

Textile manufacturing, Govt urged to formulate long-term policies

KARACHI: Government must formulate long-term, durable and consistent policies to combat the declining trend in the textile manufacturing and our exports around the world, said Sheikh Sultan Rehman, vice president of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), in an interactive webinar on "Textile Industry of Pakistan: Challenges and Way Forward" organized by the FPCCI Head Office here via Zoom video link.

He said that since 1950s, the textile sector of Pakistan has been the main driving force of our economy, with more than 60% share in our total exports and offers employment to almost 40% of our work force.

However, there has been decline in our manufacturing as well as exports of textile products in recent years.

He further said that government must take immediate measures for the timely refunds of sales and income tax, issuance of income tax exemptions on utility bills, and resolve issues faced by this export-oriented sector as these measures will help control the liquidity crunch faced by the stakeholders who are already facing hardships in the prevailing economic conditions.

During the discussion, Naqi Bari, CEO of Bari Textile Mills, said that decline in the production of cotton have increased the cost of manufacturing textile products which have ultimately affected our exports. He further said that we must increase our cotton production along with value addition to increase our exports.

Danish Javed, convener of the FPCCI Standing Committee on Bed Wear, said that Bangladesh studied from our success in the textile sector and implemented effective policies which helped their textile sector and economy to grow a lot.

He further said that we demand the exemption of import duties on spare parts for textile machinery as well as restoration of zero rating which have created severe liquidity crunch for the textile exporters.

Chaudhry Muhammad Nawaz, Chairman All Pakistan Cotton Power Looms Association, said that this sub-sector is mainly comprised of SMEs who are severely affected in present times and needs special support from government to revive again. He further highlighted that commercial banks are reluctant to extend loans and financing schemes to SMEs particularly in Faisalabad.

Nawaz on this occasion appreciated the initiative of FPCCI on taking all the stakeholders under one roof through video link for discussion on this important topic.

Representative of the APTMA also said that issues of regionally uncompetitive industrial tariffs as well as high turnover taxes are one of the few major reasons of continuous decline in the manufacturing of textile in the economy.

He further said that we should learn from the examples of Bangladesh and Vietnam who timely addresses these issues and now their textile sectors are playing an important role in their economic development.

Qaisra Sheikh, Coordinator Women Entrepreneurs FPCCI, said that the FPCCI is the most relevant platform for the business communities to address these issues.