Country to import 2m bales as local cotton cost high | Forex, Pakistan

Written by Shumaila Ahmed
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<p>LAHORE - The country has imported around 500,000 cotton bales so far and the figure may touch 2 million bales by the end of the season, as the cotton prices in Pakistan are above the international prices by more than Rs200 per maund.
The industry is being overcharged by Rs200 per maund for Pakistan cotton whereas international cotton can easily be imported at Rs6,000 per maund on Pakistani cotton parity basis, observed All Pakistan Textile Mills Association (APTMA) central chairman Ahsan Bashir at a briefing.

{loadposition content_adsense300}The central chairman, flanked by the APTMA Punjab chairman Shehzad Ali Khan and Punjab Cotton Committee Convener Shahid Mazhar, said that Pakistani spinners have made agreements in the international cotton market for purchase of around 2 million cotton bales during the last couple of weeks. Resultantly, he said, this may lead to surplus cotton in Pakistan at the outset of next cotton season.

Ahsan Bashir said that Pakistan would witness bumper cotton crop this year, expectedly a total of 15 million bales. He described it as a phenomenal outcome of the free market policy of the government, which has also ensured record cotton prices to the farmers over the last three years. While appreciating the government for keeping intact the free market mechanism in the larger interest of all stakeholders including growers, ginners and millers, he said APTMA had been on the front foot for advocating free market mechanism to maximum resource transfer to the farm sector annually.

APTMA Punjab chairman Shahzad Ali Khan said that if the industry remains shut due to unavailability of power and gas the bumper the huge quantity of imported as well as locally produced cotton bales of 17 million could not be consumed. The government should resolve energy issue at the earliest so that surplus raw material could be converted into finished and value-added goods, otherwise the raw cotton will have to be exported which is not viable presently because of its high price than global market, he argued.

The APTMA leaders said that presently there is no load management schedule, as power supply was suspended to industry on Sunday and textile units remained shut for over six hours. The industry contacted its leader Gohar Ejaz- the strongest voice of the business industry for the last three years- who approached the higher authorities, convincing them and fighting for the restoration of power supply to 300 industrial units, engaging over 1.5 million textile workers.

They said that industry has the potential to meet the target of exports fixed by the government provided issues concerning to energy are taken care of by the government, he added.

Punjab Cotton Committee Convener Shahid Mazhar said that almost 2 million spindles have been closed in Chian, escalating high demands of yarn worldwide. Pakistan can benefit from the opportunity by ensuring non-stop supply of power and gas to the industry, he added.�

They said the government had withdrawn the exemption from loadshedding to the textile industry on independent feeders and suspended power supply to the most efficient industry during high demand period. Since last one week, industry is being forced to endure loadshedding like domestic consumers for long durations.

They said the textile mills situated in Discos including Islamabad Electric Supply Co (IESCO), Lahore Electric Supply Co (Lesco), Faisalabad Electric Supply Co (Fesco), and Gujranwala Electric Power Co (Gepco) were being hit hard by unannounced loadshedding.

They said that a textile mill could only be viable if it was operational 24/7 and 365 days a year. Otherwise, they said it became unviable to sustain production, if there were power breakdowns for six to 14 hours a day.

They urged the government to act immediately and ensure exemption from loadshedding to the textile industry or at least follow the announced mandatory loadshedding until full exemption was ensured. They said that thousands of labourers would be rendered jobless if loadshedding of gas and electricity continued. They strongly opposed increase in gas

loadshedding for industry and termed it a deliberate attempt to shatter the export oriented textile industry. They said that this would inflict a loss of one billion rupees daily in export earnings and value addition.</p> <p>�</p> <p>Courtesy: The Nation</p>