

Leading textile companies participate in Texworld Paris

As many as twelve Pakistani textile companies showcased their products at Texworld, a bi-annual international textile exhibition held from 17th till 20th September at Paris.

Ambassador of Pakistan to France Moinul Haque visited the Pakistan Pavilion at the three-day exhibition, and appreciated the representatives of the various companies for showcasing a wide range of quality textile and leather products.



Moinul Haque,
Ambassador of
Pakistan to France.

The Ambassador expressed satisfaction that Pakistan's exports to France were following an upward trajectory since the launch of economic diplomacy initiated by the embassy in 2016.

He said that the total bilateral trade was at US\$ 1.58 billion in 2017, compared to US\$ 1.467 billion in 2016. The data for the first eight months of 2018 reflected an increase of 8% in the bilateral trade, which he termed a welcoming trend.

Some of the major Pakistani textile groups and exporters on the occasion included Nishat, Kohinoor, Sapphire, Kamal Limited, Siddique Sons and Master Textile. All exhibitors established their theme-based customized pavilions which attracted a large number of potential buyers.



Textile Sector vows to double exports with a cut in input costs

The textile industry, which earns 60% of total export proceeds, was jubilant at the acceptance of a long pending demand of a massive cut in input costs and anticipated that it would double the exports in the next five years.

The government announced a reduction in regulatory duty on the import of raw material by the export industry, especially for the five zero-rated sectors. The cut in duty on 82 items would grant a benefit of Rs. 5 billion to the textile industry in the remaining months of the current fiscal year 2018-19.

This is in addition to the Rs. 44 billion benefits the industry, especially that located in Punjab, is being provided through gas subsidy to make the utility price uniform across all four provinces in the country.

Furthermore, the entire textile industry chain, starting from raw material

manufacturers to value-added textile units, is estimated to invest around US\$ 7 billion over the next five years. The targeted revival of the industry along with new investment is expected to double textile exports in the next five years.

Textile exports increase by 9% to US\$ 13.53 billion in FY2018

The textile exports rose by approximately 9% to US\$ 13.53 billion for the fiscal year ending June 30 as financial incentives improved the competitiveness of the key export-oriented sector.

Pakistan Bureau of Statistics (PBS) data showed that textile exports amounted to US\$ 12.45 billion in the last fiscal year of 2016-17.

Analyst Ahmed Lakhani at JS Global Capital said that the growth in exports was mainly due to higher volumes sold during the last fiscal year and that this is indicative of higher competitiveness of Pakistan's textile exports amid a weakening local currency against major currencies.

The Pakistani Rupee lost around 20% against the US dollar since December last year. Last year, the previous government announced Rs 180 billions of various tax concessions for the export-oriented sector.

PBS data showed that knitwear exports increased by 15.2% to US\$ 2.719 billion in the fiscal year of 2017-18. Exports of bedwear rose by 5.8% to US\$ 2.3 billion. Readymade garments exports fetched US\$ 2.6 billion during the last fiscal year, up by 11.22% year-over-year.





Zubair Motiwala, Chairman of the Council of All Pakistan Textile Associations.

Zubair Motiwala, Chairman of the Council of All Pakistan Textile Associations said production was low in June due to Ramazan effect while several transactions were delayed due to Eid holidays. Going forward, we will be able to maintain the current export levels and might be able to register nominal gains. However, unless the government brings the cost of doing business down desired results would not be achieved. Motiwala further said the

government should follow the Chinese model and reduce the cost of utilities through concessions and subsidies.

Japanese apparel firm plans to outsource from Pakistan

A world-famous apparel brand Uniqlo plans to outsource textile garments from three Pakistani companies for its more than 3,000 outlets worldwide.

Uniqlo Inc, a subsidiary of Japanese retail holding company Fast Retailing Inc., has planned joint venture with three local companies, which would boost textile exports.

Uniqlo initially selected five textile companies in Lahore, Faisalabad and Karachi and sent its two-member team to meet their representatives and assess the potential.

"The initial visit of the Uniqlo team has been successful, which is a big breakthrough," the official said, requesting anonymity. Uniqlo finally chose three companies for joint ventures in Pakistan. "They still requested for some more companies for shirt fabric and others for circular cutting and sewing," the official added.

Pakistan's textile exports rose by approximately 9% to \$13.53 billion for the fiscal year ended June 30, which account for more than 60% of the country's total exports. Yet, Pakistan has lost its textile export share in the world market to 1.7% from 2.2% over the last decade.



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In Japan, Uniqlo is known for very high-quality products at reasonable prices. The brand is known for maintaining the on-ground presence for quality control. Therefore, any significant move by Uniqlo into Pakistan for investment and procurement will generate a ripple effect and will boost textile export. From its factories, Uniqlo supplies apparels to its more than 3,000 sales outlets all across the world.

