

Textile minister critical of yarn producers By Kalbe Ali Wednesday, 17 Mar, 2010 | 05:55 AM PST |

ISLAMABAD: Textile Minister Rana Mohammad Farooq Saeed Khan on Tuesday criticised yarn manufacturers for trying to take "undue advantage" of the yarn situation, and said the ministry could not be blackmailed by any sector.

At a press conference, Rana Farooq Saeed Khan said the government is determined to resolve the grievances of textile industry for a balanced growth of the whole sector.

"The textile ministry is committed to a balanced growth of the entire textiles value chain and the textiles policy 2009-2014 is a testimony to this claim, where all sub-sectors have been included for development of this vital sector of national economy," he said.

He said all stakeholders are being taken into confidence over the prevailing yarn crisis.

He said to protect the local textile industry, the government has curtailed export quota of yarn at 35 million kgs as against 50 million kgs.

He also pointed out that during the last two years, spinning industry had exported 527 million kgs each year and exports in the current fiscal year have crossed 614 million kgs mark.

He, however, added that the government would not bow down to one sector and would not compromise.

He criticised yarn manufacturers for demanding rights to export higher quantity of yarn.

Responding to a query that yarn manufacturers were threatening to launch an indefinite strike if their demands are not met, the minister said he could not be blackmailed by anyone.

"Let us see how long can they sustain strike," the minister said and added that the government has fulfilled its promises to provide un-interrupted supply of gas, electricity and reduced mark-up rate to promote the textile industry.

"The spinning units were on verge of collapse last year and it was due to government support that they stable now," Rana Saeed said.

Yarn export has increased 50 per cent as compared to exports in the last two years due to yarn shortages at international markets, mainly in China exports have increased significantly this year.

It has been decided in successive meetings of both the National Assembly and the Senate's standing committees on textiles which took notice of the crisis and recommended government

control on yarn exports.

However, the value-added yarn having export price more than \$ 3.5 per kg is allowed to be exported.

The minister said to facilitate the spinning sector, the State Bank of Pakistan would provide export refinance facility for import of two million cotton bales, while the government has reduced income tax for domestic sales from 35 per cent to 10 per cent for the period of March 1, 2010 to June 30, 2010.

"Yarn manufacturers should not manipulate the situation now, they have to understand that next year the spinning sector could be in crises too," he added.

http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/thenewspaper/business/13+textile-minister-critical-of-yarn-producers-730-za-01



Minister for balanced growth of textile sector

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ISLAMABAD: The Government is determined to resolving the grievances of the textile industry for the balanced growth of the sector and in this regard all stakeholders would be taken into confidence.

This was stated by the Minister for Textile Industry, Rana Muhammad Farooq Saeed Khan at a press conference here on Tuesday. "The Ministry is committed for balanced growth of the entire textiles value chain and the textile policy 2009-2014 is a testimony to this claim, where all sub-sectors have been included for the development of this vital sector of national economy", he said.

The minister said to protect the local textile industry, the government had curtailed export quota of yarn at 35 million kgs as against 50 million kgs.

Rana Saeed said the government was closely monitoring the export of yarn, adding that violation of quota would not be tolerated as it was harming the local industry as well as the national economy.

He said the government had fulfilled its promises to provide un-interrupted supply of gas, electricity and reduced markup rate to promote the textile industry of the country.

He said due to the measures of the government, the spinning sector had largely benefited and yarn export had increased 50 percent as compared to figures of the last two years.

The minister said increasing trend of yarn export created shortage of the commodity in the local market which led to huge problems for local textile manufacturers.

Meanwhile, he said the prices of the yarn in international market had not increased comparatively. In their successive meetings, both National Assembly and Senate's Standing Committees on Textiles

took notice of the crisis and recommended to the government strong measures to curb the exports of yarn, he added.

Rana Farooq said value added yarn fetching a price of more than US\$ 3.5 per kg would be allowed over and above the quota to only those units which would be registered with the Ministry of Textiles Industry as value added exporters and within the limits of assessed capacities.State Bank of Pakistan will provide export refinance facility for import of 2 million bales of cotton and domestic sales of yarn by spinning mills will attract 10 percent income tax for the period March 1, 2010 to June 30, 2010, he added.

The above measures clearly indicate that an objective and unbiased view of the crisis was taken by the Ministry and mitigating measures were adopted to lessen the difficulty of the spinning sector as well.

He was of the view that Textile Policy had also extended the benefit of reduced mark-up cost to the spinning sector, for which a sum of Rs5 billion has been allocated. He also pointed out that during the last two years spinning industry had exported 527 million kgs each year.

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