

### **Cotton lint prices reach Rs10,300 per maund amid shortage**

KARACHI: Cotton lint prices touched the Rs10,300 per maund level for the second time this season as almost V-shaped recovery in textile industry in Pakistan amid the global pandemic turbulence sharpened demand of the industrial input, it was learnt on Saturday.

Cotton lint prices in the local market increased around Rs500 to Rs700 per maund. It is second time in the season that lint price reached to Rs10,300 per maund level, according to traders.

Traders are expecting prices to reach at the highest level of the season at Rs10,500 per maund in the coming days due to shortage of lint in the market.

Textile sector is running at full capacity and demand of lint could reach 14.5 million bales this year, while cotton production is likely to reach only six million bales.

Faisalabad, which is a textile industrial city saw all 50,000 power looms come back to operation for the first time since 1990. Industrialists are installing another 30,000 power looms, according to industry people. They need at least 200,000 workers to meet the fast recovery.

“If government does not take steps to lure growers back towards cotton crop, the textile sector would suffer the negative consequences,” said Naseem Usman, chairman of Karachi Cotton Brokers Association.

“Agriculture sector especially cotton crop was neglected in Pakistan and production has reached to alarming 6 million bales from 15 million bales. Due to regular losses, the growers have moved to other crops.”

Currently import deals for 3.8 million bales have been signed, while import demand could reach around 7 million bales, according to market sources. Around 200,000 bales would be imported from Afghanistan while cottonseed is also being imported in higher quantity. Cottonseed equivalent to 10,000 bales have arrived in Pakistan from Afghanistan. Earlier, Afghan cottonseed reached to a few factories of Dera Ghazi Khan but this season it has reached to several ginning factories of Sindh, Balochistan and Punjab.

Local mills increased their interest in the quality lint during the outgoing week, but ginneries remained cautious, which resulted in an increase in the prices. Trade activity also remained higher.

Traders said that an increase in the prices in the local market was a result of an increase in the lint prices in New York cotton market where prices shot up 10 US cents per pound due to an increase in the export of cotton from the USA.

Due to an increase in the New York Cotton market, import of lint has delayed and local mills are purchasing cotton from the local market to fulfill their requirement that has also affected prices.

During the week, cotton prices remained Rs9,000 to Rs10,000 per maund in Sindh, Rs9,300 to Rs10,300 per maund in Punjab while around 6,000 bales were left in Balochistan.

Spot rate committee of Karachi Cotton Association increased the spot rate by Rs350 to Rs9,850 per maund.