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Concern over surge in export of cotton yarn

By Our Staff Reporter

KARACHI, Dec 22: Exporters have expressed concern over surge in export of semi-finished textiles, like cotton yarn and grey cloth as against falling trend in export of value-added textiles and apparels.

In a statement issued on Saturday, chairman, Pakistan Hosiery Manufacturers Association (PHMA), M Jawed Bilwani, said that rise in export of textiles mainly constitutes semi-finished textile goods which could otherwise be used by the apparel industry for value-addition.

He said that textile exports have declined by 10.38 per cent while Bangladesh and India have shown positive growth in textile exports.

He said that knitwear exports declined by 18.6 per cent in quantity when compared exports in 2010-11, bedwear by 22.76 per cent, towel by 27.32 per cent and readymade garments by 12.40 per cent.

Mr Bilwani said that if export of cotton yarn for 2011-12 is compared with the current fiscal year (2012-13), there is an increase of 52 per cent in just first five months.

He said that during 2010, the ministry of commerce through SRO-119(I)/2010 (Feb 25, 2010) restricted export of all categories of yarn at 35m kkg per month. This capping was done to check unbridled export of cotton yarn and to ensure its availability to domestic value-added textile sector.

Mehtabuddin Chawla, chairman, Towel Manufacturers Association, said that there was a shortage of gas and electricity in the country.

He urged the government to give priority to supply of gas and electricity to value-added textile sector which mostly runs on captive power plants and also generates largest employment in the country.

He further stated that decline in export of value-added textile exports was a matter of concern because it was a major foreign exchange earner in the entire textile sector.

'Textile exports decline by 10.38pc this year'

KARACHI: It is a great irony that the export of our major raw material - Cotton Yarn and export of low Value Added Greige Cloth has increased while the Value Added Apparel and Home Textile exports has reduced considerably, lamented M Jawed Bilwani, Central Chairman, Pakistan Hosiery Manufacturers & Exporters Association.

He said that if comparison is made with exports of last year, textile exports have declined by 10.38 percent while Bangladesh and India show positive growth in its textile exports. When we compare our textile exports with the year 2010-2011 with 2012-13 knitwear exports declined 18.6 percent in quantity terms, bedwear by 22.76 percent, towel by 27.32 percent, readymade garments by 12.40 percent.

He stated it the exports of Cotton Yarn for the period 2011-2012 are compared with the period 2012-2013, it shows an increase of 52 percent in just five months. It is on record that during 2010 MoC vide S R 0 119(I)/2010 dated February 25, 2010, export of yarn was restricted to 35 million kilo gram per month for all types of yarn for the next four months from March 01 to June 20, 2010 This capping was done just because of unbridled export of cotton yarn.

Here, a vital point and the greatest irony is that while there is immense shortage of gas, and electricity in Pakistan, our gas and electricity is exported in the shape of export of yarn while the Value Added textile sector is starving for energy.

It is imperative, he said, that the government first gives top priority to supply of gas to Value Added textile sector mainly because this sector not only runs its Captive Power Plants on 70 percent efficiency but also generates largest employment of both male and female workers as well as earns huge amount of sorely needed foreign exchange for the country while the other inefficient sectors should be considered next on the priority of Gas supply after the Value Added textile sector.

Added to the decline in exports of the Value Added Textiles, the major issue at stake is the survival of the Textile Industry in Pakistan due to the above noted adverse factors and if proper attention and remedial measures are not taken by the government on top most priority, the Value Added Textile Export Sector will be completely ruined leading to disastrous situation for the country.—PR

Business Recorder

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Investigation demanded into purchase of LPG terminal

ISLAMABAD: The Pakistan Economy Watch (PEW) on Friday demanded independent probe into purchase of a LPG terminal at inflated prices by a gas distribution company.

The Sui Southern Gas Company (SSGC) bought scrap terminal of insolvent Progas Pakistan Limited at 500 per cent inflated rates which was illegal and against its mandate, said Dr. Murtaza Mughal, President PEW.

The owners of the company were cash-strapped in 2009, Mr. Abbas Bilgrami and Omar Saboor, closely linked with an influential official of the Ministry of Petroleum and Natural Resources left the country after receiving payment, he added.

MD SSGC Azim Iqbal Siddiqui was forced to make the purchase while his resistance proved futile. The friction eventually resulted in resignation of Mr. Siddiqui on November 05 citing 'personal grounds' which was immediately accepted, said Dr. Murtaza Mughal.

He said that one of the reasons behind the current CNG crisis was the struggle of the said influential official who wants to defend the unjustified Progas deal.

Dr. Murtaza Mughal said that recently the petroleum ministry moved a controversial summary in the Economic Coordination Council to phase out CNG gradually and promote LPG.

The move was aimed at forcing the masses to use LPG in cars in a bid to justify the purchase of Progas terminal by SSGC at Rs2.45 billion.

The terminal located at Port Qasim was able to handle only ten thousand tonnes of LPG in one year becoming a white elephants like other state-owned entities surviving on subsidies, he informed.

It has also exposed the stated claims of the deal to import LPG to add in the system to overcome natural gas shortages.

Dr. Mughal demanded of the Supreme Court a probe in the deal to bring to book those who used national resources to oblige friends.—PR