Towel Manufacturers Association of Pakistan

The Bulletin

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For Information & Feedback

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Comparison of Export for the Month of August 2022 & August 2023

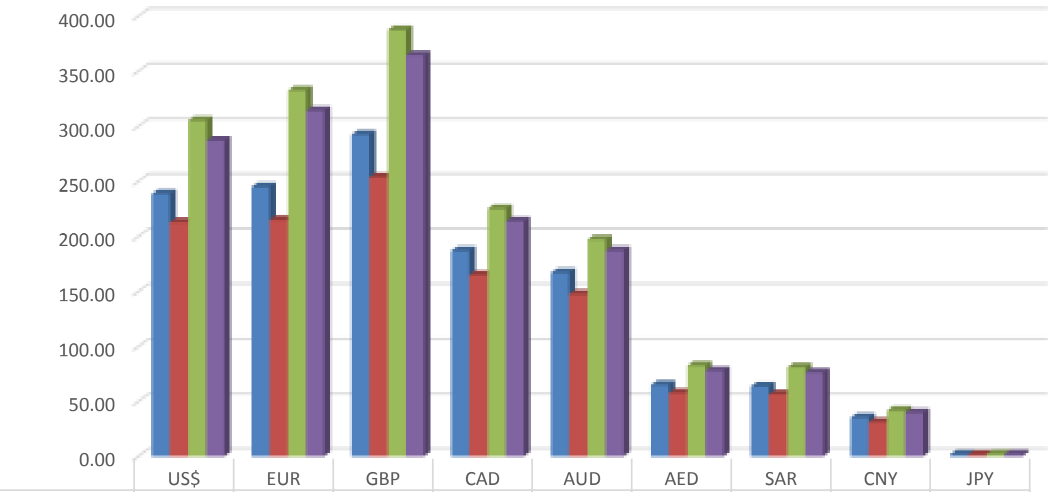
S.#	COMMODITIES	UNIT	August 2022 QTY	August 2022 VALUE IN US$ (000')	Unit Price	August 2023 QTY	August 2023 VALUE IN US$ (000')	Unit Price	Change in Qty	% Change in Qty	Change in Value	% Change in Value
1	Raw Cotton & Cotton Carded OR Combed	M.T.	1923	4469	2.32	1,639	2,522	1.54	-284	-14.77	-1947	-43.57
2	Cotton Yarn	M.T.	23,081	89,089	3.86	38,686	104,806	2.71	15605	67.61	15717	17.64
3	Cotton Cloth	TH.SQM.	30,217	195,390	6.47	31,858	159,977	5.02	1641	5.43	-35413	-18.12
4	Cotton Carded OR Combed	M.T.	45	80	1.78	79	142	1.80	34	75.56	62	77.50
5	Yarn Other Than Cotton	M.T.	1,274	4,335	3.40	1,165	3,361	2.88	-109	-8.56	-974	-22.47
6	Knitwear	TH.DOZ.	18,190	449,833	24.73	22,056	401,257	18.19	3866	21.25	-48576	-10.80
7	Bed Wear	M.T.	36,345	258,300	7.11	42,189	252,140	5.98	5844	16.08	-6160	-2.38
8	Towels	M.T.	13,549	75,036	5.54	18,713	87,018	4.65	5164	38.11	11982	15.97
9	Tent, Canvas & Tarpulin	M.T.	2,836	10,474	3.69	2,609	9,394	3.60	-227	-8.00	-1080	-10.31
10	Readymade Garment	TH.DOZ.	5,845	330,021	56.46	8,254	284,019	34.41	2409	41.21	-46002	-13.94
11	Art-Silk & Synthetic Textile	TH.SQM.	7,479	39,671	5.30	6,699	28,935	4.32	-780	-10.43	-10736	-27.06
12	Made-ups (Other Textiles)	-		60,461			62,549					
13	Other Textile Products	-		58,207			59,106					
TOTAL			**140,784**	**1,575,366**		**173,947**	**1,455,226**					

