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Parliament House

APTMA to stage token protest on July 7

HASSAN ABBAS

LAHORE: The All Pakistan Textile Mills Association (APTMA) on Tuesday announced to stage a token protest in front of the Parliament House on July 7 against the anti-industry, anti-investment and anti-export policies of the government.

This was announced by Punjab APTMA President Syed Ali Ahsan in a press conference along with group leader APTMA Gohar Ejaz, group leader Pakistan Textile Exporters Association (PTEA) Ahmed Kamal, former chairman APTMA Ahsan Bashir and Ali Pervez Malik.

Ali Ahsan said after Eid the APTMA will hold a convention of all associations of textile industry in Islamabad to discuss the problems of textile industry which includes falling exports, capacity closure and job retrenchments. After the convention, proposals will be prepared which will be submitted by industry leadership in the form of a dossier to the government, he added.

Ali said the government is not serious in solving the problems of industry and 100 mills have been closed till date. He feared if the government failed to redress the issues of the industry, remaining mills will also be shut down. Ali expressed his dismay over delay in implementation of Rs180 billion package and non-allocation of funds in the recently announced budget. "Mere announcements will not help increase exports unless words are translated into action," he said.

Speaking on this occasion, group leader APTMA Gohar Ejaz said it was not the job of industrialists to protest for seeking relief. "We want to contribute to the growth and prosperity of the country but we are being pushed against the wall," he said.

He pointed out that the industry was facing 10 hours load shedding in a situation when the government was claiming of adding thousands of megawatt to the system. "There was no load shedding for industry when the electricity generation was merely 8000 megawatt before 2013," he recalled.

Gohar demanded that the government should take back the decision of imposing Rs3.63 per kwh surcharge on monthly electricity bills, supply both system gas and LNG at Rs400 per MMBTU without levies and the gas infrastructure development cess and release sales tax refunds as early as possible. He cautioned that the country's trade deficit has soared to $32 billion with rise in imports to $52 billion against less than $20 billion exports in 2016-17.

"Remittances have fallen below $19 billion and the government has resorted to borrow and burden the country with additional foreign and domestic debts," he said.

Group leader Pakistan Textile Exporters Association (PTEA) Ahmed Kamal and former APTMA chairman Ahsan Bashir said the crisis-ridden textile industry has observed black day to lodge its protest against the government policies.

Ahmad Kamal said that 30% weaving industry and 30% processing industry had already closed and more than 10,000 labourers had lost their jobs. Terming liquidity crunch as a major reason behind the crisis, Kamal said that textile exporters were deprived of liquidity as 30 to 40pc of their working capital had been blocked in refund cycle and under such extreme financial stress no one could even think of running their business.

Earlier, all the textile industry associations observed a countrywide black day on Tuesday to register their protest against the anti-industry policies of the government. Mill owners and factory workers took out peaceful protests in front of mill gates throughout the textile hubs in Lahore, Karachi, Multan, Faisalabad and Peshawar. They also displayed banners in and

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outside mill premises, carrying slogans against the anti-industry, anti- labour and anti-export policies. The textile industry workers resolved to continue with their movement for restoration of viability until meeting desired results.

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APTMA: Black Day

Yesterday the textile industry observed Black Day. The lobby of spinners, APTMA closed down its textile mills all across the country to protest the unfavourable policies of this anti-business, anti-export government. The association said that the value-added sector joined in the strike as well. What are APTMA's demands, and are they representative of the entire textile industry of Pakistan?

The shutter-down strike – a tactic employed in the past as well – seeks out the following measures: immediate payment of all pending refunds; full implementation of the Rs180 billion export package; removal of surcharges from electricity tariff; and supply of system gas and LNG at Rs400 per MMBTU without the GIDC surcharge. It's hard to argue that wherever you are in the textile value chain; these are the common policies that are needed to restore competitiveness.

It's also hard to argue that the current government does appear to be 'anti-export.' The Commerce Ministry is not doing anything to promote exports, the Textile Ministry is not even in the game, and the export package is not being implemented. The graph illustrates the precipitous decline in textile exports since the PML-N came into power. Although the FY17 numbers are not here yet, they are also expected to show a decline at the rate things are going.

With all that being said, however, one cannot ignore the disarray that our textile industry is in either. This column has written about the dis-integration of our textile industry many times in the past (Read: "Good for the goose, bad for the gander," published on November 11, 2016). We know that the textile spinners like to create a protectionist environment and are able to tilt policies in their favour because there are more spinning mills than any other kind of mill in Pakistan. Even now, APTMA has been complaining of higher imports of yarn into the country (not included in the Black Day's demands). In the same breath, they are asking for making import of cotton duty free.

Value-addition is wanting in the country. The PBIF issued a statement last week saying that the exports of raw material must be discouraged and the government needs to introduce a liberal import policy. Protectionist measures only serve to further increase the cost of doing business. However, the issue of protectionism is not included in Black Day, and the industry stands united in their demands. Let's see if the government gives an inch.

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FBR compiles list of 88 states for exchanging tax info

SOHAIL SARFRAZ

ISLAMABAD: The Federal Board of Revenue (FBR) has compiled a list of 88 countries including Switzerland to ensure reporting by financial institutions to the said participating jurisdictions from July 1, 2017 under global treaties on automatic exchange of information.

The FBR Tuesday communicated the said list of 88 countries to the Securities and Exchange Commission of Pakistan (SECP) for compliance.

Sources told Business Recorder here on Tuesday that the FBR has written a letter to the SECP on the issue of list of participating jurisdiction in accordance with clause (am) of Rule 78B of Chapter XIIA of the Income Tax Ordinance 2001.

According to the communication of FBR to the SECP, Pakistan has signed the Multilateral Competent Authority Agreement (the CRS-MCAA) on 7th June, 2017 and its Annexure-E consists of a list of participating jurisdictions for automatic exchange of information. Under clause (am) of rule 78B of Chapter XIIA of the Income Tax Rules 2002, the reporting financial institutions are required to provide the information as specified in Rule 78C of the said rules to FBR pertaining to the reportable persons of the jurisdictions to be identified in a published list to be made available on FBR web portal. The term participating jurisdictions has been defined in the said rule as under:

"Participating Jurisdictions means a jurisdiction (i) with which an agreement is in place pursuant to which it will provide the information specified in Rule 78C, and (ii) which is identified in a published list to be made available on FBR's web portal."

As the financial institutions are required to start their due diligence procedures for reportable financial accounts from 1st July, 2017, therefore it is imperative for FBR to issue the list of participating jurisdictions before the cut-off date. As the CRS rules provide a concept of passive NFE (non- financial entity) which is defined as an entity which is not an active entity and it includes an investment entity which is not a participating jurisdiction financial institution. As a result, reporting financial institutions are required to "look through" for "controlling persons" of such investment entities which are not located in participating jurisdictions. In such cases, the reporting financial institutions will report on the controlling persons who are reportable persons. Therefore, it is important for the financial institutions to have a list of participating jurisdictions published by FBR, so that they can carry on with their required due diligence process and to apply the "look through" treatment in case of investment entities which are non participating jurisdiction financial institutions, the FBR said. In the light of these observations, the FBR has published the list of participating jurisdictions on provisional basis which may be updated as and when required. It is requested that the financial institutions under control of respective organisations may kindly be informed accordingly, the FBR said.

