

# Govt urged to regulate cotton, yarn exports

By Parvaiz Ishfaq Rana

KARACHI, March 6: The value-added textile sector has urged the government to immediately start regulating cotton and cotton yarn exports to safeguard raw material supply to the local industry in the light of Indian decision to ban raw cotton exports.

The leaders of different value-added textile bodies fear that Indian decision is going to create raw cotton shortage in the world market and may result in a price-hike.

They apprehend that unbridled export of cotton and cotton yarn from Pakistan would put local textile industry under crisis due to raw material shortage.

Jawed Bilwani, chairman, Pakistan Apparel Forum (PAF), said that Indian move is purely based on its national interests because after meeting export target the government stepped in and stopped further exports to safeguard the interests of its value-added textile industry.

He further said that India, being the second largest cotton producer of the world, is expecting crop size of 34.5 million bales for the year 2011-12,

thereby giving huge exportable surplus of around 10 million bales.

The Indian government took the decision of imposing ban because exports of raw cotton, Mr Bilwani said, over-shot government estimates at 8.5 million bales.

The Indian move had been fast which included cancellation of all those registered export contracts for ensuring smooth supply of raw material to their local textile industry, he added.

Naqi Bari, vice chairman, Pakistan Bedwear Exporters Association (PBEA), urged the government to immediately start regulating raw cotton and cotton yarn exports to ensure raw material availability to local value-added textile industry. He further said that the world had entered into an era where 'war for raw material' has begun and only those nations would succeed who could protect their industry by ensuring smooth supply of any kind of raw material.

Citing an example, Mr Bari said last year Indian government indirectly influenced raw cotton exports to Pakistan and

managed to cancel registered contracts of around two million bales which choked raw material supply to our spinning industry.

He further stated that by regulating exports of cotton and yarn, the government may be able to keep an eye on outflow of raw material and in case exports exceed certain quantity, it would be easy to impose ban to safeguard local industry's interests.

Rafiq Godial, chairman, Pakistan Knitwear and Sweater Exporters Association, said that the biggest drawback our country faces is that our regulators and institutions mostly fail to take prompt decisions in the larger interest of the country.

He apprehended that MFN status to India and Safta would expose industry to threats because our regulators are too weak to face the situation. Therefore, if the government fails to urgently start regulating raw cotton and yarn exports, the emerging global market situation would deprive our value-added industry from much needed raw material, Mr Godial stated.





# Industrialists hit out at KESC for disconnecting power

off power connection of industrial units is a clear violation of National Electric Power Regulatory Authority (NEPRA) rules and regulations.

They sought intervention of NEPRA to investigate into KESC affairs and tight its screws and make the company to obey rules and regulations.

Pointing out violation of rules they said on one hand KESC is not prepared to operate its units on oil and on the other it claims fuel adjustment charges. This indicates that KESC is habitual of violating rules and regulations.

Industrialists said unrest among labourers is increasing due to closure of industrial units owing to frequent long hours' load shedding, short gas supply and strikes. Electricity shortage is the single biggest hurdle in the economic growth of industrial hub of the country and KESC is one of the most unreliable sources of power supply that's why they have to have their

own alternation power generating units to keep industry's units operative when KESC fails to provide power.

Industrialists expressed fear if government remained silent spectator the situation would be worst and will lead to violence.

Rehan Zeshan of Federal B Area Association of Trade and Industry (FBAATI) apprises Sindh Minister for Industries and Commerce, Rauf Siddiqui, of the issue.

Rauf Siddiqui assured that he would take up the issue with concern authorities and make efforts to get it resolved.

He said it is clear violation of NEPRA rules and regulations.

Chairman FBAATI, Masroor Alvi, said that KESC has initiated disconnecting power supply of all those units that are either generating 100 percent of their power requirement through captive power or having standby power generation union to

meet power requirement during load shedding and power failure.

He said that those meeting 100 percent power requirement through captive power will have no impact of KESC policy whereas those having standby generation capacity will suffer adversely due to this policy.

President, Karachi Chamber of Commerce and Industry (KCCI), Mian Abrar Ahmad, expressed deep concern over disconnections of power supply of 63 manufacturing units in the seven industrial zones by KESC.

President KCCI strongly reacted over KESC's unilateral decision to cut off power supply of manufacturing units that generate their own electricity with captive power plants and also use KESC electricity.

According to the news item, the KESC has prepared a list of 188 such industries that use captive and KESC power; there is extreme unrest among the industrialists due to unilateral disconnections by KESC.

President KCCI informed that the industries using captive power are already paying fixed charges and due to one-sided decision of disconnection by KESC, the captive power industries will go to Court and also approach the NEPRA.

He further stated that decisions taken by KESC along with some business people who had meeting with KESC officials do not have total representation of the business and industrial community of Karachi.

He voiced that unilateral decision by KESC is not acceptable at all and will lead to agitation.

He urged the KESC to stop further disconnecting and restore the power of 63 manufacturing units whereby KESC had disconnected the power supply.

Perturbed over the situation the industrialists' associations have taken up the issue with KESC as a delegation of representatives of industrialists' associations led by leader Patron

In-Chief of Korangi Association of Trade and Industry (KATI) S M Muneer and met with the Managing Director, Tabish Gohar and senior officials to apprise them of the situation and protesting industrialists over KESC's decision. Muneer intimated of the industrialists' reaction and protest and asked them to reverse the decision of cutting off KESC connections and hold a meeting with their representatives and then make decisions.

He further asked them not to disconnect industries unilaterally and restore their connections and then deal on case-to-case basis.

He said that in KESC's operation some industries were also cut off which did not have captive power plants at all.

Tabish Gohar said if any one disconnected erroneously would be restored but those do not use KESC or utilise KESC power less than 50 per cent would be disconnected in

order to provide their sanctioned load to other industries. President Businessmen and Intellectuals Forum (PBIF) Mian Zahid Hussain proposed to the KESC chief to either give industries one month's time or restore those connections which agree to use at least 25 per cent of KESC power.

Gohar replied that he would decide the future course of action after consultations with his officers.

On the issue of serving notices to those industries which are using additional load on KESC system more than the sanctioned one, he said that such industries could use additional load after regularisation of additional load.

The meeting also attended by Chairman KATI Ehtesham Uddin, Chairman F B Area Association Masroor Ahmed Alvi, President Bin Qasim Association Usman Ahmed, Chairman SITE Super Highway Association, Mahtab Chawla and others.