Comparison of Export Year wise of July-August 2022-23 & July-August 2023-24

			July-August 2022-2023			July-August 2023-2024						
				VALUE			VALUE					
S.#	COMMODITIES	UNIT	QTY	IN US$ (000')	Unit Price	QTY	IN US$ (000')	Unit Price	Change in Qty	% Change in Qty	Change in Value	% Change in Value
1	Raw Cotton & Cotton Carded OR Combed	M.T.	4,072	5,561	1.37	1,933	3,073	1.59	-2139	-52.53	-2488	-44.74
2	Cotton Yarn	M.T.	50,663	160,454	3.17	73,255	201,837	2.76	22592	44.59	41383	25.79
3	Cotton Cloth	TH.SQ M.	67,778	377,375	5.57	59,549	300,913	5.05	-8229	-12.14	-76462	-20.26
4	Cotton Carded OR Combed	M.T.	292	80	0.27	241	351	1.46	-51	-17.47	271	338.75
5	Yarn Other Than Cotton	M.T.	2375	7,707	3.25	2,330	6,653	2.86	-45	-1.89	-1054	-13.68
6	Knitwear	TH.DOZ.	30,325	884,474	29.17	41,914	765,798	18.27	11589	38.22	-118676	-13.42
7	Bed Wear	M.T.	74,522	512,288	6.87	76,546	469,050	6.13	2024	2.72	-43238	-8.44
8	Towels	M.T.	28,722	150,001	5.22	33,841	159,784	4.72	5119	17.82	9783	6.52
9	Tent, Canvas & Tarpulin	M.T.	5,446	19,209	3.53	5,435	18,917	3.48	-11	-0.20	-292	-1.52
10	Readymade Garment	TH.DOZ.	12,154	634,592	52.21	15,279	558,752	36.57	3125	25.71	-75840	-11.95
11	Art-Silk & Synthetic Textile	TH.SQM.	13,374	70,889	5.30	12,580	55,102	4.38	-794	-5.94	-15787	-22.27
12	Made-ups (Other Textiles)	-		116,138			113,588					
13	Other Textile Products	-		118,222			113,067					
TOTAL			**289,723**	**3,056,990**		**322,903**	**2,766,885**					

Analysis of Currencies Month wise of August 2022 and August 2023

Month	Indicator	US$	EUR	GBP	CAD	AUD	AED	SAR	CNY	JPY
Aug. 2022	Maximum	238.75	244.98	292.47	187.18	167.25	65.22	63.85	35.52	1.81
	Minimum	213.00	215.22	254.03	165.10	147.62	57.99	56.80	31.45	1.57
Aug. 2023	Maximum	305.40	332.71	387.44	225.11	197.20	82.94	81.30	41.82	2.08
	Minimum	287.00	314.20	364.55	213.88	187.30	78.03	76.48	39.78	1.98

