Senate Standing Committee on Textile Chairman Senator Mohsin Aziz said that banks refused to consider the direction of the Standing Committee and request of members of All Pakistan Textile Mills Association (APTMA) for restructuring loan for around 35 textile units. He said we had asked the banks through State Bank of Pakistan (SBP) to revive the sick units which, in case of

revival, could earn over \$1 billion in foreign exchange and create five million jobs. However, according to SBP, the private banks are not willing to accept the proposal of textile sector.

The revival existing units were much needed at a time when exports have declined from \$25 billion to \$20 billion in the last four years. We may further contact SBP in near future for providing at least required working capital to the textile units, adding that the functioning of the existing machinery would also help in taking maximum benefit from GSP Plus facility from the European Union.

On the other hand, Hassan Iqbal, Textile Ministry Secretary (now division after its merger with the ministry of

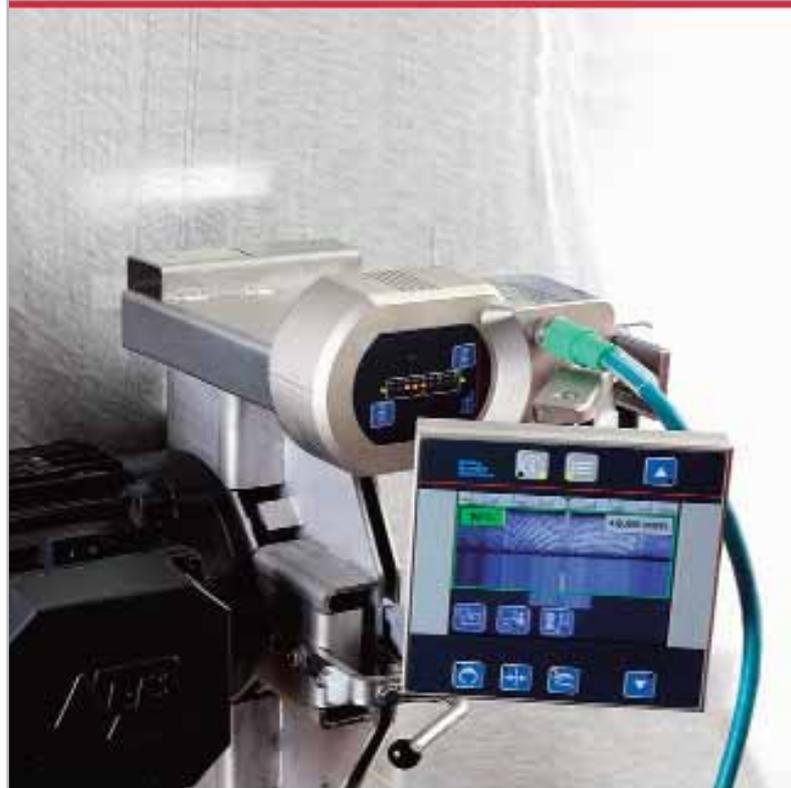


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commerce) said that the government had supported some textile units for revival. A large number of machinery were installed when there was high demand in past without keeping in view the long term feasibility of such units. A revival of few units is not the solution since the old machinery are not cost effective adding and exporters instead of running the dreaded machinery should opt for the latest machinery.

According to him, the older machines consume 40% more power than the latest basic textile machines. New machines produce more with only 33% of the workforce needed in older machines. The cost of energy came substantially down in 2016.

WWF-Pakistan, APTMA promote sustainable water consumption

To promote sustainable water consumption practices in Pakistani textile units, the World Wide Fund for Nature-Pakistan (WWF-Pakistan) and the All Pakistan Textile Mills Association (APTMA) recently held a seminar in Lahore.

Experts at a seminar held by World Wide Fund for Nature-Pakistan stressed the need for sustainable water consumption practices in textile sector of the country and to address the wayward patterns of resource consumption.



Hammad Naqi Khan, WWF-Pakistan CEO.

Is presenting a scientific research titled "Sustainable management practices to the textile industry for growing economy", by WWF-Pakistan Senior Project Officer Sohail Ali Naqvi. The paper highlights the analysis of implementation of Multi Environment Agreements (MEAs) with context to cost benefits and sustainable practices in the textile industry.

According to the research, the textile industry in Pakistan contributes 8.5% of the GDP and 60% in exports; however, majority of the industry is unable to implement MEA's that the country has



ratified. The textile industry consumes more water than needed and discharge untreated polluted water into the local water bodies.

The study also revealed a gap in implementation of sustainable practices due to lack of awareness. The study also reveals that if an industry invests up to € 10,000 in different interventions it could save more than 110,000m³ of water on annual basis with a reduction of 10% to 15% of water pollution with a payback period of up to 10 months.

