

Cotton production declines 7.7pc

Parvaiz Ishfaq Rana | January 19, 2019

KARACHI: The country is likely to import 3.5-4 million bales — costing up to \$1.2 billion — as the crop size for season 2018-19 is estimated at 10.8m bales, against the annual demand of around 15m bales.

According to figures issued by Pakistan Cotton Ginners Association, Pakistan's cotton production up to Jan 15 fell by 7.74 per cent or 877,800 bales to 10.456m bales.

Punjab being the largest cotton producer suffered heavily, recording a 10.79pc decrease in output to 6.324m bales, from 7.089m bales in same period last year. In absolute terms, 764,804 fewer bales were produced in the province.

Against this, Sindh — faced with shortage of irrigation water at sowing stage — performed slightly better but also witnessed a drop of 2.66pc in output as it fell to 4.132m bales, from 4.245m bales in corresponding period of last season.

Bridging shortfall through imports to cost \$1.2bn

In addition to less area coming under cultivation, factors such as poor quality seed and pesticides are hitting the cotton crop for the last 5-6 years. Switching to other crops such as sugarcane under political clouts has reduced the cotton cultivated area to 6m acres, from 9m.

Talking to Dawn, All Pakistan Textile Mills Association former chairman Yasin Siddiq said the country would require around 3.5-4m bales of imported cotton. Out of these 4m bales, the industry would need around 2.5m bales of long staple cotton used to produce fine count yarn required for high-valued textile products.

The government recently withdrew 3pc customs duty, 2pc additional customs duty and

5pc sales tax, allowing textile industry to import duty-free cotton to meet domestic demands of long and extra-long staple cotton.

A leading cotton dealer and exporter, Maqbool Saddiq, said the government should also resolve the issue of contamination and poor packing which has adversely affecting the price for Pakistani cotton in the world market.

Once this issue is resolved, it will not only help the local textile industry to have quality cotton for producing yarn and textile products but also push up Pakistani crop's price in the world market.

Around 0.1m bales have been exported in the current season, he added.

Saddiq suggested that the State Bank of Pakistan could play a major role in ensuring good packing by restricting its loan to ginneries and putting a condition of six sided packing which is practiced all over the world.

Published in Dawn, January 19th, 2019

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