

Textile exports post 4.10 percent growth in four months, crossing \$ 4,586 billion mark

Textile group exports during the first four months of the current financial year increased by 4.10 percent. During the period from July-October, 2019-20, textile products worth over the US \$ 4.586 billion exported as against the exports of US \$ 4.406 billion of the same period last year, showing an increase of 4.10%.

Textile group exports from the country during the first four months (July-October) of the current financial year increased by 4.10% as compared to the exports of the corresponding period of last year.

Meanwhile, textile sector exports witnessed about 7.44% growth in the month of October, as against the exports of the same month of last year, according to the latest data of advance releases on foreign trade statistics, released by the Pakistan Bureau of Statistics recently.

During the period from July-October, 2019-20, textile products worth over the US \$ 4.586 billion exported as against the exports of US \$ 4.406 billion of the same period last year, showing an increase of 4.10%, it added.

On month on month basis, the textile products over the US \$ 1.214 billion exported in the month of October, as compared to the exports of US \$ 1.130 billion of the same month last year. ♦

APTPMA Chief voices concern over stuck up ST refunds

A huge amount of sales tax refunds of the textile industry have been stuck due to a complicated refund system, the Chairman All Pakistan Textile Processing Mills Association (APTPMA), Muhammad Pervez Lala said.

Elaborating, he said that the textile industry had accepted the sales tax refund bonds' option to support the government in tough monetary conditions. Now it was good news for our member units that ECC of the cabinet has recently approved the supplementary grant of Rs. 30 billion for the redemption of sales tax bonds and clearance of sales tax refunds of exporters by the FBR.

But it seems that early payments of refunds to member units are still in doldrums due to the non-availability of required mechanism or procedure in FBR, as informed. The association has been informed by the FBR that no procedure or mechanism of payments of sales tax refunds bonds is available with the FBR so far.

He emphasized that undue delay by FBR in early payments of sales tax refunds to the textile exporters announced by the PM and approved by the ECC tantamount to negate the



Muhammad Pervez Lala, Chairman All Pakistan Textile Processing Mills Association (APTPMA).

government initiatives for boosting our exports and business activities.

The textile processing industry is one of the most value-added, export-oriented, and revenue-generating sectors of the textile industry. But, unfortunately, besides other various obstacles faced by the industry and due to delay in payments of sales tax refunds, the industry is facing serious liquidity problems.

Chairman APTPMA demanded of the Advisor to PM on Finance and Revenue, Dr. Abdul Hafeez Shaikh and Chairman FBR Syed Muhammad Shabbar Zaidi to take necessary steps for early payments of sales tax refund bonds to our member units to save textile processing industry from liquidity crunch and enabling us to keep the industry wheel running, save laborers from joblessness and starvation and to increase our productivity and export performance.

Textile Industry facing electricity supply disconnections owing to differences with DISCOs

As the textile industry faces power supply disconnections due to differences with respective power distribution companies (DISCOs) across the province, the All Pakistan Textile Mills Association (APTMA) leadership has called for re-connections of electricity supply to the textile mills at the committed tariff of 7.5 cents per kWh to the export-oriented industry. The leadership addressed a press conference at the APTMA Punjab office recently.



Dr. Amanullah Kassim Machiyara, Chairman APTMA.

Central Chairman APTMA Dr. Amanullah Kassim Machiyara, Chairman APTMA Punjab Adil Bashir and Group Leader APTMA Gohar Ejaz spoke to the media. Central Chairman APTMA Dr.

Amanullah Kassim Machiyara said the industry was planning a new investment despite the prevailing liquidity crunch due to stuck up refund claims. He said an increase in energy price after the withdrawal of electricity supply at a flat rate of 7.5 cents has panicked the industry.

Chairman APTMA Punjab Adil Bashir said the government should fulfill its commitment of providing regionally competitive energy, i.e. electricity at 7.5 cents per kWh. He stated due to the government's commitment to providing 7.5 cents of electricity tariff led to an increase in textile exports whereas the garment exports increased by 35% in the last four months. He said the government has imposed various surcharges after the withdrawal of zero-rating alongside GST and Income Tax. The industry has also been burdened with Quarterly Tariff Adjustments (QTA) besides the introduction of the Additional Distribution Surcharge to the industry retrospectively from the 1st of July.



