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APTMA submits budget proposals

M RAFIQUE GORAYA

LAHORE: The All Pakistan Textile Mills association has submitted its proposals for 10 percent compound growth in exports to achieve $ 20 billion export target by 2020-21, warning the government that the current crippling trade deficit of $ 30 billion cannot be met by borrowed loans.

The textile industry that contributes 60 percent to the country's total exports demanded free import of cotton and polyester staple fibre and zero rating of inputs to provide internationally competitive raw material to the industry. It was astonished to learn that duty and sales tax has been imposed on import of cotton just four months after the announced package for the textile industry despite shortage of domestic cotton.

APTAMA requested the government to reduce the electricity rate for independent feeders to Rs 7 kwh without levy of surcharge, besides provision of RLNG and system gas at regionally competitive rate i.e. Rs 400 /mmBTU across Pakistan without levy of GIDC.

APTMA expressed its dissatisfaction over implementation of Prime Minister's Rs. 180 billion export led package as only Rs 2 billion have been released instead of Rs 40 billion during past four months.

It stressed the need for payment of all pending sales tax duty drawbacks and incentive scheme claims in addition to allocation of Rs 10 billion per month for payments as envisaged in the export package. APTMA regretted that there has been minimal investment during the past 5 years resulting in decline of textile exports. Therefore the government should announce an attractive policy in the 2017-18 federal budgets for technology up-gradation and setting up of new projects.

It may be added that on the contrary the Pakistan Polyester & Synthetic textile manufacturer group and filament yarn manufacturers group have also sent an SOS to the government to impose 10 percent regulatory duty (RD) on the import of PF yarn to save the local PF yarn industry for it has already suffered an accumulated loss of Rs 3 billion since 2014.

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Textile exports continue to weaken

ZAHEER ABBASI

ISLAMABAD: Pakistan textile exports continue to slide as exports contracted to $ 10.296 billion during the first ten months of the current fiscal year, down by 0.92 per cent for the same period a year before.

The government had announced a package of incentives for exporters; however, there was no conspicuous improvement in the exports with exporters blaming the government's policies for the current state of exports.

Pakistan Bureau of Statistics (PBS) has released exports of selected commodities for July-April 2017 with a comparison for the same period of the last year. There was a decline in major items of textile sector with export of cotton yearn declined to $ 1,042 million from $ 1,081 million, reflecting a decline of 3.68 per cent, and cotton cloth to $ 1,771 million from $ 1,879 million with a negative growth of 5.73 per cent.

The exports of yarn other than cotton yarn decreased to $ 20.169 million from $ 28.602 million, showing a negative growth of 29.48 per cent, while exports of knitwear declined to $ 1,925 million from $ 1,929 million with a negative growth of 0.17 per cent. There was a decline of 4.38 per cent in exports of towels following $ 642.513 million exports as compared to $ 671.976 million for the period under review and exports of art, silk & synthetic textile declined to $ 171.819 million in July-April 2017 from $ 244.423 million for the same period of last fiscal year, registering a decline of 29.70 per cent.

However, exports of bed wear increased to $ 1,763 million from $ 1,678 million, showing an increase of 5.01 per cent while exports of tents, canvas & tarpulin increased to $ 119.470 million from $ 76.477 million and readymade garments $ 1,893 million from $ 1,797 million.

Provisional exports data of selected commodities showed that textile export have declined to $ 1,025 million in April 2017, 0.34 per cent less as compared to $ 1,064 for April 2016; exports of cotton cloth declined to $ 174.047 million from $ 188.674 million after a negative growth of 10.37 per cent and exports of towel decreased to $ 64.469 million from $ 70.354 million, showing a decline of 14.01 per cent.

There was an increase of 8.39 per cent in export of cotton yarn after exports increased to $ 100.633 million in April 2017 from $ 97.421 million for the same month a year ago, and exports of knitwear raised to $ 186.945 million from $ 184.521 million with an increase of 2.52 per cent.

