

**PHMA URGES GOVERNMENT TO TAKE IMMEDIATE MEASURES TO ADDRESS CHALLENGES
CONFRONTING TO EXPORT ENHANCEMENT: SYED ZIA ALAMDAR HUSSAIN, CHAIRMAN PHMA**

KARACHI, 7th October 2026: The Pakistan Hosiery Manufacturers & Exporters Association (PHMA) has urged the Government to take immediate and targeted measures to address the growing challenges confronting Pakistan's hosiery and knitwear export industry, warning that the sector's international competitiveness, export orders and market share are under increasing pressure. PHMA has advised Federal Commerce Ministry to convene immediate consultative meeting by Commerce Ministry inviting representatives of PHMA along with officials from Ministry of Finance, State Bank of Pakistan, FBR and other relevant government departments to review the challenges confronting the hosiery and knitwear export sector and identify practical measures to safeguard export orders and competitiveness. This was stated by Syed Zia Alamdar Hussain, Central Chairman PHMA

PHMA Central Chairman in his letter to Federal Commerce Secretary has urged to convene urgent consultative meeting highlighting that apparel, hosiery/ knitwear industry is currently facing historically high manufacturing costs, exorbitant freight charges, higher energy tariffs with power outages, high taxation costs, liquidity constraints, intensified regional competition and weakening international demand. The combination of these factors is making it increasingly difficult for Pakistani exporters to remain competitive, secure new orders and retain existing international buyers.

PHMA Chairman stated that the rising cost of production has become a major constraint on the competitiveness of the knitwear sector. High electricity and gas tariffs, Federal and Provincial taxes and levies, embedded cross-subsidies in energy prices, increasing labour costs, delayed tax refunds and higher regulatory and compliance costs are collectively increasing the cost of manufacturing. At the same time, the substantial increase in ocean freight has further weakened Pakistan's export competitiveness. Freight rates to major destinations have, in some instances, increased by **1.5 to 2.5 times**, significantly increasing the landed cost of Pakistani products. Exporters are consequently being forced either to absorb the additional cost, reducing already narrow margins, or pass it on to buyers, making Pakistani products less competitive against alternative sourcing destinations.

PHMA Chairman suggested the Government to help exporters absorb the exceptional increase in production, energy, freight and other business costs. PHMA has proposed temporary DTL support of 6–8% of FOB value on a shipment basis for a limited period. Such support would help exporters retain existing international buyers and protect Pakistan's market share during the current challenging period.

Chairman PHMA also highlighted the working-capital constraints faced by the industry, noting that hosiery and knitwear exporters require affordable financing to procure raw materials and meet production costs before realization of export proceeds.

PHMA has urged the authorities to ensure uniform implementation of the announced 4.5% Export Financing Scheme (EFS) end-user rate, which is to remain applicable until June 2027. The Association pointed out that the benefit is not being uniformly reflected in financing provided by banks, with some exporters continuing to face higher financing costs.

PHMA further expressed concern over the growing competition from regional sourcing destinations. International buyers and sourcing organizations are increasingly evaluating competing countries on the basis of cost, reliability, delivery timelines and the overall business environment. PHMA emphasized that, in the prevailing circumstances, retaining existing international buyers and export markets has become as important as securing new business. Once a buyer shifts sourcing to another country, recovering that business can be extremely difficult. The Association stressed that addressing the cost disadvantages faced by Pakistani exporters is therefore essential to protect existing orders and prevent further erosion of Pakistan's international market share.