In addition to this, it is pertinent to mention here that certain amendments have been made in 78B of CRS Rules, amending the definitions of "reporting financial institutions" and "participating jurisdiction financial institutions" vide SRO # 452(1)/2017 dated 8th June, 2017. Following is the FBR's provisional list of participating jurisdictions for automatic exchange of information: Albania, Andorra, Anguilla, Antigua And Barbuda, Argentina, Aruba, Australia, Austria, Barbados, Belgium, Belize, Bermuda, Brazil, British Virgin Islands, Bulgaria, Canada, Cayman Islands, Chile, China, Colombia, Cook Islands, Costa Rica, Croatia, Curacao, Cyprus,

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Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Ghana, Gibraltar, Greece, Greenland, Grenada, Guernsey, Hungary, Iceland, India, Indonesia, Ireland, Isle of Man, Italy, Japan, Jersey, Korea, Kuwait, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Monaco, Montserrat, Nauru, Netherlands, New Zealand, Niue, Norway, Poland, Portugal, Romania, Russian Federation, Saint Kitts And Nevis, Saint Lucia, Saint Vincent and The Grenadines, Samoa, San Marino, Saudi Arabia, Seychelles, Sint Maarten, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Turks & Caicos Islands, United Kingdom and Uruguay.

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Textile, clothing exports decline 12.24pc in May

ZAHEER ABBASI

ISLAMABAD: Pakistan's textile and clothing exports have declined 12.24 per cent to $ 938.589 million in May 2017 from $ 1.069 billion for the same month a year before, Pakistan Bureau of Statistics (PBS) said on Tuesday.

The fall in textile exports was witnessed in most of the value added products, discloses the statement of exports of selected products uploaded on the PBS website. The government had announced an incentive package to support the exporters; however, the package has not been able to lift the sliding exports.

The product-wise details on year-on-year basis show that exports of cotton yarn contracted 3.13 per cent to $ 92.135 million from $ 95.113 million, cotton cloth 15.74 per cent to $ 157.020 million from $ 186.356 million.

The exports of knitwear decreased to $ 185.520 million in May 2017 from $ 217.478 million in May 2016, showing a decline of 14.69 per cent, bed wear decreased 15.53 per cent to $ 155.311 million in May 2017 from $ 183.865 million for the same month of last fiscal year while exports of towels contracted 18.11 per cent to $ 55.691 million from $ 68.010 million.

The exports of readymade garments decreased 7.21 per cent to $ 180.307 million in May 2017 from $ 194.308 million over the same period of the last fiscal year, however, there was an increase in export of art, silk & synthetic textile to $ 23.439 million from $ 22.612 million, reflecting an increase of 3.66 percent and export of made-up articles (excl. towels be) decreased 15.02 percent to $ 48.492 million in May 2017 from $ 57.060 million in May 2016 and other textile materials decreased to $ 33.188 million from $ 37.483 million.

Overall textile exports during the first eleven months (July-May) 2016-17 decreased to $ 11.234 billion from $ 11.461 billion for the same period of last fiscal year, reflecting a decline of 1.98 per cent. Export of raw cotton decreased 47.14 per cent during the period under review, cotton yarn 3.64 per cent, and cotton cloth, 5.81 per cent, while exports of yarn other than cotton yarn decreased 27.32 per cent.

The exports of knitwear decreased by 1.84 per cent during July-May 2017 over the same period of the last fiscal year, towels decreased 4.77 per cent, art, silk & synthetic textile decreased by 32.99 per cent and made-up articles (excl towels be) decreased by 0.45 per cent.

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THE RUPEE

Rates firm

RECORDER REPORT

KARACHI: The rupee maintained firm trend against the dollar on the money market on Tuesday, dealers said.

INTER-BANK MARKET RATES: The rupee showed marginal change in relation to the dollar for buying and selling at Rs 104.89 and Rs 104.90, they said.

OPEN MARKET RATES: The rupee was unchanged in terms of the dollar for buying and selling Rs 105.90 and Rs 106.10, they said. The rupee was trading against the euro for buying and selling at Rs 117.30 and 118.60, they said.

In the second Asian trade, the dollar reached a more than three-week high versus the yen on Tuesday, after an influential Federal Reserve official said US inflation should rise alongside wages, reinforcing expectations for the Fed to keep raising interest rates.

At one point, the dollar rose to 111.775 yen, reaching its strongest level since May 26. That marked a gain of about 2.7 percent from the dollar's near 2-month low of 108.81 yen set on June 14.

The dollar was trading against the Indian rupee at Rs 64.355, the greenback was available at 4.267 in terms of the Malaysian ringgit and the US currency was at 6.812 versus the Chinese yuan.

Open Bid	Rs. 105.90
Open Offer	Rs. 106.10

Interbank Closing Rates: Interbank Closing Rates for Dollar on Tuesday.

Bid Rate	Rs. 104.89
Offer Rate	Rs. 104.90

RUPEE IN LAHORE: The Pak rupee appreciated against the major foreign currencies including the American dollar and British pound in local currency market on Tuesday.

The currency dealers said the US dollar resumed trading on a negative note as it witnessed slight changes in its demand and supply situation amidst lack of buyers' interest in the market. Consequently, it slid to Rs 105.90 and Rs 106.15 on buying and selling side as compared to previous closing trend of Rs 106.00 and Rs 106.20, respectively, they added.

Likewise, the local currency also followed the same suit against the pound sterling. The pound' buying and selling rates declined from Monday' closing rates of Rs 134.70 and Rs 135.50 to Rs 133.00 and Rs 134.80 respectively, they said.

RUPEE IN ISLAMABAD AND RAWALPINDI: The dollar remained firm against the rupee at the open currency markets of Islamabad and Rawalpindi here on Tuesday.

The dollar opened at Rs 105.95 (buying) and Rs 106.10 (selling). It closed at the same rate.

Buying and selling rates of British Pound remained Rs 136.50 (buying) and Rs 138.50 (selling).

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Water usage charges: AJK govt ready to treat territory as de facto province

ISLAMABAD: The government of Azad Jammu and Kashmir (AJ&K) has expressed willingness to treat the AJ&K territory as de facto province for determination of Water Usage Charges (WUC) at Rs 1.10 per unit from Neelum Jhelum Hydropower project and Mangla hydropower project from July 1, 2017, well-informed sources told Business Recorder.

A meeting has been convened on Wednesday (today) to discuss the proposal of AJ&K government's request and issues related to electricity charges amounting Rs 80 billion. Presently, AJ&K is being paid Rs 0.425/kwh as WUC as admissible under the Power Policy 2015 instead of Net Hydel Profit.

According to sources, Secretary Water and Power has constituted a committee for further deliberations and finalization of recommendations.

Headed by Additional Secretary(Power)/Managing Director Pepco, the committee will comprise of Additional Chief Secretary (Development) AJ&K, Joint Secretary (Power Finance) Ministry of Water and Power, Member (Water) Wapda, Secretary Finance Department Government of AJ&K, Secretary Energy AJ&K, Chief Financial Officer CPPA-G and representative of Law Division and Nepra.

The committee will finalise mechanism for payment of hydel proceeds to AJ&K from Mangla hydropower project and Neelum Jhelum hydropower project at par with provinces at the rate of Rs 1.10 per unit on the basis of principle of equity and justice and signing of the tripartite agreement.

The committee will also discuss Wapda arrears and claims of the government of AJ&K regarding Mangla hydropower project since its inception to June 30, 2016 and outstanding receivables against AJ&K and payment mechanism.