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Budgetary proposals discussed

SOHAIL SARFRAZ

ISLAMABAD: Finance Minister Ishaq Dar and textile industry have discussed major budgetary proposals of textile sector to bring statutory regulatory order (SRO)1125 pertaining to five export sectors into the Sales Tax Act 1990, sales tax at retail stage and continuation of existing zero-rating regime without any changes in sales tax rates from 2017-18.

Sources told Business Recorder here on Monday that a delegation of textile exporters recently met Finance Minister Ishaq Dar, Special Assistant to Prime Minister on Revenue Haroon Akhtar Khan and FBR team of budget markers at the Ministry of Finance.

According to a participant, industry has strongly proposed that the SRO 1125 should be made part of the law to avoid frequent amendments in the said notification. Once the SRO 1125 becomes part of the Sales Tax Act 1990, it would not be frequently amended on the desires of the Federal Board of Revenue (FBR).

During the meeting, when one of the FBR officials hinted increase in sales tax rate on retail stage, textile representatives strongly contested that the rate of sales tax at retail stage under SRO #1125 must be kept at existing 5 percent. It was assured that the same rate would continue in the next fiscal year.

Industry agreed to provide lists of retailers operating within the supply chain for documentation purposes instead of increasing sales tax of 5 percent at retail stage.

It has also been agreed that the zero-rating regime would continue in future without any major changes or modifications, they said. On the issue of packing material, it was categorically conveyed to the textile sector that refund of packing material would not be admissible under SRO # 1125. Due to some technical issue, the computerised system of Pakistan Revenue Automation Limited (PRAL) was accepting the refunds on packing materials.

Textile industry also strongly proposed separate utility tariffs for export sectors like other industries. Exporters also raised the issue of transporters' strike which affected the exports of zero-rated sectors as well, sources said.

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Privatization no longer under the spotlight

WASIM IQBAL

ISLAMABAD: The government is likely to project less than Rs 50 billion from privatization proceeds in the budget 2017-18 as it is an election year, sources said.

Privatization proceeds were budgeted at Rs 50 billion for the current year – a target not likely to be met and budget for fiscal year 2017-18 would set a much lower target for privatization proceeds, informed sources told this correspondent.

The privatization programme of the government is now on the back burner till after the general elections 2018; it is evident from there being no Chairman of the Commission and an acting secretary. The chairman's position fell vacant on 29 January but acting chair was given charge for one meeting - to discuss the privatization of Mari Petroleum Company Limited (MPCL) and SME Bank.

Secretary Privatization Commission's position has been vacant since 24 March while Shahid Mahmood has the additional charge of Secretary PC.

Sources reveal that with privatization on the back burner the sorely needed restructuring plan for public sector entities is also being ignored.

In January 2017, the Cabinet Committee on Privatization (CCoP) approved divestment of 18.3 percent government shareholding in MPCL either through joint-venture partners including Fauji Foundation and OGDC or the domestic stock exchange. In the same meeting transaction structure for the privatisation of SME Bank was also approved.

Entities which are hemorrhaging the economy notably Pakistan Steel Mills (PSM), Pakistan International Airlines (PIA) and power sector entities continue to be as much of a burden on the exchequer as during the previous administration. This is a digression from the PML-N manifesto 2013 which states that as several key state owned enterprises like PIA, Railways, PSM, WAPDA and others institutions are a major drag on Pakistan's economy they would be restructured/privatized.

Unlike previous regimes, only profitable entities have been privatised during the current tenure of the Pakistan Muslim League (N) administration through offering government shares in the capital market.

The government sold 20 per cent shares of the United Bank Limited (UBL) at Rs 38.2 billion, 5 percent shares of the Pakistan Petroleum Limited (PPL) at Rs 15.34 billion, 11.46 percent shares of the Allied Bank Limited (ABL) at Rs 14.44billion, 41.5percent shares of the Habib Bank Limited (HBL) at Rs 102.34 billion and 88 percent shares of the National Power Construction Corporation (NPCC) at Rs 2.5billion.

The present government's pledge under the three-year 6.64 billion dollar Extended Fund Facility (EFF) of International Monetary Fund (IMF) approved in September 2013 that privatization of 65 PSEs (with 30 to be fast tracked) would be implemented within a stipulated time period has not been met.

