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# No textile policy target achieved

The Textile Policy 2014-19 failed to achieve all its targets including doubling value addition from $1 billion per million cotton bales to $2 billion per million cotton bales, increasing textile exports from $13.1 billion to $26 billion as well as creation of 3 million jobs in five years. This was confided to Business Recorder by the senior officials of Textile Division as well as industry stakeholders.

Official sources revealed that Textile Policy 2014-19 is going to expire by end-June 2019. The Textile Division is planning to come up with a new policy comprising new targets, incentives and recommendations. All stakeholders would be taken on board before the finalisation of new policy, sources added.

The Textile Policy 2014-19 goals included: doubling value-addition from $1 billion per million bales to $2 billion per million bales in five years; doubling textiles exports from $13 billion per annum to $26 billion per annum in next five years; facilitating additional investment of $5 billion in machinery and technology; improving fibres mix in favour of non-cotton i.e. 14% to 30%; improving product mix especially in the garment sector from 28% to 45%; strengthening existing textile firms and establish new ones; SME sector will be main focus of attention to enhance growth in value-added products through support and incentives schemes; schemes and initiatives will be launched for increasing usage of ICT; the textiles sector will be made domestically and internationally compliant, especially with respect to labour and environment rules and conventions; textiles units will be encouraged to use modern management practices for improving efficiency and reducing wastages; clusters would be systematically developed and existing clusters will be strengthened; vocational training of workers for capacity building; internships and different programmes for enhancement of skills and higher per capita productivity would be introduced; facilitation for creation of 3 million new jobs; and adopting measures to increase ease of doing business and reducing cost of doing business.

However, none of the mentioned targets was achieved due to lack of will and poor approach and financial crunch. Officials admitted that not a single target of the Textile Policy 2014-19 was achieved on account of financial crunch for different schemes under the policy as well as non-availability of energy at competitive prices.

Sources further said that the government released Rs 10 billion for the implementation of different schemes in the policy against the estimated finances of Rs 64 billion as announced by the then Federal Minister for Textile Industry Abbas Khan Afridi.

Drawbacks of Local Taxes and Levies (DLTL) were announced in the policy for exporters of textiles products on FOB values of their enhanced exports on an incremental basis if increased beyond 10% over previous year"s exports at different rates i.e. garments, 4%, made ups, 2%, and processed fabric, 1%. But instead of 10 percent increase, exports further declined during this period.

Talking to Business Recorder Chairman Pakistan Hosiery Manufacturers Association Javed Balvani said that lack of ownership and unavailability of energy at competitive prices led the failure of the policy implementation. "A standard of 10 percent in increase was fixed for getting incentives announced in the policy. However with the already declining exports, it was of no use and no exporter was able to achieve the target," he said.

All Pakistan Textile Mills Association (APTMA) leader Gohar Ijaz said that during the policy implementation period, energy cost was made almost double and resultantly over hundred mills were closed, rendering thousands of people jobless. He further said that overall exports declined from $25 billion to $21 billion during this period, showing that textile policy had badly failed in contributing in exports promotion.

The Textile Policy 2014-19 envisaged strategy to make textile sector competitive and sustainable, but it is evident from the exports figures that share of Pakistan"s exports decreased, he added.

In a recent presentation by the Textile Division to Prime Minister Imran Khan, three pressing export impediments were identified, including pending liabilities of Rs 115 billion with the Federal Board of Revenue (FBR), cost/ease of doing business and the levy of customs duty on import of cotton.

The PM had directed the Textile Division to make a presentation covering tangible achievements and the reason(s) why the division has not been able to achieve its full potential, specific impediments in terms of manpower policies, laws, rules, organisational structure, linkages, proposals to overcome the identified impediments and any other pressing issues.

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