

Textile Ministry accused of supporting anti-business policy

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ISLAMABAD: Textile industry has accused the Ministry of Textile Industry of supporting an anti-business policy with its linkage of the disbursement of the balance of 60 percent research and development (R&D) fund with the registration of textile units, sources told Business Recorder.

Out of total 1200 textile units in the country only 30 to 35 units are registered due to a cumbersome registration procedure, sources added.

"We feel this condition would excessively delay the balance of the payment due since long," sources quoted Mohsin Ayub Mirza, Chairman of Pakistan Readymade Garments Manufacturers & Exporters Association (Prgmea) as saying in a letter to Secretary, Textile, Dr Waqar Masood.

Textile sector is of the view that the balance amount pertains to SRO 437 of 2005 and is not related to the recently announced Textile Policy. The registration is for future exports under drawback of local taxes and levies order.

The Textile Ministry has dispatched a letter to textile units saying that registration of the units is the responsibility of the Ministry of Textile Industry and

is in compliance with decisions taken as part of the Textile Policy 2009-14.

The Ministry has acknowledged that it is making all possible efforts to provide Registration Certificates to units which have furnished complete documents to the Ministry. The process, however, suffers delays in cases where the forms are not complete and information requested has not been provided.

Textile associations have a major and important role in efficacy and authenticity of the registration process. Notwithstanding the verification by the associations concerned, the Ministry is constrained to reject all such incomplete forms and the unit concerned has to go through the process from the start.

To obviate chances of avoidable delays in the registration process, Textile Ministry has asked the associations to make appropriate arrangements to ensure that the forms verified by them are complete before these are forwarded to the Ministry.

The associations have been instructed to: (i) scrutinise the forms diligently to ensure that the information provided is complete; (ii) verify the forms only after it is satisfied that no information is missing; (iii) maintain

complete record of forms, verified or returned; (iv) notify the evaluation committee urgently; and (v) immediately provide complete list of the members of the association to the Ministry in excel format on CD giving details of the company name, address, e-mail and phone numbers of the contact person.

The Ministry is of the view that successful implementation of the Textiles Policy initiatives will depend on the level of support and cooperation that it will receive from the textile sector.

Textile exporters argue that the form does not allow for any change once it is completed, and maintain that it does not provide for human error.

Some fields which have been marked as mandatory are causing confusion while some companies are submitting blank forms after filling only mandatory fields.

It is pertinent to mention here that almost 20 percent of garment units have closed down and the remaining are facing liquidity problems due to dearth of working capital with the banks being reluctant to lend.

"Liking of R&D payment to the exporters with registration will only add to their agony," Prgmea added. —MUSHTAQ GHUMMAN

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