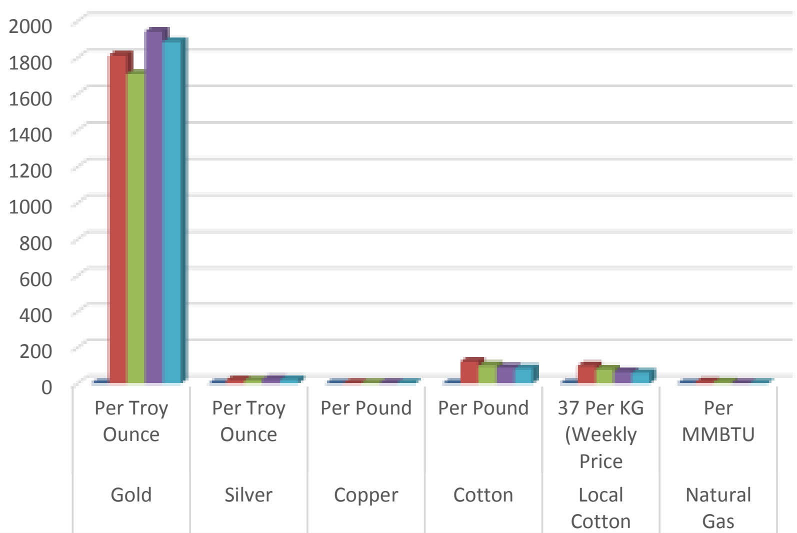


	US$	EUR	GBP	CAD	AUD	AED	SAR	CNY	JPY
Aug. 2022 Maximum	238.75	244.98	292.47	187.18	167.25	65.22	63.85	35.52	1.81
Aug. 2022 Minimum	213.00	215.22	254.03	165.10	147.62	57.99	56.80	31.45	1.57
Aug. 2023 Maximum	305.40	332.71	387.44	225.11	197.20	82.94	81.30	41.82	2.08
Aug. 2023 Minimum	287.00	314.20	364.55	213.88	187.30	78.03	76.48	39.78	1.98

Analysis of Commodities Month wise of August 2022 and August 2023

		Gold	Silver	Copper	Cotton	Local Cotton	Natural Gas
		Per Troy Ounce	Per Troy Ounce	Per Pound	Per Pound	37 Per KG (Weekly Price	Per MMBTU
Month	**Indicator**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Aug. 2022	**Maximum**	**1,813.70**	**20.81**	**3.71**	**122.25**	**98.44**	**9.68**
	Minimum	**1,711.06**	**17.98**	**3.47**	**100.12**	**80.49**	**7.59**
Aug. 2023	**Maximum**	**1,944.08**	**24.70**	**3.90**	**89.29**	**65.61**	**2.96**
	Minimum	**1,888.19**	**22.39**	**3.67**	**84.32**	**59.20**	**2.48**

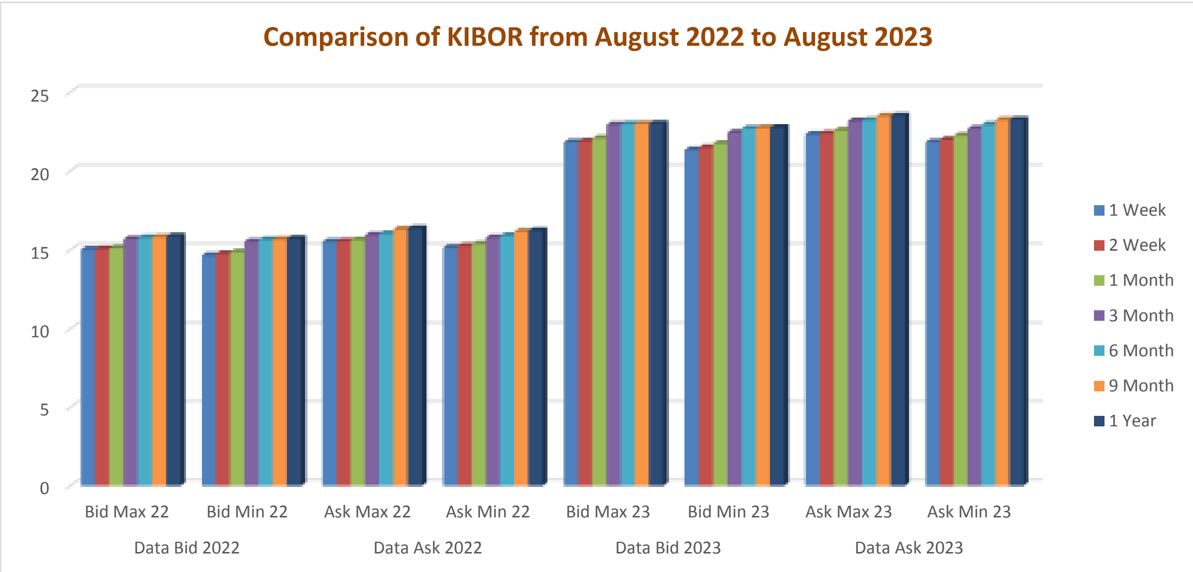
Analysis of Commodities Month wise of August 2022 and August 2023