Speaking on the occasion, WWF-Pakistan CEO Hammad Naqi Khan stressed the need for optimising the water cycle of local industries in order to ease existing pressures on current water resources.

All-Pakistan Textile Mill Association Secretary General Anisul Haq said that with the growing challenge of water shortages, the textile industries need to act fast. He said industries need to invest more in technologies which are water efficient, lead to zero discharge of hazardous waste and harvest water from rain. He also said water was a shared resource and the industrial sector was equally responsible for the conservation and treatment of it.

Chinese companies taking keen interest in Pakistan textiles

Recently a delegation of 21 members from china visited Pakistan and showed their keen interest in enriching business collaboration in textile sector with the counterparts of Pakistan.

The Chinese delegation was led by Deputy Director General of Commerce, Government of Xinjiang Uygur Autonomous Region- Mr. Zhang Shaoyun. Mr. Shaoyun visited the Islamabad Chamber of Commerce and Industry. The delegation represented the garment, clothing, textile and

apparel industries as well as chemical sector.

Addressing the audience on the occasion, Shaoyun said that Pakistan is the 4th largest cotton producer in the world while that of china is a primary exporter of textile products. For these reasons, both the countries possess great potential to appreciate each other and by their enhanced cooperation both can earn many benefits, in the international market.

According to Shaoyun, China is well equipped with modern textile machinery and technology and a close cooperation between the private sectors of the two countries, the textile industry will surely yield many benefits by the end of each day. He also added that by joining hands Pakistan's textile industry will be able to upgrade itself and enhance the quality and productivity.

He was hopeful that this visit of Chinese companies in Pakistan will lead ways to new opportunities for both countries to join hands and work in a multi-dimensional economic direction. While on the other hand, in his welcome speech, Mr. Khalid Iqbal Malik, the President of ICCI said that textile products are the major exports of Pakistan and the government as well as the textile sector is focusing on the additional of valuable technologies to gain better results. He also added that the Chinese companies will be appreciated if they share their technologies with their Pakistani counterparts and work on meeting goals, mutually. Such agreements would be highly beneficial for the growth of the textile industry as well as the overall economy of Pakistan.



Turkey urged to reciprocate market access

Pakistan has reiterated its commitment to offer market access to Turkish manufacturers under the proposed Free Trade Agreement (FTA), but linked it with reciprocal access for Pakistani goods. Pakistan and Turkey entered into the final round of negotiations on the proposed FTA. For Pakistan, the important sectors to seek duty concessions were textile and clothing, while for Turkey auto and chemicals are the important sectors, said Minister for Commerce and Textile Muhammad Pervaiz Malik.

Mr Malik highlighted the decreasing trend in bilateral trade between the two countries and said that good relations in emotional and historical ties along with political and economic sphere should also be translated into equally durable and strong trade relations.

Pakistani products could not retain their competitiveness in the Turkish market after the imposition of additional duties on textiles sector and mass housing fund duties on agricultural products.

He informed the Turkish ambassador about Pakistan's repeated requests for a level playing field vis-a-vis other foreign competitors in Turkish market in the form of preferential trade agreement; Generalised System of Preferences (GSP+) and FTA have not been accepted favourably by the Turkish side.

Mr Dagha also told the ambassador that Pakistan has been willing to extend best offers in trade concessions to Turkey that have not been granted to any FTA partner and now expect the Turkish side to reciprocate.

The Turkish ambassador to Pakistan, Mr Girgin, said that all the reservations from the Pakistani side will be conveyed to the concerned authorities. He also agreed that the strong relations between the two brotherly countries must be reflected in bilateral trade between them.

Pakistan seeks multi-dimensional ties with Russia

National Assembly (NA) Speaker Ayaz Sadiq has called for greater interaction and people-to-people contact with Russia. Talking to the Russian Federation State Duma Committee on International Affairs Chairman

Leonid Slutsky, he stressed the need for finding new avenues of parliamentary and economic cooperation between Pakistan and Russia.

During the meeting, the speaker specifically emphasised the political will and consensus in the parliament regarding the closer relations with Russia. He also stressed the need of Russian investment to come to Pakistan for the mutual benefit of both the countries. Russia can take advantage of the Pak-China trade corridor, spread from Chinese border to Gwadar port, as it can serve another alternative route for Russia to be linked with Middle East. This can play a vital role in the stability and economic progress of these regions.

Ayaz Sadiq also said Pakistan and Russia not only shared the same continent but also the same values of democracy and human freedom, while adding that both the nations needed to take their bilateral relation to new heights.

Slutsky discussed ways and means for increase in business and trade activities between the business communities of both the countries in the field of agriculture, textile, leather goods, sports goods, and other products, besides making investments in the energy sector by Russian businesses. ♦

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