

### **Cotton arrivals down 20.26 percent to 16-year low of 8.33 million bales till January 18**

KARACHI: Cotton imports are expected to reach 6 million bales during the current season as arrivals in the ginning factories fell 20.26 percent to a 16-year low of 8.33 million bales till January 18 after pest attacks adversely affected crop output, industry's data showed on Saturday.

Cotton arrivals in the ginning factories were recorded at 10.45 million bales during the same period last year, Pakistan Cotton Ginners Association (PCGA) data showed.

Naseem Usman, chairman of the Karachi Cotton Brokers Association said lowest cotton arrivals were recorded in 1993/94 at 8.5 million bales.

Of total, 44,916 bales were sold to exporters, down 44.52 percent against 100,900 bales last year. During this period, a total of 7.39 million bales were sold to mills, compared with 8.81 million bales sold during the same period last year.

Unsold stock with ginners remained at 941,657 bales, compared with 1.64 million bales. Fortnightly (January 1 to 15) flows remained at 198,535 bales, higher than last year's flow of 183,059 bales.

Arrivals from Punjab remained 23 percent lower to 4.87 million bales against 6.32 million bales, while arrivals from Sindh were short by 16 percent to 3.46 percent compared with 4.13 million bales arrived in the ginning factories during the same period last year.

Sanghar remained the top productive district with 1.13 million bales; followed by Rahimyar Khan with 1.05 million bales. Growers, as well as ginners were engaged in rapidly ending up their stocks, as import duty on cotton has been removed from January 15. However, so far no SRO was issued in this regard.

The Economic Coordination Committee of the cabinet (ECC) on December 30 scrapped taxes and duties on imports of cotton to support ailing textile industry.

The ECC scrapped three percent regulatory duty, two percent additional customs duty and five percent sales tax on the imported cotton.

Spinners have demanded removal of import duty of 11 percent amid various heads.

The ginning factories; however, have finalised import orders for 4.2 million bales, while new orders are being placed, as the country needs at least six million bales to meet its requirement of 16 million bales, while crop estimates are around 8.5 million bales.

This year, cotton has also been imported from Afghanistan after opening of Torkham border. Due to ban on import from India, local mills had to import on higher prices from other countries.

Usman said the government has vowed to increase cotton production in the coming season, but no concrete action was taken so far.

“Early cotton sowing is around three months away in Sindh, but no action has been taken regarding seed selection, etc,” he added. “If proper seed is not available in Pakistan, the government should take measures to import seed for the coming season.”

Cotton production was increasing in India because the government provided ‘support price’ as minimum purchase rate for the growers, while there was no ‘support price’ on cotton in Pakistan, which resulted in cotton land being occupied by other crops such as sugarcane and corn.

Analysts say the federal government should take immediate measures to increase cotton production; otherwise the country will have to pay huge import bills.

Currently, the country is likely to pay \$1.75 billion under cotton import bill.