

Curbs on cotton exports opposed

Bureau Report

PESHAWAR, March 9: All Pakistan Textile Mills Association (Aptma) has opposed the idea of regulating cotton and cotton yarn exports and said it would prove counterproductive to the job intensive textile sector.

"The demand by a few to regulate the cotton and cotton yarn exports was totally unjustifiable and against the interest of the business community and thousands of workers associated with the textile manufacturing units," Aptma Chairman Mohsin Aziz said at a press conference here on Friday.

Flanked by Aptma's central vice-chairman Raza Kuli Khan Khattak, and the Association's Khyber Pakhtunkhwa chapter chairman Mohammad Taimur Shah, Mr Aziz said the proposal had been put forth with mala fide intentions and was aimed at benefiting a few.

He said Pakistan's cotton production had increased from 11.5 million bales to 12 million bales last year to around 14.5 million bales this year. The production, he added, would have touched 17 million bales in case recent flash flood in Sindh had not destroyed around 2.5 million bales.

He said the demand for regulating the cotton and cotton yarn exports by the Pakistan Apparel Forum (PAF) and the Pakistan Bedwear/Knitwear Exporters Association (PBEA) in line with the Indian ban on its raw material exports would lend negative impact to the textile sector, which had taken a massive hit due to power outages and gas shortages in the recent months.

The demand, he added, was driven by the self-interest of the few, aiming to deprive the textile sector to benefit from the international market prices.

"Such elements," Mr Aziz said "want to put curbs on exports and establish their control in order to depress prices of raw material in the domestic markets."

Referring to ban on the cotton raw material by India, the

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Aptma chief said it was forced by the gradual decrease recorded by India in its cotton production, which, according to him, had slid from 33 million bales to 25 million bales. "In our case, cotton production has improved," he added.

The government of India's measure, he said, was meant to protect the local manufacturers. The measure, he added, had not proved suc-

cessful in the case of India as, according to him, cotton production has not improved. Rather, it had further declined, Mr Aziz said.

The curbs by the Indian government, he said, had negatively impacted cotton growers, depriving them to have a fair share out of the economic boom.

Instead of asking for restrictions on the cotton and cotton yarn exports, the Aptma chief said the value-added cotton product manu-

facturers should put their house in order and they needed to revisit their strategy, desisting from making unjustifiable demands.

He demanded of the government to ensure uninterrupted power and gas supply, particularly in Punjab, to the textile sector in order to let it work to its full capacity and take advantage of the recently withdrawn restrictions on Pakistani products access to European markets.



India defers

India defers decision on cotton export ban

NEW DELHI: India will keep a controversial ban on its cotton exports for now after ministers failed to agree its fate on Friday, even after top buyer China had criticised the move, which boosted global prices.

Indian exporters, who have some 2.5 million bales outstanding for overseas sales, are left with the limited consolation of shifting a maximum of 500,000 bales that have already been cleared by customs.

"The meeting was inconclusive. Further discussion is needed. The next meeting will be

held as soon as possible," Kiran Dhingra, the top civil servant at the textile ministry, told reporters.

India, the world's second-biggest cotton producer, unexpectedly banned exports on Monday after a record 9.5 million bales had been shipped since Oct. 1, saying it wanted to ensure adequate supplies for domestic textile mills.

Traders said delaying the decision on the ban would unsettle global markets.

"It will lead to uncertainty," > P 4 Col 6

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and we could see volatility in prices in the coming days," said Ghanshyam Ladha, a trader based in the western city of Jaipur. China's cotton industry association also had said the ban was irresponsible and would disrupt the global market.

Farm Minister Sharad Pawar, a key ally for the ruling Congress party and an influential voice in previous export decisions, demanded the ban be lifted because it hurt cotton farmers, saying he had been kept in the dark about the move.

The commerce ministry earlier on Friday said it would allow cotton cleared by customs before March 4 to be exported, giving some relief to stretched traders, even though 2 million bales remain in limbo - registered for export but not shipped.

"What the government has done will trim the inventory by a very small amount. It is not a significant price booster," said Pradeep Jain, a trader based in Jalgaon, in western Maharashtra state. Government sources have said India may decide to allow limited exports of cotton above this to cover existing sales commitments and avoid defaults or costly foreign replacements.

