

## **Presidential Ord be issued: Govt urged to allow duty-free import of cotton yarn**

KARACHI: The government, through Presidential Ordinance, must abolish all duties and taxes and allow duty-free import of cotton yarn which is the raw material of value-added textile sector in order to sustain and achieve milestone in enhancement of exports.

The government should also place ban on export of cotton yarn of 30 single or below till June 2021 ensuring availability of quality yarn to facilitate export sector to complete their export orders without hassle and unrest. In view of shortage of wheat and sugar, the government had allowed to import wheat and sugar and also banned their export to cater the national needs.

Consequently, without discrimination, in order to overcome the scarcity of yarn in the Pakistan, as government previously allowed for import of pharmaceuticals, it is also most crucial to allow import of cotton yarn from neighbouring country through Wagah border as the quality yarn is not available and prices are also multiplied to manifolds.

Likewise, anti-dumping duties on goods imported meant for re-export by Export Oriented Units and Manufacturing Bond should also be abolished. Moreover, to turn vision of the Prime Minister for enhancement of exports into reality and to control the declining trend in exports, the government should freeze the special tariffs of 7.5 cents for electricity and \$ 6.5 for gas for at least next three years and provide uninterrupted and quality electricity and gas providing level playing field and competitive environment to enhance their export efficiency and materialize all exports orders."

This was demanded by the Value-Added Textile Associations - Zubair Motiwala, Chairman, Council of All Pakistan Textile Associations (CAPTA), Muhammad Jawed Bilwani, Chairman, Pakistan Apparel Forum, Riaz Ahmed, Central Chairman Pakistan Hosiery & Manufacturers Exporters Association, Tariq Munir, Zonal Chairman (SZ), Farrukh Iqbal, Senior Vice Chairman PHMA (NZ), Ijaz Khokhar, Former Chairman, Pakistan Readymade Garments Manufacturers & Exporters Association, **Haroon Shamsi, Former Chairman, Towel Manufacturers Association** and Zia Alamdar, Former President, Faisalabad Chamber of Commerce & Industry in an online meeting held with Abdul Razak Dawood, Advisor to Prime Minister on Commerce & Textile, today.

The value-added textile sector has emphasized that the vision of Prime Minister Imran Khan for industrialization, increasing exports, creating trade surplus, generation of employment opportunities and earning precious foreign exchange shall become possible only when raw material - cotton yarn and uninterrupted supply of utilities is ensured on special tariffs approved for export-oriented industries.

The Value-added Textile Exporters are highly worried over the unavailability of cotton yarn - which is basic raw material in the local market despite huge export orders are available with the value added textile.

On the demand of textile exporters, Government, previously, considered removing the Regulatory Duty only. Sense of severe unrest and uncertainty prevails as exporters feel it "discriminatory" because in the case of cotton, the Government had allowed complete duty-free import.

Removal of Regulatory Duty has supported the value-added textile sector to some extent whereas, the situation necessitates and demands to also remove the Customs Duty to fully support the value-added textile sector to complete their export orders which they have materialized for the next several months.

The gravity of situation demands the Government to immediately abolish Customs duty on import of cotton yarn by passing through a Presidential Ordinance, in the interest of export and the country.

The associations also expressed severe concern on the recent announcement of the federal government regarding discontinuation of gas to the industrial captive power plants which depicted a bleak picture in eyes of foreign buyers across the globe, particularly of US & EU who become doubtful as to how the Pakistani exporters will complete export orders?

The buyers have also communicated that since there will be no gas and orders cannot be completed, therefore, they are thinking to divert the export orders given to Pakistani exporters to other countries.

The associations' representatives lamented that 225 CPPs of Industries in Sindh were closed abruptly. The Government later clarified that the announcement was related to energy efficiency benchmark.

The associations reacted that the CPPs of industries were more efficient and productive as compared to CPPs of utility companies. More than a decade back the export industries invested in CPPs on the offer of the then Government when the utility companies were failed to provide required quality electricity and there were load-shedding problems.

Now the sitting Government is asking to close the CPPs and take electricity from utility companies which is totally contradictory. The Associations stated that the utility companies neither have the required quantum of electricity to supply to industries nor have the adequate infrastructure available for the purpose, thus, the Government must refrain from such unwise move which will bring disastrous effects on industries and exports.

Abdul Razak Dawood, Advisor to Prime Minister on Commerce & Textile gave patient hearing to the issues and problems confronting to the Value-Added Textile Industry and assured that he will take up the matter with the Prime Minister and Cabinet and the Government will consider and resolve some of the issued highlighted in the meeting.

Value added textile export industry contributes around 62% in total exports, provide highest urban employment particularly to female workforce and supports approx. 40 allied industries.

In view of its significant importance in the economy and free market mechanism, the Government must consider the appeal of value-added textile sector for duty-free import of cotton yarn to ensure availability of cotton yarn of good quality.

Such state of affairs demands the government to remove 5% custom duty on import of 30 single yarn and below count and the exporters, manufacturers and importers, shall be given full liberty to import yarn from any country till the scarcity of cotton yarn is controlled and required quantity of yarn is available in abundance in all Pakistani markets to complete the export order smoothly.—PR