It is pertinent to mention here that the Council of Common Interests (CCI) in its decision on December 16, 2015 allowed KP province to receive Rs 1.10/KWh as NHP on its hydel generation after years of legal and constitutional fight. Later, Punjab was also allowed to receive NHP on a similar basis. Wapda raised around Rs 50 billion from banks to pay the provinces.—MUSHTAQ GHUMMAN

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Nepra okays refund of Rs1.9/unit to consumers

ISLAMABAD: National Electric Power Regulatory Authority (Nepra) on Tuesday approved refund of Rs 1.90 per unit to consumers of power Distribution Companies (Discos) for May 2017 under monthly fuel adjustment mechanism.

Chairman Nepra Brig Tariq Saddozai (retired) presided over the public hearing which was attended by the officials of Nepra, CPPA-G and National Power Control Centre (NPCC) which is responsible to maintain merit order of power plants.

The refund approved by the Authority will not be applicable to K-Electric, agricultural consumers and those domestic users who consume up to 300 units per month.

According to the data submitted to the regulator, the actual fuel charges for May 2017 have been calculated at Rs 4.8807 per unit against reference fuel charges of Rs 6.7764 per unit, showing a difference of Rs 1.8957 per unit.

In May 2017, total generation has been calculated at 11,024 GWh but CPPA-G delivered 10,888 GWh, which was 98.70 percent of total generation. The total cost of net delivered electricity to Discos was Rs 53.105 billion. The total impact of refund is expected to be Rs 20 billion.

Of the total of 11,024 GWh, 2,016 GWh electricity was sold to Independent Power producers (IPPs) at a cost of Rs 325.8 million. Transmission losses have been calculated at 122.8 GWh which is 1.11 percent of total generation and substantially less than the maximum allowed losses of 3 percent by the regulator.

The CPPA said the actual generation cost was lower and hence extra money collected from consumers needs to be refunded through adjustment in the next billing month under automatic fuel pass through mechanism.

In May, Central Power Purchasing Agency (CPPA) reported that hydel generation was 3,326 GWh which was 30.17 percent of total generation, followed by 30 percent through Residual Fuel Oil (RFO) at a rate of Rs 9.4 per unit. Total cost of electricity generated from RFO was Rs 31 billion.

Coal fired generation was 237 GWh - 2.15 percent of total generation cost which has been calculated at Rs 26.13 million or Rs 0.1102 per unit. High Speed Diesel (HSD) - consumed generation 406.5 GWh, was 3.69 percent of total generation at a total cost of Rs 5.981 billion or Rs 14.7 per unit.

The natural gas-fired generation was 1,944 GWh - 17.64 percent of total generation at a cost of Rs 8.630 billion or Rs 4.4378 per unit. Generation from RLNG was 857.3 GWh at a cost of Rs 7.11 per unit. Total cost of RLNG-fired generation was Rs 6 billion.

The cost of nuclear electricity was Rs 1.04 per unit, electricity imported from Iran at Rs 10.6 per unit, mixed Rs 6.88 per unit, baggasse Rs 5.98 per unit.

CPPA has also sought previous adjustment/supplemental charges of Rs 266.68 million which is Rs 0.0242 per unit.

Before concluding public hearing Chairman also responded to questions about power sector issues. In reply to a question, he said that an inquiry report about Karachi Electric (KE) has not been placed before the Authority so far. He further stated that an inquiry has also been conducted into electricity affairs of Hyderabad Electric Supply Company (Hesco).

Nepra has dispatched a team headed by Member Nepra (KPK) Hamayat Ali Khan to conduct an inquiry on electricity supply affairs of Peshawar Electric Supply Company (Pesco). Chairman Nepra said that such inquiries will also be held in other Discos.

Chairman Nepra also directed the officials of Nepra to check why Iesco has not passed on fuel price adjustment in bills of May 2017, adding that it was a very serious issue.—MUSHTAQ GHUMMAN

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Freezing of exporters accounts
Textile associations condemn FBR's move

KARACHI: Textile associations have called the FBR's move to freeze exporters accounts "unethical" and condemned the act.

Muhammad Jawed Bilwani, Chairman, Pakistan Apparel Forum and Value-Added Textiles Associations: Irfan Z. Bawany, Chairman, Pakistan Hosiery Manufacturers & Exporters Association, Ijaz Khokhar, Chairman Pakistan Readymade Garments Manufacturers & Exporters Association, Rafiq Godil, Chairman, Pakistan Knitwear & Sweater Exporters Association & Khwaja M. Usman Pakistan Cotton Fashion Apparels Manufacturers & Exporters Association, in a joint press release, have strongly condemned the unethical and anti-export moves by FBR to freeze and attaching bank accounts of exporters, arbitrarily and without noticing, in the name of tax recovery under section 48 of Sales Tax Act and Rules thereof.

They expressing genuine concern, stated that the FBR officials to achieve shortfall of budgetary revenue collection targets, have been targeting the exporters, while misusing power and authority whereby several notices were issued to exporters under Section 48 of Sales Tax Act 1990 & Rules thereof for attachment of bank account and debit amounts from directly from exporters' bank accounts in-spite the settled principle that enforcement of recovery cannot be enforced until first appellate remedy is exhausted. Even bank accounts of those exporters are freeze who have already filed appeals and the matter was under adjudication. In some cases bank accounts were freeze before notices reached to exporters.

They lamented that to FBR officials are attaching bank accounts of exporters from all over Pakistan. In the name of recovery, on one hand government through FBR is attaching bank accounts to debit amounts to collect short-payment and to meet their shortfalls while on other hand delaying on one pretext or the other refunds of exporters worth billions of rupees in shape of refunds of sales tax, withholding, customs rebates, duty drawback on taxes & levies.

Previously, in such unfair moves to attach bank accounts and debit amounts, in appeals decision came in favour of exporters and Refund Payment Orders (RPOs) were issued but in many cases payments still have not been released to exporters. Even for RPOs approved six months or one year back payment has not been released.

The conduct of FBR is also highly contradictory as their entire energy is focused to further squeeze the already existing tax payers while no effort is witnessed to bring tax evaders to net to broaden tax-to-GDP ratio. Exporters are fearing, amid liquidity crunch, failure of materializing new exporters order which will further decline textile exporters.

The Chairmen of Pakistan Apparel Forum & Value-Added Textiles Associations urged the Prime Minister and Finance Minister to take immediate cognizance of the situation and order FBR to refrain from such unethical and deplorable actions and immediately defreeze the bank accounts of exporters which have been attached.—PR

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Guidelines on outsourcing arrangements

SBP issues framework for risk management

RECORDER REPORT

KARACHI: The State Bank of Pakistan (SBP) has revised the 'Guidelines on Outsourcing Arrangements' with the objective to enable Financial Institutions (FIs) including banks, microfinance banks and Development Finance Institutions to effectively manage the potential risks associated with outsourcing arrangements. The revised instructions are termed as "Framework for Risk Management in Outsourcing Arrangement by Financial Institutions".

State Bank of Pakistan (SBP) earlier introduced the Guidelines on Outsourcing Arrangements for banks/DFIs in 2007. The Guidelines were issued in view of the increasing use of outsourcing of services by banks/DFIs and potential impact of associated risks and obligations to customers.

The framework is based on international standards and best practices on the subject. These instructions aim to enhance the proactive environment in FIs on various aspects of the outsourcing including (but not limited) to governance, risk management, services, group outsourcing, outsourcing of foreign branches of banks, information technology outsourcing and collaboration/outsourcing arrangements by FIs with Fintechs (Financial Technologies). Besides, the Framework also encompasses the list of critical functions/activities that cannot be performed by employees of the 3rd party service providers.

