

Cut to make Pak products competitive in world market: APTMA

KARACHI: Zahid Mazhar newly elected Chairman of All Pakistan Textile Mills Association (APTMA) Sindh Balochistan Region has said that measure taken for reducing gas prices of five export oriented industries is a step in the right direction to make our products internationally competitive.

He said that the new PTI government is firmly committed to reduce cost of doing business and to improve the country's exports.

However, he pointed out that in order to encourage industrialization and revive the exports of textile sector, the government would have to address other major odds also hurting our industry and exports such as immediate payment of our long overdue refunds of Sales Tax, Income Tax and export DTL which is severely hurting our liquidity, removal of duties from import of cotton and polyester staple fibre to ensure their availability at affordable price, removal of GIDC, low productivity of labour, shortage of water available for industries in Karachi, and high cost of doing business for which the government has already assured its commitment.

“All these are hurting the viability of the industry by increasing the cost of doing business which cannot be passed on to the international buyers and is leading towards de-industrialization and decline in Pakistan's share in global textile trade, while the share of our regional competitors like Bangladesh is making progress by leaps and bounds,” he added.

He said that industry was requesting time and again to the previous government in the last five years to address the above issues which are the real reasons of the present economic crisis of ballooning trade deficit, all time high Current Account Deficit and Fiscal Deficit, but to no avail.

He hoped that the new government will not repeat the mistakes of the previous one.

Zahid Mazhar expressed the hope that the Government of Imran Khan would implement the textile policy presented by his team during the visit to APTMA early this year in letter and spirit so that the issues and problems faced by the textile industry the major export earner of the country may be resolved as the country has already suffered loss in exports of almost US\$ 25 Billion during the last five years.

Zahid Mazhar urged the new government to give attention to the cotton crop which has witnessed a massive decline over the last few years due to the lowest yield of cotton farming which needs to be addressed on urgent basis.

He reminded that four years ago we had achieved the highest cotton crop of 14.87 Million Bales of cotton which has now fallen to 10.8 million bales as against the actual potential of 17.5 million annually.

He pointed out that due to the shortage, the spinning industry has to import almost 3.5 million bales of raw cotton every year to meet its consumption requirement. Despite of the acute shortage of cotton, there are 3 percent custom duty, 2 percent additional custom duty and 5 percent sales tax imposed on import of raw cotton, which should be removed immediately, he added.

On the contrary, the government has reduced regulatory duty on the import of finished Cotton Yarns from 10% to 5% which was earlier levied to restrict strident increase in import of undervalue and subsidized cotton yarn entering in our domestic commerce and also against the cascading principle of tariff.

He further demanded the Government to remove Custom Duty and Anti-Dumping Duty on import of Polyester Staple Fiber, which also acts as a substitute for cotton to enable the industry and its value chain to remain competitive in the international market.

Mazhar also requested the government to review Free Trade Agreements and Preferential Trade Agreements in such a way that the exports of Pakistani goods to those countries be increased. He further demanded to give special attention towards FTA with China since China is providing zero custom duty facility on import of textiles from ASEAN member countries, while 3.5% duty is imposed on textiles from Pakistan.

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