A Spanish Inditex Group, the world's biggest clothing retailer and owner of an internationally-acclaimed fashion brand Zara, also opened its maiden branch office in Pakistan to double its imports from the country.

Textile products worth \$2.280 billion exported in two-month

Textile group exports from Pakistan during the first two months of the current fiscal year (July-August) grew by 3.71 per cent as compared to the corresponding period of the last year.

During the period from July-August, 2018 textile products worth \$ 2.280 billion exported as compared the exports of \$ 2.179 billion of the same period of last year, according to the latest data released by the Pakistan Bureau of Statistics.

The textile group exports on a month on month basis witnessed 7.33 per cent growth in August 2018 as compared the same month of last year. During the period under review, the country earned US\$ 1.258 billion by exporting the textile products as against the US\$ 1.172 billion of the same month last year.

The textile products which in first two months, recorded positive export growth included cotton yarn by 6.52 per cent,



yarn other than cotton by 2.84 per cent, knitwear by 11.29 per cent, bed wear by 2.72 per cent and towels by 7.02 per cent respectively.

The textile items with negative growth in their exports during the period under review included raw cotton by 62.14%, cotton cloth by 0.69%, and other textile products by 13.13% respectively.

From July to August 2018 about 79,733 metric tons of cotton yarn valuing US\$ 224.145 million were exported as against the exports of 81,064 metric tons worth US\$ 210.418 million of the same period of last year.

According to sources about 1,988 metric tons of yarn other than cotton yarn valuing US\$ 5.065 million exported during the period under review as compared the exports of 1,725 metric tons worth the US\$ 4.925 million of the same period of last year.

The country exported about 21,440 thousand dozens of knitwear worth the US \$ 488.815 million in first two months of the current financial year as compared

the exports of 16,992 thousand dozens valuing the US \$ 439.224 million of the same period last year.

Meanwhile, almost 7,450 thousand dozens of readymade garments valued at US\$ 435.425 million during the period under review as compared the exports of 6,108 thousand dozens worth \$ 418 million of the same period of last year were exported during this period.

During the period under review, exports of raw cotton came down from the US \$ 8.695 million in July to August 2017 to US\$ 3.292 million in the same months of the current financial year, recording decrease of 62.14%. But the exports of cotton cloth were stood at 345,229 thousand square meters valuing US\$ 346.780 million, which were recorded at 328,741 thousand square meters worth US\$ 349.197 million during the same period of last year.

New APTMA Chairman vows to take all textile sectors aboard

The newly-elected Chairman of All Pakistan Textile Mills Association (APTMA) Punjab, Adil Bashir resolved to take all the sectors of the textile industry on board and evolve a joint strategy to double the exports and employment.



Adil Bashir, Chairman, APTMA.

Addressing the annual general body meeting (AGM) of the APTMA Punjab after assuming charge of his office, he appreciated the outgoing leadership for



paving the way for the long-awaited revival of the textile industry in Punjab.

He also expressed appreciation for the efforts of outgoing APTMA Punjab Chairman Ali Pervaiz Malik and his team for all the hard work put in throughout the year 2017-18 and thanked the APTMA Patron-in-Chief Gohar Ejaz and other senior members for their guidance and support.

Mr. Bashir said that his first priority would be to ensure the earliest implementation of uniform energy price for the exporting industry, five zero-rated sectors. He expressed a desire to leave no stone unturned to revive the textile units, which were closed down because of the uncompetitive energy price in Punjab. He added that 70 per cent of the closed capacity would be revived in the next six months as the government was well-versed with the issues of the textile industry in Punjab.

The APTMA Chairman hoped that gas price would be rationalized for the textile industry throughout the country from October 1st and assured the members of the availability of electricity



at Rs. 9 per kWh for the exporting industry.

According to Mr Bashir, the APTMA management is also engaged with the government at various levels to obtain measures such as removal of upfront incidentals on the import of raw materials both cotton and man-made fibre, liquidation of all pending refunds on account of sales tax, duty drawbacks and textile policy outstanding.

He said that he would try his level best to get the other issues resolved such as Gas Infrastructure Development Cess (GIDC)

and cost of supply liabilities, restoration of previous duty drawbacks scheme (export-led growth package) for the entire textile industry value chain. He said that he would also take up the issue of stuck up sales tax refunds and duty drawbacks with the government for their early release.

He concluded that enabling environment for the industry to undertake new investments to achieve growth and production of exportable surplus for doubling the exports in the shortest possible time will be the foremost priority of our management. ♦



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