

Value-added sector disputes yarn export ceiling

20/11/11

By Pärvaiz Ishfaq Rana

KARACHI, Jan 9: The leaders of the value-added textile sector on Saturday appreciated the government decision of imposing ceiling on cotton yarn exports, but disputed the monthly limit saying it would result in higher exports over the last three years average.

"We never agreed on 50 million kg capping which has no basis and according to official figures the average of last three years export comes to around 45.3 million kg," disputed Mohsin Ayub Mirza, Chairman Pakistan Readymade Garments Association (Prgmea).

He pointed out that during the Friday's meeting of the cabinet committee on textile it was agreed by all the stakeholders to impose ceiling at 45.3 million kg per month and not at 50 million kg and exports already made would be deducted from the limit for next six months.

Mr Mirza said that the ancillary industry appreciated the contribution of ministers of textile and finance but it seemed that some forces within these ministries changed the first page of the agreement which was signed by all the stakeholders.

He said some people from the private sector having a status of adviser(s) were misleading the policy-makers with jugglery of figures.

The Prgmea chief challenged the spinners to come up with official figures which could justify 50m kg capping

on cotton yarn export. "This is totally unjust and unfair and it would destroy the value-added sector which is already on the verge of collapse," he lamented.

Mr Mohsin said that even the summary of the cabinet committee on textile had proposed capping of cotton yarn exports at 43 million kg per month and not 50 million kg and "we are surprised that from where this figure was inducted and on whose request. An inquiry should be held in this regard as how people change official decisions," he added.

Pakistan Apparel Forum Chairman Jawed Bilwani in a letter on Saturday to Finance Minister Shaukat Tarin raised similar objections and disputed the 50 million kg limit fixed by the government.

He pointed out that spinners' representatives in a meeting held on Dec 4, 2009 at Trade Development Authority of Pakistan (TDAP) had agreed upon last three years average monthly exports at 45.3 million kg but even then they backed out.

But even if we allow 10 per cent increase in yarn exports over last three years average export it would come to around 33 million kg per month after deducting excessive export of yarn during the first six months (July-Dec) of the current fiscal, he elaborated.

He said the chief executive of the TDAP was witness to Dec 4, 2009 meeting and its proceedings held under his chairmanship.

Aptma flays restriction on yarn exports

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KARACHI, Jan 9: The All Pakistan Textile Mills Association (Aptma) chairman Anwar Tata has criticised the imposition of quantitative restriction on the export of cotton yarn.

An Aptma delegation consisting of Shahzad Ahmed and Akbar Sheikh, vice chairmen, Gohar Ejaz and Yaseen Siddik, chairmen Punjab and Sind-Balochistan regions, respectively, in a meeting on Jan 7, with Minister for Textile Industry Rana Muhammad Farooq Saeed reiterated their stand of the free trade of the textile chain, which has been the case since 1995, that any intervention will affect investors' confidence and will result in loss of production.

They said that raw cotton should also continue to be freely exported and imported so that farmers can get fair price of their produce' and the spinners can sell yarn at international prices.

The Aptma also proposed to the minister that if the government wanted to support any segment of the textile chain the Trading Corporation of Pakistan (TCP) should be asked to buy cotton yarn by floating tenders, which can then be sold to any segment of the textile chain at the discretion of the textile ministry.

The delegation appreciated the efforts of minister for textile Industry and Secretary Textile Industry Dr Waqar Masood Khan for holding several meetings of the stakeholders on the issue.

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