

Under CPEC project, Pak-China experts agree to develop textile cooperation framework

ISLAMABAD: Pakistani and Chinese experts have agreed to develop a textile cooperation framework under the China-Pakistan Economic Corridor (CPEC) project by focusing on readymade garments, man-made fiber and textile skill training.

It was expressed in a one-day workshop organised by the Board of Investment (BOI) to deliberate on a diagnostic study on Pakistan's textile sector, conducted by the National Development & Reform Commission (NDRC) of China and China International Engineering Consulting Corporation (CIECC).

The textile diagnostic report provided the Chinese viewpoints on the potentials and barriers of large-scale textile mills in Pakistan. The report was also one of the deliverables of the 9th JCC held in 2019 and is a precursor to a more detailed work on the textile sector of Pakistan.

Executive Director General BOI, Qasim Raza Khan informed the participants that CPEC has now entered into the pragmatic phase of industrial cooperation, and it is the right time to take Pakistan forward on the path of industrialization. It has been agreed that the Chinese side will continue to provide intellectual and technical support to accelerate Pakistan's priority sectors especially through the 9 SEZs of Pakistan under the CPEC wherein three SEZs have been prioritized and are now at an advanced stage of development, he added.

Project Director of PMU Asim Ayub gave a brief presentation on the textile diagnostic report, emphasizing that the trade potential has to be transformed into investment potential. He specified three main areas of cooperation where Chinese could provide support to Pakistan with the objective of developing a textile cooperation framework. These areas include readymade garments, man-made fiber and textile skill training.

Executive Director APTMA Sattar Shahid was of the view that for any meaningful investment to be made there is a need to fix the business climate, i.e, effective contract enforcements. Shahid proposed the need for an efficient and workable bankruptcy law, besides revisiting the needs of tariff sector of Pakistan.

Director Textile Industry Division, Kanwar Usman shared his views on the CPFTA-II with respect to its impact on the textile sector of Pakistan and emphasized on the issue of labor productivity in Pakistan. He shared that the new textile policy of Pakistan is in the pipeline with special emphasis on infrastructure development and appreciated the aspect of man-made fibers production that was included in the diagnostic report which ought to be taken in consideration by the country.

Chairman Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA), Sheikh Mohammad Shafiq was of the perspective that large-scale units of Pakistan are only 20 percent of the total while SMEs comprise nearly 80 percent. Majority of the concessional tariff lines involved in CPFTA-II are related to the textile sector which holds a huge opportunity for Pakistan. There exists a great potential for cooperation in the value-added textile section and artificial fiber area by gaining technical expertise from the Chinese side. Shafiq laid great emphasis on facilitating the SMEs in the textile sector.

The author of the diagnostic study, Dr Du Zhen Li, Deputy Director General of CIECC and the focal person on Joint Working Group (JWG) on Industrial Cooperation (IC) from Chinese side, joined the workshop through a videoconference and shared that the textile sector of Pakistan is chosen for the study based on its significance as an important industry, prioritized by the government of Pakistan. Furthermore, the Chinese business community needs more information to understand the textile industry of Pakistan in the backdrop of CPEC.

Previously, Dr Du Zhenli led a delegation of Chinese textile experts to conduct a diagnostic study of textile sector. The CIECC submitted the textile diagnostic report on 9th Joint Coordination Committee (JCC) held on 5th November 2019.

The report outlined the textile sector of Pakistan and areas of improvement that can lead to a positive impact on the export-led growth vision to boost textile sector of Pakistan.