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PM's package: Textile ministry wants Rs40bn

TAHIR AMIN

ISLAMABAD: The Ministry of Textile Industry is seeking Rs 40 billion in budget 2017-18 for implementation on Prime Minister' Incentives Package for Exporters and Textile Policy (2014-19), it is learnt.

Official sources revealed to Business Recorder that textile ministry while seeking Rs 40 billion for the fiscal year 2017-18 has written a letter to the Finance Division in this regard.

The finance minister is likely to commit the amount required for implementation of the PM Incentives' Package, said the official.

For the current financial year (2016-17), the Ministry of Textile had demanded Rs 30 billion for taking different initiatives that were integral part of the textile policy, including textile investment support fund, drawback of local taxes and refund of past research and development (R&D) claims.

However, the government committed Rs 6 billion for the current fiscal year and has released Rs 2.6 billion so far on account of duty drawbacks on local taxes. Out of this amount, Finance Ministry had released Rs 1 billion to the State Bank of Pakistan (SBP) for duty drawbacks on local taxes collected from garments, home textiles, processed fabric, greige fabric and yarn manufacturing cum-exporters units under the PM's Exports Incentive Package.

Breakup of drawbacks on local taxes revealed that Rs 1 billion were released for claims pertaining to 2015-16 and Rs 0.6 billion for claims pertaining to duty drawbacks on local taxes for 2014-15.

Textile Ministry has requested the Finance Ministry for the release of Refund Payment Orders (RPOs) worth Rs 30-35 billion pending with the government. The government has provided zero rating to five export oriented sector including textile. Moreover, Rs 30 billion have been released to the exporters including textile, sources revealed.

Official said that finance minister would announce in his budget speech paying of RPOs till April 30, 2017 by August 31, 2017.

Sources said that Federal Board of Revenue (FBR) has directed that RPOs from July 2016-17 would again be scrutinised, however the textile associations have requested that this would delay their payments.

The textile association requested that it has been reported to it by many leading businessmen that amounts have been withdrawn by the FBR from the bank accounts. The association stated that such act would damage the image and give an unpleasant business scenario. Textile Ministry reportedly raised the issues with the Finance Division but got no assurance.

However, the government would continue zero rating on textile machinery import in the budget for the textile industry.

The government has earmarked Rs 150 million in the Public Sector Development Programme (PSDP) 2017-18, including Rs 114 million for one thousand industrial stitching units and Rs 36 million for Faisalabad Garment City Training Centre.

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THE RUPEE
Easier trend

RECORDER REPORT

KARACHI: Weakness prevailed on the money market on Monday as the rupee fell modestly against the dollar in the process of trading, dealers said.

INTER-BANK MARKET RATES: The rupee depicted slight fall in relation to the dollar for buying and selling at Rs 104.86 and Rs 104.88 respectively, they said.

In the first Asian trade, the dollar inched higher, but remained close to six-month lows against a basket of currencies as investors assessed the impact of the latest bout of US political turmoil and a resurgent euro.

The dollar index, which tracks the greenback against a basket of six major rivals, steadied 0.2 percent from Friday's late US levels to 97.292. But it was hovering not far from the previous session's low of 97.080, which was its deepest trough since Nov. 9.

US President Donald Trump, now on a trip to the Middle East, left behind political drama in Washington that some fear could derail his administration's promises of tax reform and fiscal stimulus, if not his presidency.

Those fears threaten to offset much of the dollar-positive sentiment genmerated by expectations for a U.S intrest rate rise next month.

Trump's budget proposal, set to be unveiled on Tuesday, will include cuts to Medicaid and propose changes to other assistance programs for low-income citizens, the Washington Post reported on Sunday.

The dollar was trading against the Indian rupee at Rs 64.503, the greenback was at 4.306 versus the Malaysian ringgit and the US currency was at 6.890 in terms of the Chinese yuan.

Inter bank buy/sell rates for the taka against the dollar on Monday: 80.53-80.55 (previous 80.54-80.54).

OPEN MARKET RATES: The rupee fell by 10 paisas in relation to the dollar for buying and selling at Rs 105.90 and Rs 106.10 respectively, they said.