	Gold	Silver	Copper	Cotton	Local Cotton	Natural Gas
Month Indicator	0	0	0	0	0	0
Aug. 2022 Maximum	1,813.70	20.81	3.71	122.25	98.44	9.68
Aug. 2022 Minimum	1,711.06	17.98	3.47	100.12	80.49	7.59
Aug. 2023 Maximum	1,944.08	24.70	3.90	89.29	65.61	2.96
Aug. 2023 Minimum	1,888.19	22.39	3.67	84.32	59.20	2.48

Comparison of KIBOR from August 2022 to August 2023

	Data Bid 2022		Data Ask 2022		Data Bid 2023		Data Ask 2023	
	Bid Max 22	Bid Min 22	Ask Max 22	Ask Min 22	Bid Max 23	Bid Min 23	Ask Max 23	Ask Min 23
1 Week	15.02	14.64	15.52	15.14	21.82	21.33	22.32	21.83
2 Week	15.04	14.74	15.54	15.24	21.87	21.48	22.37	21.98
1 Month	15.11	14.86	15.61	15.36	22.07	21.73	22.57	22.23
3 Month	15.68	15.52	15.93	15.77	22.92	22.42	23.17	22.67
6 Month	15.77	15.63	16.02	15.88	22.96	22.68	23.21	22.93
9 Month	15.8	15.65	16.3	16.15	22.97	22.72	23.47	23.22
1 Year	15.85	15.71	16.35	16.21	22.99	22.74	23.49	23.24



BUSINESS RECORDER
Founded by M.A. Zuberi
September 14, 2023

Export growth: towel makers come up with proposals

KARACHI: Senior Vice Chairman of the Towel Manufacturers Association of Pakistan (TMA) Syed Usman Ali has submitted various proposals as the Ministry of Commerce (Textile Wing) has sought proposals from the trader bodies for the growth of textile export.

He emphasised for providing facilities as per the regional countries because competitor's countries were providing the same quality products at low prices, adding "while we are unable to compete with them because our cost of doing business is very high. Hence international buyers convert their orders to those suppliers' countries which have low prices."

He further emphasised that "we should realise that we cannot attract to international buyers to purchase goods from Pakistan until or unless our products have low cost and meet the international standard."

He furthermore said gas, electricity and water were the basic raw materials for the process of textile manufacturing goods timely. He asked "how we can increase textile exports with two days of weekly gas holidays in the hub of textiles, Karachi while we are facing low gas pressure thrice a week."

He said "from time to time the government increases the cost of electric tariffs which increases our incompetency in the international market as well as it also increases the cost of doing business. Earlier, when the government was offering concessionary rates to the five export-oriented sectors, the textile exporters were paying Rs19.99/kWh but discontinued from 1st March and now exporters are paying Rs55/kWh." He suggested that the cost of electricity should be at par with regional countries.

Secondly, the most important factor in which exporters have been trapped badly is the imposition of 18 percent sales tax on the five export-oriented sectors and billions of rupees stuck up with the FBR. Due to this exporters are facing severe financial crunch which forced them to take loans from banks at hefty costs.

Syed Usman Ali further said that after the abolition of SRO 1125(I)/ 2011, the export sectors always insisted on "no payment no refund system of sales tax" which was very supportive of the growth of export of the country as well as exporters were very comfortable and focused on completing their export orders well before time. The export sectors are demanding the government to restore the SRO 1125(I) /2011 in its true spirit. It will be a huge relief for the exporters as well as the tax authority can focus on new taxpayers for the collection of taxes for the national exchequer.

Export refinance rate should be par as per competitors countries but the State Bank of Pakistan (SBP) has already increased the rate of export refinance rate and reduced the gap between the policy interest rate and export refinance to 3 percent from the earlier 5 percent. The current policy rate is 22 percent which means exporters will have to pay about 19 percent markup. He said that the rate was already very high compared to competitors while the increased cost of electricity had paralyzed the industry.

The SBP also notified the reduction in the period for export proceeds realization from 180 days to 120 days vide their EPD Circular No.2 of 2022 dated 1st February 2022, which is also creating hurdles in the growth of exports. The international markets are slow/under recessions and buyers are interested in buying goods on the credit of 180 days rather than 120 days. He said the MoC should revisit its decision & restore the condition of 180 days. “Due to unrealistic policies, many buyers moved to other countries where they were getting lucrative terms,” he added.

