

Measures sought to promote industrialisation

LAHORE: Textile exporters on Thursday urged the government to take measures for kickstarting industrialisation as exports growth remained tepid during the July-November period of this fiscal year.

Appreciating the 33 per cent drop in trade deficit to \$9.496 billion from \$14.47bn during the first five months 2019-20, Pakistan Textile Exporters Association (PTEA) Chairman Sohail Pasha noted that the decline was mainly contributed by sharp reduction in imports.

“Our exports have fallen by 0.67 per cent in November over the preceding month while average rise in exports in first five months is less than 5pc, indicating that achieving the export target will be pretty tough this year,” said Pasha, according to a press release issued by the association.

For the first time in 15 years, country’s imports continue to decrease, the PTEA chief noted. However, low export volumes are still a major issue for economic growth. Lack of diversification in products and export destinations along with high cost of doing business are among the key factors behind low exports.

Pasha said that despite extreme crisis, textile industry remained the most export-oriented sector of the economy in last decade with a 60pc share in country’s export revenues. However, stagnating textiles exports have been a consistent cause of concern for the economy.

Challenges like stuck up liquidity, high priced energy inputs and imposition of duties and taxes on inputs and raw materials are adversely impacting production, employment and exports, the PTEA press release said.

“Although the government has taken exemplary drives to address the issue of outstanding refunds by liquidation of sales tax refund claims, still huge amounts are stuck in income tax, custom duty drawback and textile policy incentive regime,” Pasha said.