

Pakistan Textile City should not be abandoned

Pakistan Textile City, located in Karachi, Sindh, is an industrial zone dedicated to the textile processing and related industry. Established in 2004, with a total area of 1250 acres, the estate is located in the Eastern Industrial Zone of Port Qasim Karachi, about 6 km from the National Highway.

The Federal Government of Pakistan has a 40% share in the textile city whereas the Sindh Government has 16% shareholding. Whereas 28% of the shares are with Export Processing Zone Authority (4%) and financial institutions including National Bank of Pakistan (NBP), Saudi Pak Insurance Company, National Investment Bank, Pak Kuwait Investment Company, Pak Qatar Investment Company and Pakistan Industrial Development Corporation.

The concept of the Textile City has been based on designing an exclusive production area specializing in the large-scale production of value-added textile products. The free trade zone was to be created with the objective of strengthening the textile processing sector by providing necessary infrastructure facilities such as sufficient water, gas, stable voltage power, and treatment of wastewater.

It was envisaged to make available all support activities to ensure a high level of productivity and quick delivery response to export orders.

In this export processing zone, priority was to be given to large-scale factories with a minimum capacity of the knitted fabric dyeing of 20 MT/day and/or 50,000 meters/day for woven fabrics. Guaranteed supply of sufficient water (18 million gallons/day or 80,000MT/day), as well as stable voltage power and gas, was to be insured as well common waste-water treatment plants.

To support the value-added units in the project, ancillary industry for textile accessories e.g. sewing thread interlining, padding, buttons, zipper, tags, embroidery, labels would have also been established.

This was supposed to be the model project for the rest of the country that would have been the catalyst for the much-needed momentum in the growth of exports from Pakistan.

Unfortunately, despite all good intentions at the inception, the project was never able to reach its fruitful completion, losing out on the crucial opportunities to develop a strong base of the value-added export sector.

Currently, the Pakistan Textile City project is on the verge of collapse, incurring a huge loss to the national exchequer as the government is paying about Rs.400 million as interest on bank loans per year. Due to mismanagement and apathy, the debt of textile city is exceeding Rs.2.4 billion.

It was recently announced that due to the woes facing the project finally the project shall be wound up by the Federal government being the majority shareholder. The strong objection from the Sindh government against this measure has bought some time for the project. This is a project that should be given a chance in view of the sluggish exports and increasing global competition. Our value-added sector is the hope of the country and Pakistan Textile City is a project although late in commissioning can still give it the much-needed boost. ♦

