# Value addition remains the key to viability of the textile industry


Despite an overall decline in exports, the value added sectors particularly of garments and knits have continued to perform well.  The latest statistics as provided by the Pakistan Bureau of Statistics show a healthy 8% increase in textile exports in the first 10 months of the current fiscal year. To a certain extent this could be attributed to devaluation of Pakistani Rupee which has steadily seen a downward trend since December 2017.

The value-added textile sector leads the growth as exports of ready-made garments went up 11.96pc in value and 13.44pc in quantity while exports of knitwear increased by 14.65pc in value and 3.7pc in quantity during these 10 months. Exports of bedwear went up 4.77pc in value and 3.17pc in quantity.

The All Pakistan Textile Mills Association (APTMA) has recently announced that its members plan to set up 1,000 garment manufacturing units with a total investment of $7 billion in this project. These garment plants shall be established near major textile centers such as Lahore, Sheikhupura, Faisalabad, Kasur, Multan, Sialkot, Rawalpindi, Karachi, and Peshawar. With the installed capacity of 500,000 stitching machines, the annual production of garments will increase to 3 billion pieces.

According to APTMA, new investments dropped to more than half a billion rupees ($4.52 million) in 2016-17, compared to Rs 1 billion ($9 million) in 2005-06. About 35 percent of the textile industry's is functioning sub par, causing a loss of about $4.14 billion worth of potential exports.

Upon completion of the project the demand for the raw materials will increase. Raw cotton will likely go up by an  additional 10.3 million bales, while 345 million kilograms of manmade fiber, 1.98 billion kilograms of additional yarn and an additional 7.93 billion square meters of processed fiber will also be needed. This is indeed the time of proper planning to make the textile industry viable as the cotton-producing area and cotton production have decreased 30 percent and 38 percent, respectively, in Punjab since 2011 overtaken by the more lucrative crop of sugarcane.

The cost of doing business remains high foremost being the high electricity tariff as compared with the competitors with significantly lower cost of energy needed to run the industry smoothly.

The industry has been clamouring for the timely release of pending refunds, continuation of the drawback duties and reducted customs duties on import of synthetic yarn and Polyester Staple Fiber (PSF) to remain competitive. This is indeed the time for the government to take the steps necessary to help out industry to compete successfully and flourish.◆