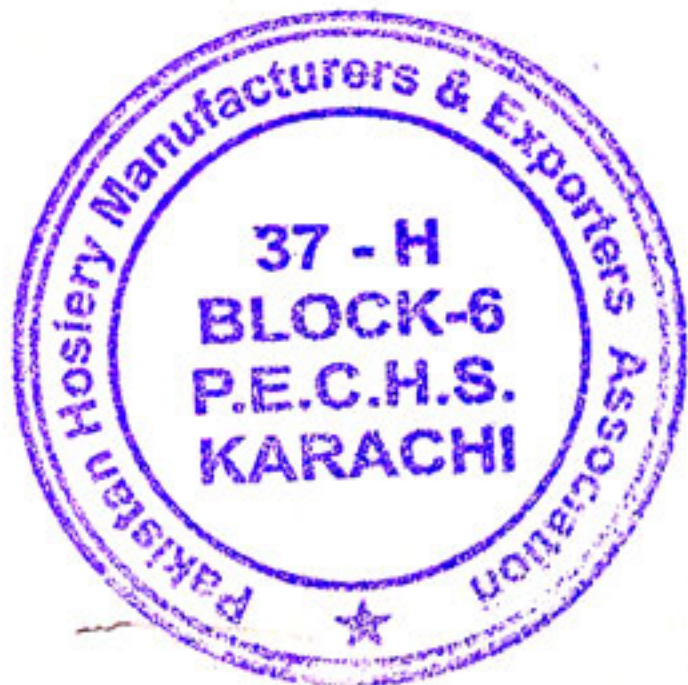
The benchmark New York cotton future on ICE was down 1.06 percent at 88.61 cents per lb by 1418 GMT, largely reacting to US Agriculture Department monthly supply and demand data.

Spot prices for Shanker-6 cotton on India's domestic market rose 500 rupees per candy to 33,500 rupees as the ban continued. The key March cotton contract on India's Multi Commodity Exchange closed broadly flat before the meeting at 16,860 rupees per bale of 170 kg.

Cotton ended 2011 as the worst-performing commodity of the year, falling 37 percent from 2010 after record prices had boosted output and decimated demand, while a shaky global economy scared off investors.

If India's ban persists, major cotton exporter Australia is poised to benefit the most, analysts said.

"India's official export total has already exceeded the country's exportable surplus," analysts at Morgan Stanley said in a research note. "This bodes poorly for US export demand for the balance of the season."—Reuters



APTMA rejects 'anti-export' move

RECORDER REPORT

PESHAWAR: Chairman, All Pakistan Textile Mills Association (APTMA), Mohsin Aziz while rejecting regulating raw cotton and yarn exports on demand of valued-added textile manufacturers, said that the move was totally unjustifiable.

Speaking at a press conference here at APTMA house on Friday, he said that the regulation of raw cotton and yarn exports at the behest of a few influential people would bring negative impacts on the job intensive sector of textile.

Flanked by Central Vice Chairman Raza Kuli Khan Khattak, and KP Chairman Mohammad Taimur Shah, he said that the Pakistan cotton production was increased from 11.5 to 12 million bales, whereas around 14.5 million bales have already arrived. He further added that the flash flood in Sindh province had destroyed nearly 2.5 million bales.

Regarding the approach of Pakistan Apparel Forum (PAF),

and Pakistan Bedwear/Knitwear Exporters Association (PBEA) for regulating of raw cotton and yarn exports in light of Indian ban on raw material exports, he said that the move was totally based on selfish motive to curb exports by putting ban instead of exports to get raw material than international market prices.

Referring to ban on raw cotton exports imposed by India, APTMA chief said the India gradual decrease cotton production from 33 million bales to 25 million bales, whereas Pakistan production ratio doubled as compared to India.

He maintained that Indian government step was to mere safeguard local industrial sector. When, India had imposed ban on export raw cotton material last year, which was drastically reduce size of crop, he said and added that about 33 million bales hadn't dropped. These curbs added reduce cotton in India, while their farmers are depriving of their genuine return and country became an unreliable.

APTMA chief said that regulation ban on yarn which was placed 2009-10 on the behest of some influential elements, saying that the yarn is available in surplus quantity in the country. Whereas, he said the value-added industry in the line with international requirement thus need to put their houses in order rather asking for unjustified relief and curbs.

In order avoid with fallen of exports and get gains of However, he said that India is also considering and reviewing the decision after global concern over it. He said that the textile sector is contributing US \$24 billion in exports and APTMA share in this exports is around 50 percent of the total export and happened to be larger exports and APTMA believe on free trade, market access mechanism and against any kind of curb and control.

Aziz said the government is talking about access to EU market and free trade and export, while regulation of the sector

was tantamount to curb on International trade and exports. He said the EU market access goal can't be achieved under such policies. Currently, he informed that Pakistan exports to European states stands at US \$4 billion, including yarn, clothes, and garment.

APTMA chief said that farmers are backbone and have great role in industrial growth. He added that they had always tried to protect and safeguard their rights and to give equal and fair prices to them. He said APTMA objects as fair return to farmers and fair return to all sectors, including yarn manufacturer and growers, and all other sectors.

He said that the Indian step would only benefit spinners but the farmers mere consider as sellers, saying that the farmers are protested and rendered suicide in neighbouring India.

Regarding the acute shortage of electricity and gas supply, he said that about 20 percent textile exports had declined with average US \$1 billion.