Adil Bashir, Chairman APTMA Punjab.

The export-oriented industry relying upon electricity supply throughout Pakistan has been burdened with approximately 30 to 35% additional surcharges added to the electricity bills retrospectively, he added.

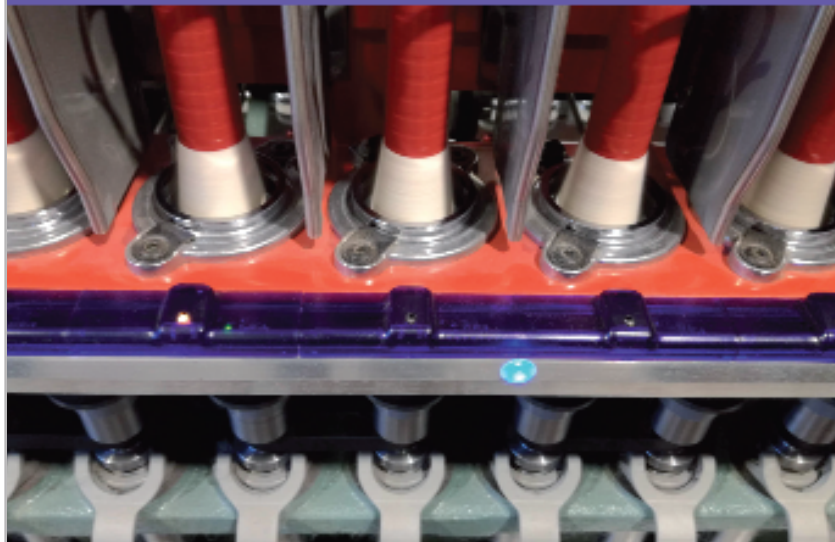
Government withdraws all duties, taxes on cotton import

Government recently waived all duties and taxes on import of cotton and allowed its import via the Torkham land border from Afghanistan and Central Asia to meet the demand of the value-added textile sector. The decision will be effective from January 15, 2020. The

EFFISPIN is the solution for your spinning mill management, by reducing costs, improving quality and optimizing labour.



HARDWARE OptiFil



The smallest optical detector in the world OptiFil is the newest optical detector by Pinter Group. OptiFil shows different spindle status: Broken, idle, rogue, low twist and "dusty." It is the only optical detector in the market giving an alarm in case of dust/obstacle between the sensor and the traveler. Connectable with Roving Stop device.

SOFTWARE SmartDragon



PCMEA seeks Government's support to revitalize carpet industry

Pakistan Carpet Manufacturers and Exporters Association (PCMEA), expressing serious concerns over the deteriorating situation of the handmade carpet industry, demanded the government to patronize this industry to reduce poverty in the country. These views were expressed by Senior Vice Chairman PCMEA Sheikh Aamer Khalid while addressing a meeting of the North Circle Committee.

Addressing to Prime Minister Imran Khan, Advisor to Prime Minister on Finance Dr. Abdul Hafeez Sheikh and Advisor on Commerce Abdul Razak Dawood, the PCMEA also demanded them to give a package of special incentives on the patron of bailout package to carpet industry which would not only help the government for restoring industries in the country.

Sheikh Aamer Khalid said the carpet industry is besetting with multiple crises due to these bleak circumstances and the situation is turning into worse as there is not a new investment in the carpet industry. He said Pakistan Carpet Association and Carpet Training Institute both are taking every possible step for restoration of this industry, but the situation has reached this point where the government's support has become inevitable.

The government permits cotton imports from Afghanistan and Central Asian countries.

Cabinet's Economic Coordination Committee (ECC) allowed the import of cotton from Afghanistan and Central Asian countries through the land route to meet its shortfall in the key textile industry. Cabinet's Economic Coordination Committee allowed the import of cotton from Afghanistan and Central Asian countries.

The ECC took the decision in line with a proposal submitted by the Ministry of Commerce and Textile during a meeting presided over by the Finance Minister Asad Umar. ECC also directed the relevant ministries to engage with the industry for the establishment of a permanent quarantine facility for cotton import through the land route.

