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SAVE

The Value Added Textile Export Sector is backbone of the economy with great potential for earning foreign exchange, 54% of nation's exports and generating 42% urban employment heading for imminent disaster unless

- **GOP revives zero rate status for Textile Sector. "No Payment No Refund Regime" for the five export oriented sectors** by restoring SRO 1125(I)/2011 to its original status to make the exports truly Zero Rated.
- **Release of all pending Sales Tax Refund; Custom Rebates and DLT Claims** as huge amount of the liquidity of the exporters is held up, restraining the exporters to run their factories due to liquidity and cash flow problems thus unable to deliver export commitments.

For the positive growth of Exports:

- **Pragmatic policies** in consultation with stakeholders needs to be formulated **to reduce the cost of doing business** by fixing rates of all essential raw material - inputs - gas, electricity, water etc. in line with competing countries in the Global Market to create a level playing field.
- **Withdrawal of Gas Infrastructure Development Cess** as this @ Rs.100/- per MMBTU would increase Cost of Manufacturing tremendously and minimum impact would be more than 3.5% whereas profitability in this sector is not more than 4% to 5%. GOP must understand, Textile is high volume low profit business.
- **Award of separate status for Textile Sector** for all essential utilities - Gas, Electricity and Water

Bangladesh is fetching US \$ 6 billion in Value Addition per Million Cotton Bales, while Pakistan just US \$ 1.17 billion. **If Government considers our above recommendations we could convert our 14 million cotton bales @ US \$6 billion per million cotton bales like Bangladesh to US \$84 billion**

WE FORESEE THAT THIS EXPORT ORIENTED SECTOR WILL BE COMPELLED TO CLOSE DOWN LEADING TO, GOD FORBID, COLLAPSE OF THE NATION'S ECONOMY, MASS UNEMPLOYMENT, SERIOUS LAW & ORDER SITUATION AND HUGE REDUCTION IN EXPORTS

VALUE ADDED TEXTILE ASSOCIATIONS

1. Pakistan Apparel Forum
2. Council of All Pakistan Textile Associations
3. Towel Manufacturers Association
4. Pakistan Cloth Merchants' Association
5. Pakistan Yarn Merchants Association
6. All Pakistan Cotton Power Looms Association
7. All Pakistan Textile Sizing Industry Association
8. Council of Loom Owners Association
9. Pakistan Hosiery Manufacturers & Exporters Association
10. Pakistan Readymade Garment Manufacturers & Exporter Association
11. Pakistan Textile Exporters Association
12. All Pakistan Textile Processing Mills Association
13. Pakistan Denim Manufacturers & Exporters Association
14. Pakistan Knitwear and Sweater Exporters Association
15. Pakistan Cotton Fashion Apparels Manufacturers & Exporters Association
16. All Pakistan Bedsheets & Upholstery Manufacturers Association

Exporters demand 'no payment no refund' regime

By our correspondent

KARACHI: It is time the government should revive 'No payment no refund' regime for the five export-oriented sectors as the cost of production has increased, resulting in decline in textile exports, a leading exporter said on Wednesday.

Value-Added Textile Associations chairman Muhammad Jawed Bilwani, in a statement, said the exports of the value-added textile sector would keep on declining while competing countries would rapidly multiply their exports just because of the edge they have on the cost of doing business and other incentives offered by their governments.

He said if the current situation prevails the textile sector would close down resulting in mass unemployment and law and order situation.

The value added textile sector is the backbone of the economy with great potential for earning foreign exchange. Around 54 percent of nation's exports and 42 percent urban employment are heading towards disaster because of declining trend in the exports, he added.

'All pending sales tax refund should be released along with custom rebates and DITL claims as huge amount of the liquidity of the exporters is held up, restraining the exporters from running their factories due to liquidity crunch and cash flow problems thus unable to deliver export commitments,' he added.

Pragmatic policies in consultation with stakeholders need to be formulated to reduce the cost of business by fixing rates of all essential raw material including gas, electricity, water in line with competing countries in the global market to create a level playing field, the chairman suggested.

Gas Infrastructure Development Cess (GIDC) at a rate of Rs100 per MMBTU would increase cost of production tremendously and a minimum impact would be more than 3.5 percent whereas profitability in the sector is not more than four to five percent, he said and suggested complete withdrawal of GIDC.



VALUE-ADDED TEXTILES

**Apparel forum
wants zero-rated
status back****OUR CORRESPONDENT**

KARACHI. The government should look into reasons behind the decline in exports of the value-added textile sector despite duty-free access granted under the Generalised System of Preferences (GSP) Plus, said Pakistan Apparel Forum Chairman M Javed Bilwani.

He reiterated the demand of reviving the zero rate status that is "No Payment No Refund Regime" for the five export-oriented sectors by restoring SRO 1125(I)/2011 to its original status.

Bilwani said that the government must release all pending sales tax refunds and custom rebates as huge amounts of the exporter's liquidity is held up, which is resulting in liquidity shortages and cash flow problems.

He said that the value-added export sector, which is the backbone of the economy with great potential for earning foreign exchange, constitutes 54% of nation's exports and generating 42% urban employment, is heading for imminent disaster.

He also demanded the withdrawal of Gas Infrastructure Development Cess (GIDC).