All new outsourcing arrangements by FIs shall be governed under this framework. The FIs, while deciding to outsource any function, activity or process, shall ensure that outsourcing neither effects the protection available to depositors or investors under the existing legal framework nor the same shall be used to avoid compliance with the regulatory requirements. The FIs are required to ensure that their existing outsourcing arrangements would be aligned with this framework latest by June 30, 2018.

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LCCI urges govt to ensure balance between imports & exports

RECORDER REPORT

LAHORE: The Lahore Chamber of Commerce and Industry (LCCI) Tuesday took a strong exception to the historic trade deficit during the last eleven months and urged the ministries of finance and commerce to take measures to ensure balance between imports and exports.

LCCI Acting President Amjad Ali Jawa in a statement on Tuesday said that the issue of trade deficit must be controlled immediately otherwise this important economic indicator would shatter the confidence of investors. Pakistan's trade deficit has sharply swelled by around US $30 billion or 42.12 percent during first 11 months of current fiscal year as compared to the deficit of $21.1 billion in the corresponding months of the last fiscal year.

The widening of trade deficit is due to significant increase in imports by 20.6 percent to $48.53 billion during July – May 2016/2017 as compared to $40.25 billion in the same period of the last fiscal year. On the other hand, he said, exports came down by 3.13 percent to $18.54 billion during the period under review as against $19.14 billion in the same period of the last year.

He said that rising imports and declining exports are developing a perception that Pakistan is becoming a trading place instead of a hub of industrialization. Apart from cutting the cost of doing business in Pakistan, the government needs to evolve a long-term strategy to make its products attractive in the global market to increase its exports, he said.

Jawa said the growing trade deficit, led by sharp slowdown in exports growth, is posing a key challenge to the macroeconomic stability of the country besides converting it into a consumer society. He said galloping trade deficit might dent country's debt payment capacity that ultimately would not be a happy sign for the overall economy. The LCCI Office-bearers suggested that the concerned government quarters should join heads with the private sector for finding out a methodology for increasing the exports of the country that is a prerequisite to control trade deficit.

He said that major issues like huge delay in release of refunds, continuous power supply to the industrial sector, high input cost and large number of duties and taxes should be resolved on priority to give a relief to the export-oriented sectors,. Pakistani Mission abroad should also be given task to explore new markets and new buyers for Pakistani merchandise besides convincing foreign investors to invest in Pakistan, he added.

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Demo held against govt's anti-export, anti-industry policy

RECORDER REPORT

FAISALABAD: Textile industrialists and labourers staged a demonstration against anti-industry and anti-export attitude of the government in front of PTEA offices. Demanding release of refunds and supply of energy at competitive prices, the demonstrators chanted slogans and hold placards in favour of their demands. Textile workers also staged demonstrations at their factories in different areas of the city and placed protest banners.

Talking to newsmen here on Tuesday, Chairman Pakistan Textile Exporters Association (PTEA), Mian Ajmal Farooq said that the non-serious attitude of the Government institutions is the root of the problems affecting the country's textile industry, which has an annual export turnover of US 14 billion dollars and employs millions of workers. Policymakers are not serious in resolving issues of the textile industry and the situation is worsening day by day and biggest job providing industry is heading towards disaster.

He termed PM export-led growth package a positive one but non allocation of funds for the incentives of this package has shattered all the hopes. Only Rs 1 billion are released in six month under this package out of Rs 180 billion, he added.

Furthermore no effective measures are proposed in budget 2017-18 for industrial progress, increase in exports, reduction in production cost and enhancing the competitive edge of Pakistani goods in international market, he mentioned.

Vice Chairman PTEA, Muhammad Naeem was of the view that textile sector is in grip of severe crisis and the industrial production is not in accordance with the built up manufacturing capacity. Due to this underutilization, the country is not fetching the full potential of foreign exchange earnings.

He termed high cost of raw materials and production inputs as major irritant in export growth. Soaring prices of supplies and ancillary goods has created a chain effect of increases and ultimately placed a burden on cost of production of industrial goods making them uncompetitive, he contended. Terming energy prices 10 percent higher than the competing countries like India and Bangladesh, he demanded the supply of gas to textile industry at the price of Rs 400/mmbtu.

Khurram Muhktar, former chairman PTEA expressing disappointment over non cooperative behaviour of the government said that textile exports contribute a major share in national exchequer and anti-export attitude is hitting hard the exports.

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Textile industry observes 'black day'

RECORDER REPORT

MULTAN: Textile industry in South Punjab on Tuesday observed black day across the Southern region against anti-industry and anti-export policies of the government. Talking to mediamen, APTMA Multan Chapter's coordinator M Anees Khawaja and President of Multan Chamber of Commerce & Industry, Khawaja Jalaluddin Roomi claimed that all chains including spinning and value added sectors are on board and joined the protest.

They reiterated their demands i.e. implementation of Prime Minister Package of Rs 180 billion for exporters in letter and spirit, clearing the outstanding refunds and bringing the energy prices comparable to other regional countries.

They said that Nawaz Sharif had announced incentives worth Rs 180 billion on January 10, 2017 in a bid to boost country's falling exports. But only Rs 4 billion were earmarked in the budget 2017-18 after six months which is a big joke with the industry.

The APTMA coordinator said that government should take practical measures to implement the package. He further said that around Rs 200 billion of the textile industry are stuck up with the government under sales tax, duty drawbacks, etc, and this is creating severe liquidity crunch for the industry.

"If we cannot buy raw material due to liquidity crunch, how will we increase exports," Anees Khawaja added. Chairman of All Pakistan Bedsheets and Upholstry Manufacturers Association (APBUMA), Khawaja Muhammad Younas said that due to high input cost, including electricity and gas prices, Pakistani textiles are no more competitive in the international market.

Electricity is available at Rs 11/kwh for the industry in Pakistan as compared to Rs 7/kwh in other regional countries including Bangladesh, said Fayyaz.

Furthermore, RLNG is being available at Rs 1000 MMBTU in Pakistan against Rs 400 in Bangladesh.

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APBUMA chief slams govt

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MULTAN: Khawaja Muhammad Younus, Chairman All Pakistan Bedsheets & Upholstery Manufacturers Association (APBUMA) said that textile sector is really disappointed with the government as all the pledges with the sector is more like rhetoric instead of solid measures to support and sustain it. He said, "With the declining exports volumes, the government is making mockery of textile sector in the name of PM Textile Package of Rs 180 billion earlier announced. But only Rs 2 billion were issued for the "Duty Drawback Claims" till May 2017 and in addition to this only Rs 4 billion had been allocated in the budget 2017-18 for PM package."

Syed Muhammad Asim Shah, ex-chairman APBUMA and former VP FPCCI said that textile industry whether corporate or medium scale are pushed to wall by the non serious attitude of the government and left with no other option but to register its protest to safeguard economy of our country and employment of millions of people associated with textile sector.

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No business activity on cotton market

RECORDER REPORT

KARACHI: A kind of dullness prevailed on the cotton market on Tuesday as main buyers kept on the sidelines owing to less interest, dealers said.

The official spot rate was unchanged atRs 6650, dealers said. In Sindh, seed cotton prices were at Rs 3300-3400 and in Punjab prices were at Rs 3200-3300, they said.

According to the market sources, buyers entered the market but failed to make final decision about deal amid arrival of seed cotton.

