

Textile mills amass cotton as normalcy returns

KARACHI: Textile mills accelerated cotton buying after partially easing lockdown almost across the country, instilling price stability in the local market reeling from the coronavirus shock, industry people said on Saturday.

Textile mills continued their purchasing during the week, which resulted in stability of the cotton prices. Currently, cotton is coming from lower Sindh while partial arrival started from the Punjab.

Several ginning factories started operations in Sindh, while some mills are operating in Punjab on mix cotton of Sindh and Punjab.

Cotton prices in Sindh remained between Rs8,300 and Rs8,400 per maund, while price in the Punjab remained between Rs8,550 and Rs8,650 per maund. Spot rate was down Rs100 to Rs8,400 at the Karachi cotton market.

Traders said cotton picking and its quality is suffering in Sindh due to rain in some cotton growing areas. Though current rain is not damageable, if water is stored in the lands, it would damage the crops.

Stakeholders said cotton has been sown over 4.6 million acres in the Punjab, where production of 7.5 million bales are expected in the province. However, some cotton growing areas in the Punjab are facing pest attack on crop.

Considering the cotton production trend in the Punjab, government circles expect 11 million cotton bales this year, while private sector expects 8.7 million bales. However, fixing target at this moment would be earlier, as weather conditions can affect the crop. Currently, sowing was down by 1.3 percent in the country compared with the last year.

Since 2010, cotton cultivation area has declined by 20 percent in the country, while corn and sugarcane production have increased instead of cotton.

Karachi Cotton Brokers Association Chairman Naseem Usman said mixed trend remained in the international cotton market. New York cotton futures remained mixed while cotton market in China remained stable. Prices also remained stable in Argentina and Brazil while prices decreased in India.

A delegation of cotton ginners association in Sindh met with Governor Imran Ismail this week and complained regarding power outages issues. Besides, with the support of Bahawalpur, Vehari and Rahimyar Khan chambers of commerce and industry, ginners held online video conference with State Bank and other bank officials and informed them about their issues.

On the other hand, Adviser to Prime Minister on Finance and Revenue Hafeez Shaikh advised the Federal Board of Revenue to provide Rs50 million sales tax refunds within two weeks.

Addressing National Locust Control Centre, Minister for National Food Security and Research Fakhar Imam said locust has started developing in Pakistan and India. Locust will migrate to Pakistan and India from Somalia. The meeting was informed that locust swarms were located in Rajasthan, India while locusts have started growing in Tharparkar, Nara and Cholistan deserts.