

Business remains stable on cotton market

KARACHI: The local cotton market on Monday remained stable as the exporters of textile sector took interest in the purchase of cotton and Phutti.

Market sources told that textile mills and exporters were taking interest in the buying of both old and new stock of cotton.

However, market sources told that buyers were taking interest in the buying of old cotton. They also said that stock of old cotton decreased from 5 lac bales to in between 2 lac to 3 lac bales. The cotton of new season has started arriving partially from Lower Sindh.

Cotton Analyst Naseem Usman told that 600 bales of new cotton crop of Sanghar and 600 bales of Tando Adam were sold at Rs8300 per maund. 1000 bales of old cotton were sold at Rs7800 per maund and 413 bales of Mirpur Mathelo were sold at Rs7950 to Rs8000 per maund.

While giving the briefing to media, chairman PCGA Mian Javed Sohail Rehmani along with senior member Masood Arif said that ginning industry is in a state of disarray due to the burden of taxes, reduction in crop size, corona pandemic and exploitative attitude of the government. The government's failure to provide a comprehensive policy for the promotion of cotton and the failure to provide relief to cotton growers, ginning industry and oil mills in the budget is the cause of the destruction of cotton.

The PCGA leaders said that current situation threatens the survival of the ginning industry and the cotton ginner have been forced to lockdown their factories altogether. The government has paved the way for imported cotton by pursuing a foreign agenda instead of a domestic one, and the domestic cotton is in a state of disrepair and the crop size is steadily declining. It is very disappointing that despite the decision of the Economic Coordination Committee, the animal feed (oil-cake) has not been exempted from sales tax.

Naseem said that while replying to a question in a press conference President of International Apparel Federation (IAF) and Chief Coordinator Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Ijaz A Khokhar said that the condition of the textile industry would worsen aimed at liquidity crunch and shrinking global business adding it would lead to closure of industrial units, decline in export and massive unemployment. He suggested that cotton yarn the major raw material of apparel sector should be exempted from all duties and taxes to encourage value addition. PRGMEA also urged upon the government that the customs duty of seven percent on the import of polyester staple fibre including a range of 20 percent anti-dumping duty should be abolished to reduce production cost to compete the market.

Naseem Usman also said that rate of new cotton of Sindh is in between Rs8400 to Rs8500 per maund while the rate of new cotton in Punjab is in between Rs8500 to Rs8600 per maund. The rate of old cotton is in between Rs7000 to Rs8000 per maund.

He told that Phutti of Sindh was sold in between Rs4000 to Rs4200 per 40 kg. The rate of Phutti in Punjab is in between Rs4200 to Rs4300 per 40 kg.

The rate of Banola in Sindh was in between Rs1900 to Rs2000 while the price of Banola in Punjab was in between Rs2100 to Rs2200.

He also said that Spot Rate remained unchanged at Rs8000 per maund. The polyester fiber was available at Rs155 per kg.