Experts were of the opinion and said that after Eid-ul-Fitr holidays, trading activity likely to show slight improvement.

Adds Reuters: ICE cotton futures fell for the seventh straight session on Monday after hitting near six-month lows in the previous session as investors continued liquidating on rising expectations of new harvest.

The most-active December cotton contract on ICE futures U.S. settled down 0.32 cent, or 0.46 percent, at 69.04 cents per lb. It traded within a range of 68.67 and 70.2 cents a lb.

Prices fell to their lowest since Dec. 20 at 68.58 cents per lb on Friday.

Total futures market volume fell by 20,714 to 25,769 lots.

THE FOLLOWING ARE THE KCA OFFICIAL SPOT RATES FOR 2016-17 FOR LOCAL DEALINGS IN PAK RUPEES FOR BASE GRADE 3 STAPLE LENGTH 1-1/16" MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL

Rate For	Ex-Gin Price	Upcountry Expenses	Spot Rate Ex-Karachi	Spot Rate Ex-Karachi As on 19.06.2017	Difference Ex-Karachi in Rupees
37.324 Kgs Equivalent	6,650	135	**6,785**	**6,785**	NIL
40 Kgs	7,127	145	**7,272**	**7,272**	NIL

BUSINESS
RECORDER
Wednesday, 21st June, 2017

Cotton declines for 7th session on large harvest projections

NEW YORK: ICE cotton futures fell for the seventh straight session on Monday after hitting near six-month lows in the previous session as investors continued liquidating on rising expectations of new harvest.

"We have not had any significant problems in getting the crop growing," said Jobe Moss, a broker with MCM Inc in Lubbock, Texas. "The crop is in pretty good shape. There's a lot of cotton coming up."

The most-active December cotton contract on ICE futures US settled down 0.32 cent, or 0.46 percent, at 69.04 cents per lb. It traded within a range of 68.67 and 70.2 cents a lb.

Prices fell to their lowest since Dec. 20 at 68.58 cents per lb on Friday.

"Prices at about six-, seven-month lows are not for buying ... speculators are still liquidating," Moss said.

The speculators cut a bullish stance in cotton 11,269 contracts to 70,485 contracts, the Commodity Futures Trading Commission data showed on Friday. The fourth straight weekly cut brought their net long position to the smallest in eight months.

"Bullish signals are just not in the picture for now," O.A. Cleveland, consulting economist at Cotton Experts, wrote in a note. "The market is under the influence of Mother Nature and she continues to smile on the prospects for increased supply."

Further pressuring the commodity complex was a strong dollar. The Thomson Reuters CoreCommodity CRB Index, which tracks 19 commodities, was down 1.02 percent. The dollar index was up 0.40 percent.

Total futures market volume fell by 20,714 to 25,769 lots. Data showed total open interest fell 17,188 to 215,054 contracts in the previous session.

Certificated cotton stocks deliverable as of 16 June totalled 478,113 480-lb bales, up from 476,100 in the previous session.—Reuters

New York cotton

RECORDER REPORT
The fluctuations observed during the day:

	Current Session						Prior Day		
	Open	High	Low	Last	Time	Set	Chg	Vol	Set
May'17	71.54	71.65	70.80	71.25	14:20 June 20	-	-0.14	7013	71.39
Jul'17	70.00	70.50	69.66	70.50	14:20 June 20	-	0.14	15	70.36
Oct'17	69.29	69.29	68.51	68.94	14:20 June 20	-	-0.10	16871	69.04

DAWN

Wednesday, 21st June, 2017

Textile, clothing exports dropped in July-May

The Newspaper's Staff Reporter

ISLAMABAD: Pakistan's textile and clothing exports fell 1.98 per cent year-on-year to $11.234 billion during the first 11 months of the current fiscal year mainly due to lower proceeds from raw material and low value-added products, such as cotton yarn and fabrics.

Data released by the Pakistan Bureau of Statistics on Tuesday showed the decline in export proceeds was also evident in rupee terms during the July-May period of 2016-17.

On a month-on-month basis, the export proceeds fell 12.24pc in May negating the government's claim of reviving the growth in the sector despite offering huge subsidies.

Exports of value-added products grew in terms of both value and quantity during the July-May period.

Product-wise details show exports of ready-made garments rose 4.15pc while those of knitwear dropped 1.85pc in July-May. Exports of bedwear edged up 3.22pc, while those of towels fell 4.77pc.

In primary commodities, exports of cotton yarn witnessed a year-on-year decline of 3.64pc while those of cotton cloth and yarn (other than cotton) dropped 5.81pc and 27.32pc, respectively.

Exports of made-up articles, excluding towels, dropped 0.45pc and those of tents, canvas and tarpaulin grew 52.85pc. Proceeds from art, silk and synthetic textile exports declined 33pc while exports of raw cotton also recorded a year-on-year decline of 47.14pc.

The preferential access to the European Union under the GSP+ scheme hasn't boosted proceeds due to a slump in demand.

Overall export proceeds in July-May were down 3.13pc to $18.540bn.

Last year, the government announced a textile policy that gave a 4pc rebate on the exports of readymade garments on a 10pc incremental increase over the preceding year, 2pc on home-textiles and 1pc on fabric. No support was announced on raw material or yarn exports.

Jan 15 onwards, the government has not only increased the rebate to 7pc for readymade garments, but also allowed cash support of 4pc on yarn and grey cloth under the Rs180bn package announced by the prime minister.

Out of the total allocations, an amount of RS107.5bn was allocated to textiles sector – Rs87.5bn for drawbacks and Rs20bn for withdrawal of duties/taxes on import of cotton and machinery. Moreover, an amount of Rs12.5bn was the annual allocation for drawbacks on export of non-textile value added sectors.

The duty free import of textile machinery was continued for fiscal year 2015-16. The sales tax zero-rating regime for the five export sector was continued in the fiscal year 2017-18. Similarly, spinning and ginning sector have been included in the long term financing facility. The export finance rate is currently at 3pc, which is the lowest in a decade.

DAWN
Wednesday, 21st June, 2017

Active buying on cotton market

The Newspaper's Staff Correspondent

MULTAN: Physical activity on the cotton market showed improvement on Tuesday as spinners and mills resumed their normal covering operations at the prevailing prices. However, the Karachi Cotton Association kept its spot rates unchanged.

Cotton brokers said that as many as 20,000 bales changed hands during the last couple of days. “Rains can damage the crop in Punjab where a ban was imposed on early sowing and the height of the crop is small,” they said.

Punjab Secretary of Agriculture Muhammad Mehmood claimed that Girdawari (surveyorship) of cotton crop to assess the accurate estimate of the crop production in the province has been completed and according to which this year’s cotton cultivated area in the province is 5,506,000 acres, an increase of 120000 acres over the last year’s acreage.

Mr Mehmood said the cotton production will be 20 per cent more as compared to last year.

Meanwhile, on the call of All Pakistan Textile Mills Association a shutdown strike was observed across the country on Tuesday to protest at the government policies.

The price of seed-cotton (phutti) was Rs3,325 in Badin, Rs3,250 in Kunri, Rs3,300 in Dharo, Rs3,315 in Jhudu, Rs3,350 in Tando Bhago, Rs3,300 in Nawankot, Rs3,330 in Degree, Rs3,300 in Mirpur Chakir and Rs3,350 in Chichawatni.