Pakistan is a net cotton importer with the textile industry consuming 12 to 15 million bales per year. The country imports cotton from various sources. Afghanistan and Central Asian states are producers and exporters of cotton and they have a reasonable share in Pakistan's import mix as imports from these countries are cheap due to land route compared to the United States and other destinations. Pakistani cotton is of short to medium staple length and therefore extra-long-staple cotton has to be imported for production of finer yarn counts.

The Commerce Ministry said cotton is a sensitive crop and attracts a variety of pests. For the majority of cotton, Afghanistan is only a transit route and for that purpose pest scouting of central Asian states would also be required otherwise it would be the great threat of new pests harming domestic cotton.

government had in 2014-15 imposed one per cent customs duty and 5 per cent sales tax on cotton import.

Over the next few years, its import was subject to 3 per cent regulatory duty, 2% additional customs duty and 5% sales tax. The duties were withdrawn in January-February 2017 and re-imposed in July-August. The cabinet's Economic Coordination Committee (ECC) took the decision.

On October 4 last year, the Cotton Crop Assessment Committee projected that cotton production at the end of the year would be 10.20 million bales as against the target of 15 million bales for the fiscal 2019-20.

To fill the gap, the Commerce division has proposed duty-free import of cotton. But the ECC was informed that bulk of cotton would be lifted from local farmers by January 1, 2020 proposed exemption would not adversely affect the interests of local farmers. Both the commerce and national food divisions gave

assurance that imported cotton would facilitate textile exports which are showing an upward trend.

As trade with India was recently suspended by Pakistan, Afghanistan and Central Asian States have become more viable economic sources for cotton import.

Poland wanted to enhance trade with Pakistan

Poland Ambassador to Pakistan Piotr A. Opalinski has said that his country wanted to further enhance bilateral trade with Pakistan as both countries have good



Piotr A. Opalinski, Poland Ambassador to Pakistan.

potential to conduct trade in many items with each other. He was addressing the business community during his visit to Islamabad Chamber of Commerce & Industry.

He said that bilateral trade between Poland and

Pakistan has increased to over half a billion euros, however, there was great scope to further enhance it. He said that around 90% of Pakistan's exports to Poland were comprised of textile products and stressed that Pakistan should focus on diversification of its exports to Poland to achieve better results.

He said that both countries have good potential to cooperate in the IT sector as Polish companies wanted to contribute towards the growth of 5G and telecom infrastructure in Pakistan.

The envoy said that Poland was located in central Europe and could become a hub for Pakistani exports in the EU. He said that Polish companies have been doing business in Pakistan's oil & gas sector for the last 20 years and more could invest in Pakistan.

He said that the Pakistani business community should develop contacts with the Polish Investment Agency and the Polish National Chamber of Commerce to explore business opportunities in his country.

Speaking at the occasion, Muhammad Ahmed Waheed, President, Islamabad Chamber of Commerce and Industry (ICCI) said that vast scope for

bilateral cooperation in many fields existed between Pakistan and Poland that could be realized with more efforts from both sides.

Textile industry against the merger of textile, commerce divisions

The value-added textile sector has opposed the merger of commerce and textile divisions citing that it will affect the overall performance of the sector. A statement jointly issued by Council of All Pakistan Textile Mills Associations Chairman Muhammad Zubair Motiwala and other textile industry stakeholders urged Prime Minister Imran Khan to withdraw the decision of merging commerce and textile divisions as it would damage the sector.



Muhammad Zubair Motiwala, Chairman, APTMA.

The stakeholders asked the government to keep the textile ministry separate from the Commerce Division and appoint a textile minister who would resolve major issues of the sector.

The federal government recently approved a recommendation of Adviser to Prime Minister on Restructuring and Austerity, Dr. Ishrat Husain, to merge the commerce ministry with the textile division and rename it Ministry of Commerce and Textiles.

Motiwala highlighted that the textile export sector was the largest foreign exchange earner of Pakistan with a contribution of \$13.32 billion (58% of total exports) to the national exchequer.

He said the Ministry of Textiles was established on demand of the value-added textile export sector, which is the backbone and lifeline of our nation's economy. The government cannot neglect this sector as it provides 42% of total employment. ♦