

WEEKLY COTTON REVIEW, Low trading observ

KARACHI: Low trading was observed in cotton market. Ginners were under pressure. No amount was allocated for the much discussed emergency program for increasing the production of cotton. No implementation from the concerned departments on the Prime Minister Imran Khan's resolve of not increasing the price of power for textile sector. According to All Pakistan Textile Mills Association it was difficult to run mills in these circumstances.

In the local cotton market during the last week cautious buying was witnessed by textile and spinning sectors. However, the rate of cotton remained stable but the trading volume remained low.

The textile mills are buying cotton from abroad while the delivery of imported cotton has increased. The reason behind its speedy delivery is that business is limited at local level. Though some ginners are not ready to sell cotton at low price but some ginners are facing problems in selling their cotton due to which they are under pressure. This year despite the extraordinary decrease in the production of cotton ginners had the stock of 8 lac bales, although the new crop will arrive in four to five months. According to the information received from the lower Sindh the wheat crop is ready. According to the farmers the sowing of cotton in lower Sindh will partially start from March which will be ready till June.

According to the two ginners of Tando Adam they will start ginning partially in June. On the other hand the seed producers of Punjab and Sindh are of the view that due to the low production of cotton the germination of seed will be approximately 50 percent which was usually 70 percent to 75 percent. Moreover the exact area of cotton sowing was not determined which was necessary for determining the exact production of cotton.

In Sindh and Punjab the rate of cotton is in between Rs 6800 to Rs 9200 per maund while the rate of Phutti which is available in limited amount is in between Rs 2600 to Rs 4100 per 40 Kg. In Punjab the rate of cotton is in between Rs 7000 to Rs 9200 per maund while the rate of Phutti is in between Rs 2800 to Rs 4400 per 40 Kg.

The Spot Rate Committee of Karachi Cotton Association has stabled the rate of cotton at Rs 9100 per maund.

Chairman Karachi Cotton Brokers Forum Naseem Usman told that due to the Corona virus in China the business was badly affected in international market how ever, due to buying in New York Cotton Market six percent increase was recorded in exports in the weekly export report of USDA. Other than China increasing trend was witnessed in import of cotton. Turkey, Bangladesh, Vietnam, Indonesia and Pakistan are importing

cotton from America in huge amount. The rate of New York Cotton is comparatively stable. The holidays were extended in China due to spread of corona virus. According to the reports partially businesses were started in China however fluctuation was observed in the rate of cotton in China while in India fluctuation is continuing.

Moreover, despite Prime Minister Imran Khan's clear instructions concerned departments are unable to solve the energy price issue. They had sent bills to textile sector at the rate of 20 rupees per unit plus surcharge which was condemned by APTMA.

APTMA warned that several mills of Punjab will be shut if the mills had to pay the bills inclusive of surcharge. The APTMA has issued a statement on receiving bill at the rate of Rs 20 per unit inclusive of surcharge to the export oriented industry. LESCO said that standing committee of National Assembly has stopped the depositing of the bill. The standing committee has asked to refer the matter to Economic Coordination Committee. Primer Minister Imran Khan has also abolished the surcharges but the bureaucracy is not implementing the orders of PM. It looks that they are failing the government. Before that bills were received on the rate of Rs 12 per unit. The industry will not survive after paying the bill at the rate of Rs 20 per unit.

Last Wednesday during the session of National Assembly state minister Ali Muhammad Khan told the House that Prime Minister Imran Khan has made an emergency plan for increasing the production of cotton. While answering a question ministers said that new variety of seeds will be provided to farmers for increasing the production of cotton. He said that only cotton will be sown on the area of cotton. He also said that other crops are being sown on the area of cotton. He said that government will provide assistance to the cotton farmers for increasing the cotton production. He assured that government will increase the production area of cotton. He also assured that government in future will implement Prime Minister emergency program for increasing the production of cotton in letter and spirit. He said that Sindh Seed Council has introduced two new varieties of cotton in Central Cotton Institute Sakrand.

According to cotton experts and departments associated with cotton has stressed their hope that positive results will come if the report of Ali Muhammad Khan will be fully implemented. They also said amount is allocated for cotton emergency program before that Rs 380 billion were allocated for Agriculture Emergency Program and not a single penny was allocated for cotton.