Following were some of the notable deals finalised on the ready counter: 200 bales, Haroonabad at Rs6,950; 200 bales, Shahdadpur, at Rs6,550; 200 bales, Mirpurkhas, at Rs6,575; 465 bales, Vehari, at Rs6,700; 200 bales, Tando Adam, at Rs6,550 and 700 bales, Rahim Yar Khan, at Rs6,550.

THE FOLLOWING ARE THE KCA OFFICIAL SPOT RATES FOR 2015-16 FOR LOCAL DEALINGS IN PAK RUPEES FOR BASE GRADE 3 STAPLE LENGTH 1-1/32" MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL			
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37.324 Kgs Equivalent	**6,650**	**135**	**6,785**
40 Kgs	**7,127**	**145**	**7,272**

DAWN
Wednesday, 21st June, 2017

MARKETS

FOREX

Exchange Rates for Currency Notes (Rs)

	Interbank market*		Open market**	
	Buying	Selling	Buying	Selling
USA	104.70	104.90	105.90	106.10
UK	133.34	133.59	134.50	136.00
Euro	116.81	117.04	117.30	118.60
S.Arabia	27.92	27.97	28.05	28.25
UAE	28.45	28.51	28.75	28.95
Japan	0.9376	0.9394	0.9390	0.9590

*forex.com.pk **ECAP

KIBOR

Karachi Interbank offered rates

	Bid	Offer
Three months	5.90	6.15
Six months	5.91	6.16
One year	5.96	6.46

LIBOR

Special US dollar bonds for June 19

Three months	1.28022 %
Six months	1.43322 %

THE NEWS
Wednesday, 21st June, 2017

Black day gets lukewarm response

LAHORE: The black day observed by All Pakistan textile Mills Association (Aptma) on Tuesday drew lukewarm response from the its members, as against the original plan of closing the mills for one day, protests were organised outside many textile mills as production continued.

After token protest of three hours, the Aptma management announced at a press conference that a national textile convention would be organised in Islamabad on July 7 that would be attended by associations of each textile value chain.

Aptma management said after the convention the millers would protest in front of the parliament. They said thousands of workers would attend the convention.

Group leader Aptma Gohar Ejaz said the textile millers were not demanding anything new; they are simply asking the state to honour the commitment that the prime minister personally made to the five exporting sectors.

He said falling exports were because of high cost of production in Pakistan when compared with competing economies. He expressed grave concern that the local manufacturers were now finding it hard to compete with imported textiles even in the domestic market.

He said the ever increasing trade deficit should be an eye-opener for the planners. He said textile sector has seen job destruction instead of job creation in the past four years.

THE NEWS
Wednesday, 21st June, 2017

Industrial uplift, consumer demand raise import bill to $48.539bln in 11 months

KARACHI: The country's import bills swelled 20.60 percent to $48.539 billion during the first 11 months of the current fiscal year, as industrial uplifts and growing consumer demand ramped up imports of machinery, oil, transport and food products, official data showed on Tuesday.

The Pakistan Bureau of Statistics (PBS) logged the import bill at $40.247 billion in the corresponding period a year earlier. The major boost came from imports of machinery, which surged 39.97 percent to $10.883 billion in July-May 2016/17 over the corresponding period of 2015/16. Power generation machinery, electrical appliances and construction machinery together accounted for nearly half of the import bill under this head.

Power machinery import increased 70.9 percent to $2.839 billion, while import of electrical appliances rose 26.83 percent to $2.118 billion and construction machinery import climbed 69.53 percent to $467.996 million. China-funded infrastructure development has sparked a boom in construction as well as energy sectors. The government envisaged an addition of 10,000 megawatts of electricity into the grid in near-term due to more than $35 billion investment in power sector under the China-Pakistan Economic Corridor projects.

Oil bill, which has been benign over the last two years due to soft oil prices, was seen soaring in July-May of 2016/17. Imports of petroleum, oil and lubricant products rose 32.61 percent to $9.896 billion in the period under review as compared to the same period a year ago. Gas imports more than doubled to $1.150 billion owing mainly to import of liquefied natural gas.

Likewise, transport imports also jumped 21.67 percent to $2.983 billion in July-May 2016/17. The main imports under this head were of buses, trucks, motor cars, bikes and auto parts and accessories, up 31.48 percent to $2.229 billion. Food imports increased 15.96 percent to $5.650 billion in the period under review.

In May, machinery import amounted to $1.033 billion, depicting 47.40 percent surge over the same month last year, but remained flat as compared to April. Oil import soared 43.36 percent year-on-year (YoY) to $1.130 billion, while it was up 11.23 percent month-on-month (MoM), according to PBS.

Analysts said the country needs to shed reliance on imports of consumer items to lessen burden on its foreign exchange reserves. Export sector is not performing up to the mark despite a hefty Rs180 billion exports package announced by the government to add three billion dollars to annual exports revenue by the next fiscal year-end.

In July-May, textile sector, which accounts for more than 60 percent of the country's exports, continued to show poor performance.

Textile exports were down 1.98 percent to $11.234 billion, although value-added textile sector turned up a marginal recovery in the period under review. Bedwear exports crawled up 3.22 percent to $1.922 billion, while export of readymade garments rose 4.1 percent to $2.073 billion. Knitwear exports, however, fell 1.84 percent to $2.107 billion. In May, textile exports dropped 12.24 percent YoY and dipped 8.47 percent MoM to $938.589 million.

Food exports also decreased 7.54 percent to $3.426 billion in July-May 2016/17. Particularly, rice exports fell 14.75 percent to $1.463 billion in the period under review.

In May, food exports, however, were up 3.64 percent YoY and down 9.92 percent to $ 353 million. The PBS data further showed that overall exports fell 3.13 percent to $18.540 billion.

THE NEWS
Wednesday, 21st June, 2017

Non-cash banking transactions

FBR collects Rs11.31bln from non-filers in July-May

KARACHI: The Federal Board of Revenue (FBR) collected Rs11.31 billion on non-cash banking transactions by non-filers during the first 11 months of the current fiscal year, a slight two percent fall over the previous year, officials said on Tuesday.

FBR secured Rs11.55 billion on non-cash banking transactions by non-filers of income tax returns in the corresponding period of 2015/16. Sources said expansion in cash-based transactions and drive to compel taxpayers to file income tax returns caused deceleration in withholding tax collection.

"Expansion in cash-based economy resulted in fall in withholding tax collection," admitted an official. The government, in the budget 2015/16, introduced Section 236P into Income Tax Ordinance 2001 and imposed 0.6 percent withholding tax on non-cash banking transactions by non-filers. The rate was reduced to 0.3 percent on July 11 and later revised up to 0.4 percent in March 2016 and remained applicable till June 30, 2017. Banks are responsible to collect this tax from non-filers at the time of demand draft, pay order, rupee traveler's cheque or special, cash, short-term and call receipts.

The prime objective of this levy was to increase the number of income tax return filers in addition to reduce the size of black economy, which is almost parallel to the formal economy.

An official at Large Taxpayers Unit Karachi said the number of return filers for tax year 2016 increased to 1.18 million till June 17, up 16 percent compared with around 1.03 return filers in the same period of last year.

The cash handling is mainly seen at the retail stage in entire supply chain. Since the introduction of the withholding tax provision, the retailers withdrew around Rs25 billion from banks and their deposits sharply fell 14.5 percent.

The deposits of retailers amounted to Rs176.84 billion as on June 30, 2015, which fell to Rs15.29 billion as on May 31, 2017, said the State Bank of Pakistan (SBP).