He said SBP has started to mark lien vide FE Circular No.2 of 2023 dated 31st March 2023 SBP made again a slap on the face of exporters and decided to deduct 3 percent, 6 percent and 9 percent from its export proceeds if realized late even one day. In a few cases, export proceeds realized but not appearing in NOSTRO are also treated similarly. A new hue and cry by exporters and to recover a long gathering was seen at the adjudication court of SBP. As per the Adjudication Court, only owners are allowed to explain the case of late realization. Exporters have their own target to export goods, satisfy buyers and look after many hurdles but SBP made a new hurdle in the way of exports.

He further said that no system had been created to refund the incidence of indirect taxes paid by the exporters which were as per calculation 12 percent of export value.

The senior vice Chairman of the Association also highlighted that the restoration of the DLTL scheme was part of ‘Textile Policy 2021-25’ but from time to time the government made textile policies for the betterment of the textile sector but completely failed to implement. “Unfortunately, the implementation managers totally failed to implement these productive policies in reality and the DLTL notification is still pending.”

“We suggest to MOC to remove all bottlenecks in the growth of exports and immediately implement the exporters’ suggestions to avoid further deterioration of the exports,” he said.—PR

BUSINESS RECORDER
Founded by M.A. Zuberi
September 12, 2023

High interest rates adversely affecting exports, other economic activities: TMA

KARACHI: Syed Usman Ali, Senior Vice Chairman of the Towel Manufacturers Association of Pakistan, has raised significant alarm and voiced deep apprehension regarding the prevailing high interest rates which are badly damaging the economic activities as well as hurting the growth of industrialization in the country. He has underscored the fact that these elevated interest rates are having a profoundly adverse impact on the export sectors as well in Pakistan.

On the other hand, billions of rupees of the exporters are stuck up in FBR on account of Sales Tax refunds and they are unable to use their own money and take loans at hefty rates from the banks which absolutely enhanced their cost of doing business as well as cost wise they become incompetent in the international market. The reinstatement of the zero-rated status for the five export oriented sectors "NO PAYMENT NO REFUND" as per SRO 1125(I)/2011 is the viable solution to arrest the declining trend of country exports.

He furthermore said that our interest rates are very high in the region i.e. Bangladesh 6.5%, India 6.5%, Vietnam 4.5% Maldives 7%, Sri Lanka 11 & while we stand on 22%. It means our competitors in the Textile export are getting export refinance facilities at very low rates and our Textile Exporters are unable to compete in the international market because our competitors offering their goods at low rates because their cost is an average of three times lower than the Pakistan which is ultimately reducing their cost of doing business. The government should provide export refinance at par with the competitors country so our export industry can compete in the international market.

High interest rates are creating uncertainty in the business environment and the firms are reluctant to make long-term plans and investments due to hefty borrowing costs and ambiguity about future interest rate movements. It leads to hesitancy to commit to new projects or hire additional employees, which is a huge hindrance to economic growth.

Syed Usman Ali further said that high interest rates badly damage economic activities and negatively impact the export-oriented sectors, leading to slashing the export businesses. It also leads to decline in the earnings of foreign exchange, collection of taxes, equilibrium in the trade, enhancement in unemployment and many more factors which hurt the economy. In the high interest rate regime, people also willing to divert their investment into T bill and fixed deposit rather than in industrialization and earn profit without any risk.

During the high-interest regime, industrialists have to pay more for borrowing to fulfil the requirements of the business activities. It means the cost of borrowing money from banks and financial institutions rises which adversely impacts the exporters and they become incompetent in the international markets. It also discourages businesses from taking out loans to invest in expansion, new projects, or capital equipment.

The senior vice chairman further said that the State Bank of Pakistan (SBP) has already reduced the gap between the policy interest rate and export refinance to 3 pc from the earlier 5 pc. The current policy rate is 22%, meaning exporters must pay about 19 pc markup on their loans. He said this rate is already very high compared to competitors while the increased cost of electricity has paralyzed the industry.