The SBP, in its annual report of 2015/16 on state of Pakistan economy, said the imposition of withholding tax on banking transactions by non-filers led to a decline in deposit growth, particularly those of private businesses, and increase in the use of hard cash and prize bonds.

THE NEWS
Wednesday, 21st June, 2017

Bank loans to private sector rise 110.3pc

KARACHI: Bank loans to corporates rose 110.3 percent in more than 11 months of the outgoing fiscal year, the central bank's data showed on Tuesday. It is a sign that economic activity is gaining momentum supported by low interest rates and improved business environment.

Bank advances to private businesses and consumers increased to Rs525.1 billion between July 1, 2016 and June 2, 2017 from Rs249.6 billion in the same period of the last fiscal year.

The State Bank of Pakistan figures revealed that conventional banks remained top with extending Rs305.4 billion in loans to firms followed by Islamic banks, which disbursed Rs132.9 billion. The Islamic banking branches of conventional banks lent Rs86.643 billion to the private borrowers during the period under review. It is pertinent to note that Islamic banking industry has been contributing significantly in growth in overall bank loans.

Though the latest numbers don't show segment-wise break up of advances flows, the working capital loans, fixed investment and trade finance are supposed to lead higher private sector credit growth.

The previous trend indicated that off-take of fixed investment advances remained up, as corporate sector borrowed cash from the banks for the production of sugarcane. The other sectors such as automobiles, transportation, and electrical appliances witnessed an increase in demand for bank credit. Many analysts expect private sector credit expansion in the next fiscal year due to favourable outlook on the back of stepped-up China Pakistan Economic Corridor (CPEC) projects, improved availability of energy, and lower cost of borrowing.

The central bank also sees bank loans to continue upsurge in times to come. "The growth momentum bank loans is likely to be supplemented by favourable macroeconomic conditions (ie low interest rates, strengthening aggregate demand and uptick of industrial activity), increase in wheat procurement operations and positive outlook," the SBP said in its quarterly performance review of the banking sector published last week.

However, the SBP warned that anticipated uptick of advances and investments due to shifts in government borrowing pattern may induce funding pressures and make it challenging for banks to meet the expected credit growth.

The SBP's analysis showed that bank's consumer finance portfolio witnessed growth largely on the back of auto finance followed by mortgages. The other categories like credit cards and personal finance also saw positive growth.

THE NEWS
Wednesday, 21st June, 2017

Cotton unchanged

Karachi

No transaction was recorded at the Karachi Cotton Exchange on Tuesday, while spot rates remained unchanged.

The spot rates stood unchanged at Rs6,650/maund (37.324kg) and Rs7,127/40kg. Ex-Karachi rates also remained firm at Rs6,785/maund and Rs7,272/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively.

An analyst said the market activity remained low due to the end of the season, while buyers and sellers seem busy in Eid shopping ahead of the religious occasion.

“The activity is likely to start in full swing after Eid holidays, as new crop will also start arriving in the market,” he added. Although some factories have started ginning in Sindh’s cities of Shahdadpur, Mirpurkhas, Sanghar, Tando Adam and Mirpur Bathoro, full activity has yet to start. “Prices may decline once cotton arrivals increase,” he said.

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Textile millers, labourers hold protests against govt policies

Lahore/FAISALABAD/MULTAN - All the textile industry associations observed a countrywide black day on Tuesday, calling upon the government to address the genuine issues of textile industry on priority basis to save it from further problems.

Mills owners and factory workers took out peaceful protests in front of mill gates throughout the textile hubs in Lahore, Karachi, Multan, Faisalabad and Peshawar.

They also displayed banners in and outside mill premises, carrying slogans against the anti-industry, anti-labour and anti-export policies. They expressed serious concerns over non-allocation of funds in budget for duty drawbacks on account of Rs180 billion textile package. They protested against anti-employment policies, extortion of Rs3.63 per kWh surcharge on monthly electricity bills, adamant delay in release of sales tax refunds and collapsing exports due to the high cost of doing business. It may be noted that thousands of textile workers have lost jobs and delay in payments of wages due to the closure of mills. This situation has invited hunger to their families and hence they are left with no option but to protest against the anti-industry policies of the government.

In Lahore, All Pakistan Textile Mills Association (APTMA) announced holding of a convention of all associations of textile industry in Islamabad after Eid.

“We will hold a convention of all associations of textile industry in Islamabad after Eid to highlight the problems of textile industry leading to falling exports, capacity closure and job retrenchments,” he said and added that the textile industry leadership will finalize proposals for the Parliament.

“The industry dossier will be submitted by the industry leadership after a token march towards the Parliament,” said Syed Ali Ahsan, Chairman APTMA Punjab in a press conference at the APTMA Punjab office on Tuesday. Group leader APTMA Gohar Ejaz, Vice Chairman APTMA Centre Ali Pervez Mali, group leader Pakistan Textile Exporters Association (PTEA) Ahmed Kamal and former APTMA Chairman Ahsan Bashir also spoke on the occasion. They said the crisis-ridden textile industry has observed black day to lodge its protest against the government policies.

Gohar Ejaz stressed the point that it was not industry job to protest. “We want to contribute to the growth and prosperity of the country but we are being pushed to the wall,” he said. He pointed out that the industry was exposed to 10 hours a day loadshedding in a situation when the government was claiming of adding thousands of megawatt to the system. “There was no load shedding for industry when the electricity generation was merely 8000 megawatt before 2013,” he recalled. Group leader PTEA Ahmed Kamal assured APTMA leadership of the participation of all associations of textile industry in convention in Islamabad.

In Faisalabad, textile industrialists and labourers Tuesday staged a demonstration against anti-industry and anti-export attitude of the government, demanding release of refunds and supply of energy at competitive prices. Textile workers also staged demonstrations at their factories in different areas of Faisalabad and placed protest banners. Meanwhile, the textile millers observed ‘black day’ across the south Punjab region against the government's policies towards textile sector.

Briefing the newsmen in Faisalabad on Tuesday, Pakistan Textile Exporters Association Chairman said that the non-serious attitude of the government institutions is at the root of the problems affecting the country's textile industry, which has an annual export turnover of USD14 billion and employs millions of workers. Policymakers are not serious in resolving issues of the textile industry and the situation is worsening day by day and biggest job providing industry is heading towards disaster, he said.

Elaborating the consequences of the crisis, he said that industrial wheels have come to a halt as result of extreme cash flow crunch. Billions of rupees of exporters have stuck up in refund regime and they are badly deprived of liquidity. Government, at several times, made promises for payment of outstanding refunds but each time it could not fulfill its commitment. He said only Rs 1 billion were released in six months under PM package out of Rs. 180 billion. “Furthermore no effective

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measures are proposed in budget 2017-18 for industrial progress, increase in exports, reduction in production cost and enhancing the competitive edge of Pakistani goods in international market," he deplored. Situation is becoming unbearable for industry and a constant inefficiency is plaguing the viability of production units.

Vice Chairman PTEA Muhammad Naeem termed high cost of raw materials and production inputs as major irritant in export growth. Claiming energy prices were 10% higher than the competing countries of India and Bangladesh, he demanded the supply of gas to export oriented textile industry at the price of Rs. 400/mmbtu.

Former chairman PTEA Khurram Muhktar urged the government to take cognizance of serious matter and step up to save textile industry from disaster as extreme cash flow crunch and high energy cost is holding it back from growing up to full potential.