He suggested that, in the present scenario, the government should have the top agenda to arrest the further decline in our exports and should take immediate positive measures to remove all bottlenecks in the growth of exports and pave the way for the growth of country exports. He advised the economic managers if they are eager for our exports to once again back on the growth track, they should provide facilitations as par with the competitors' countries. It is the severe need of the hour and we should relay our own resources rather than loans. We have no way except to increase our exports for our survival in this world.—PR

BUSINESS RECORDER
Founded by M.A. Zuberi
September 7, 2023

Textile export boost key to economic revival: TMA

KARACHI: Syed Usman Ali, Senior Vice Chairman of the Towel Manufacturers Association of Pakistan has expressed serious concern over the statement of the caretaker Federal Minister of Commerce more than 1,600 textile factories shut down in the country in the last 16 months.

Due to non-favorable conditions for the textile sector in Pakistan, most factories are working below their production capacity due to the high energy cost, two days of weekly closure of gas, also facing three days of low gas pressure. These factors are the basic raw materials for producing exportable textile goods to international buyers. Additionally, textile exporters are grappling with the challenges posed by the sales tax refund system, which has resulted in a financial crunch, making it difficult for them to fulfil their export orders in a timely manner.

Everybody knows that the textile sector serves as the backbone of our economy. It is a valuable source of foreign exchange earnings, significant generator of employment which is creating the boom in economic activities.

Syed Usman Ali also expressed his dissatisfaction with the current government policies, which have failed to yield favourable results for the textile sector. He noted that our textile exports have been consistently declining and it is crucial to reverse this trend by taking immediate and positive measures to support the growth of textile exporters.

Furthermore, Syed Usman Ali floated several recommendations. He suggested that the government should formulate a comprehensive five-year plan to reinvigorate the growth of the textile industry through meaningful consultations with relevant stakeholders. This plan should include measures such as providing utilities at competitive rates compared to other countries, ensuring uninterrupted 24/7 gas supply at the required industrial pressure, reducing costs, and promoting energy self-sufficiency. Additionally, the government should offer subsidized loans to facilitate the installation of Solar Power Generation Systems and ensure the efficient and prompt refund of pending sales tax amounts within 72 hours, as stipulated in Rule 39F of Sales Tax Rules 2006. The reinstatement of the zero – rated status for the five Export – Oriented Sectors “NO

PAYMENT NO REFUND" as per S.R.O. 1125(I)/2011. It would also support to alleviation of the government's financial burden and the economic managers can focus on new taxpayers for the collection of taxes.

Syed Usman Ali further said that the exporters are not getting new orders for exports. Exporters are working on orders in the pipeline which means the coming months will see a sharp decline in overall exports which is an alarming situation for the country. Our Textile exports declined by 14 per cent in FY23, which means an identical decline in production, jobs, and allied industries activities.

The State Bank of Pakistan (SBP) has already reduced the gap between the policy interest rate and export refinance to 3pc from the earlier 5pc. The current policy rate is 22pc which means exporters will have to pay about 19pc markup. He said this rate is already very high compared to competitors while the increased cost of electricity has paralyzed the industry.

The government must understand that exporters need cheaper inputs to compete in the international market. This will also earn foreign exchange to save the country from sovereign default.—PR

TMA / HOHENSTEIN INTEREACTIVE SESSION ON PRODUCTION & PRODUCT SUSTAINABILITY

A comprehensive session arranged by TMA / HOHENSTEIN Institute of Pakistan on Production & Product Sustainability on September 14, 2023 at 3:00pm at TMA Head Office Karachi.

Representatives of HOHENSTEIN Institute of Pakistan, Mr. Khalid along with Members of HOHENSTEIN Institute briefed members through lectured / presentation. The respected members of delegation also answered various questions raised by TMA members and also provided positive solution of their issues pertaining to the Production & Product Sustainability

At last Mr. Muzzammil Husain along with TMA representatives presented publications and handouts to the members of the delegation of HOHENSTEIN Institute of Pakistan.

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