While talking to journalists, APTMA Multan Chapter's Coordinator Anees Khawaja and Multan Chamber of Commerce & Industry (MCCI) President Khawaja Jalaluddin Roomi said that black banners inscribed with the industry's demands and black flags were hoisted atop of industries to observe the 'black day'. They claimed that all chains including spinning and value added sectors are on board and join the protest. They reiterated their demands i.e. implementation on PM's export package of Rs180 billion for exporters in letter and spirit, clearing the outstanding refunds and bringing the energy prices comparable to other regional countries.

They said that PM Nawaz had announced incentives worth Rs180 billion on January 10, 2017 in a bid to boost the country's falling exports. But only Rs4 billion were earmarked in the budget 2017-18 after six months which is a big joke with the industry. The APTMA coordinator said that mere announcement will not increase the country' exports and the government should take practical measures to implement the package. He said "If we cannot buy raw material due to liquidity crunch, how will we increase exports," Anees added.

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Nepra approves Rs1.90/unit cut in tariff

ISLAMABAD - The National Electric Power Regulatory Authority (Nepra) on Tuesday approved Rs1.90 per unit reduction in power tariff for the Ex-Wapda distribution companies (Discos) for May under monthly fuel adjustment formula.

In a public hearing, on the petition filed by Central Power Purchase Agency (CPPA), presided over by Nepra Chairman Tariq Saddozai, the power regulator concluded that the distribution companies had charged Rs6.776 per unit in May on account of fuel cost to consumers but the actual fuel cost was Rs4.8 per unit. This amount will be adjusted in consumers' electricity bills of June 2017 and would have accumulative impact of around Rs19 billion.

While talking to media persons, the Nepra chairman said the authority will approve the investigation report on the prolonged power breakdown in Karachi within a week. The report, on the power tripping and prolonged loadshedding, was compiled by a five member investigation team.

In this report, the five-member investigation team had held K-Electric and Hesco responsible for this loadshedding and advised the Nepra to take legal action against them and also proposed penalty on them. The team has also termed the transmission and distribution system of these distribution companies as outdated.

According to the investigation, electricity situation in Hyderabad Electric Supply Company (Hesco) and Sukkur Electric Power Company (Sepco) is also pathetic. The Central Power Purchase Agency (CPPA) had sought in its petition a reduction of Rs1.8957 per unit for the month of May. The Nepra after hearing determined a reduction of Rs1.9 per unit.

This adjustment/relief adjustment will be available to the domestic consumers in entire Pakistan, except in Karachi and the lifeline consumers. The reason for not providing relief to the consumers of the K-Electric is that it is a privatised company and distributing its own generated electricity to the consumers in Karachi and is not covered under this determination. Besides the consumers of K-Electric, the relief will also not be available to the lifeline consumers consuming up to 300 units per month, as they are already being provided subsidised electricity.

As per the available data, provided by CPPA, the total generated electricity from all sources, during May stood at 11023.85 Gigawatt hours (GWh) at the total cost of Rs53.698 billion. The CPPA supplied 10880.88 GWh to the distribution companies at a cost of Rs53.105 billion. Transmission losses were recorded at 1.11 percent of total supplied electricity.

In May, almost 30.17 percent power was generated from hydel sources, 30 percent was generated from furnace oil with Rs9.4/unit, 17.64 percent was generated from natural gas at rate of Rs4.4378/unit. Around 7.78 per cent power generation was produced through imported re-gasified liquefied natural gas (RLNG) based sources at Rs7.114/unit. From nuclear sources, 4.4pc electricity was generated at a cost of Rs1.0457/unit. Share of Diesel based generation stood at 3.69pc with generation cost of Rs14.7119/unit and coal based power share was 2.15pc in overall energy pie and its generation cost was 0.11/unit.

From Wind 1.91 percent electricity was produced, 1.03 percent was produced from Bagasse for 5.986 per unit, solar based generation stood at 0.57 percent. Beside, 49.48 Gwh or 0.45 percent electricity was imported from Iran with cost of Rs10.63 per unit.

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Growers advised to water cotton crops timely

APP

FAISALABAD - Agriculture experts have advised the growers to water their cotton crops in-time so as to get healthy and bumper yield. A spokesman for the agriculture department said here Tuesday that growers should water their cotton crops after 30-35 days of its cultivation while remaining irrigation should be ensured after an interval of 12-15 days.

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Businessmen concerned over historic trade deficit

Our Staff Reporter

LAHORE - The business community has expressed concern over historic trade deficit and urged the Ministries of Finance and Commerce to take instantaneous measures to sustain balance between imports and exports.

LCCI Acting President Amjad Ali Jawa said that issue of trade deficit must be controlled immediately otherwise this important economic indicator would shatter the confidence of investors. He said that Pakistan's trade deficit has sharply swelled by around $30 billion or 42.12 percent during first eleven months of current fiscal year as compared to the deficit of $21.1 billion in the corresponding months of the last fiscal year. The widening of trade deficit is due to significant increase in imports by 20.6 percent to $48.53 billion during July–May 2016-17 as compared to $40.25 billion in the same period of the last fiscal year. LCCI Vice President Nasir Hameed Khan said that rising imports and declining exports are developing a perception that Pakistan is becoming a trading place instead of a hub of industrialisation. He said that apart from cutting the cost of doing business in Pakistan, the government would have to evolve a long-term strategy to make its products attractive in the global market to increase its exports. LCCI former vice president Kashif Anwar said that the growing trade deficit, led by sharp slowdown in exports growth, is posing a key challenge to the macroeconomic stability of the country besides converting it into a Consumer Society. He said that galloping trade deficit might dent country's debt payment capacity that ultimately would not be a happy sign for the overall economy.

Kashif Anwar suggested that the concerned government quarters should join heads with the private sector for finding out a methodology for increasing the exports of the country that is a prerequisite to control trade deficit.

FPCCI former president Mian Idrees said that to give a relief to the export-oriented sectors, major issues like huge delay in release of refunds, continuous power supply to the industrial sector, high input cost and large number of duties and taxes should be resolved on priority. He said that Pakistani Mission abroad should also be given task to explore new markets and new buyers for Pakistani merchandise besides convincing foreign investors to invest in Pakistan.

The Nation on Web

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Liberal import policy damaging economy: ICST

INP

ISLAMABAD - Islamabad Chamber of Small Traders on Tuesday said country's import policy is unreasonably liberal that is one of the reasons behind the increasing trade gap threatening the economy. The liberal import regime will never allow our manufacturing, agriculture, SMEs, exports and private investment to flourish therefore it should be reconsidered, it said.

Dozens of the countries are allowed to dump their goods in Pakistan including those items which are not needed while the critical sectors are being ignored, said Patron Islamabad Chamber of Small Traders Shahid Rasheed Butt. He said that the government, as well as the private sector, continue to focus on textiles and export of raw material while value-addition is overlooked resulting in the frequent balance of payment crisis. Shahid Rasheed Butt said that government often announce steps to support critical sectors which are never implemented resulting in dwindled growth. The government is trying to improve the economic situation with the help of bureaucracy which lacks skills, capacity and interest to deliver. The majority of the bureaucracy is least concerned about the economy and lack required knowledge regarding the industry, agriculture, international trade, new trends, new markets, and problems keeping the economy from growing, he added.

The business leader said that unnecessary imports should be discouraged and TDAP should be disbanded immediately as it has become dysfunctional. The government should establish sector-specific export promotion companies with full participation of the private sector, he said.

Butt said that power projects and roads are necessary but we also need to develop our human resource so that direction of the economy could be corrected.