The rupee also sheds 10 paisas in terms of the euro for buying at Rs 118.40, it, however, gained 40 paisas for selling Rs 119.40 respectively, they said.

Open Bid	Rs. 105.90
Open Offer	Rs. 106.10

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

Bid Rate	Rs. 104.86
Offer Rate	Rs. 104.88

RUPEE IN LAHORE: The Pak rupee stayed unchanged on buying side while it depreciated on selling side against the US dollar in the local currency market on Monday.

The dollar commenced trading on its Saturday's closing trend of Rs 106.00 and Rs 106.15 as its buying and selling rates, respectively, the currency dealers said. The dollar did not witness any change in its buying rate that prevailed till close of trading at Rs 106.00.

However, it further appreciated on selling counter and ended at Rs 106.40, they added.

Moreover, the rupee showed mixed patterns as it moved both ways on buying and selling sides versus the pound sterling.

The British currency was bought and sold at Rs 137.00 and Rs 138.10 against last closing rates of Rs 137.50 and Rs 138.00 respectively, they said.

RUPEE IN ISLAMABAD AND RAWALPINDI: The rupee stayed put against the dollar at the open currency markets of Islamabad and Rawalpindi here on Monday.

The dollar opened aggaines the rupee at Rs 105.90 (buying) and Rs 106 (selling). And closing was seen at the same levels. Pound Sterling opened at Rs 135 (buying) and Rs

135.50 (selling). It closed at the same rate.

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Investment in Sukuk: Finance Bill 2017 may grant tax credit

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ISLAMABAD: Finance Bill 2017 is likely to grant tax credit for investment in Sukuk in budget (2017-18) to encourage individuals to invest in Sukuk bringing its investors at par with the investors of shares. Sources said that the FBR has agreed to the said proposal of the SECP for incorporation in the Finance Bill 2017.

According to the budget proposal of the SECP for 2017-18, currently tax credit for investment in shares and insurance is available under section 62 however there is no provision of tax credit in respect of investment in Sukuk.

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Economic Survey on Thursday

ISLAMABAD: Pre-budget document presenting state of country's economy, `the Economic Survey of Pakistan' for the outgoing fiscal year 2016-17 is likely to be launched here on Thursday (May 25).

All arrangements have been finalised to launch the Economic Survey for 2015-16, the official sources said.

Federal Minister for Finance, Senator Muhammad Ishaq Dar would launch the pre-budget document, highlighting the overall performance of economy during the outgoing fiscal year, providing a realistic feedback and basis for future planning.

The survey will cover the development of all the important sectors of economy, including growth and investment, agriculture, manufacturing, mining, fiscal development, money and credit, capital markets, inflation, debt and liabilities.—NNI

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CPEC to promote mutual trade ties between Pakistan, China: Dastgir

RECORDER REPORT

SIALKOT: Federal Minister for Commerce Engineer Khurram Dastgir Khan on Monday said that the grand project of China Pakistan Economic Corridor (CPEC) was opening the possibilities of promotion and strengthening mutual trade ties and business activities between businessmen of Pakistan and China.

"The government would soon organize awareness-raising seminars on CPEC project in all the main industrial cities," he said while addressing a meeting of Sialkot business community at Pakistan Sports Goods Manufacturers and Exporters Association (PSGMEA). The Association Chairman Khurram Aslam presided over the meeting.

He said, "Promotion of trade and exports was top priority of the country, as the government was successfully removing all the hurdles from smooth way of national economical stability."

He announced to facilitate Sialkot exporters at maximum level for arranging foreign trade delegation, besides encouraging them to participate in all the international trade fairs and exhibitions including International Trade Fair to be held in January 2018 in Munich-Germany.

He said, "The government was providing uninterrupted electricity to the industry, and pledged to provide further cheap electricity to them with completion of several new power generation projects. The government is implementing its top agenda of economic growth under dynamic leadership of Prime Minister Nawaz Sharif."

He said, "Pakistan was negotiating with Ali Baba business company and discussing with the officials concerned to reduce the registration fees for the Sialkot businessmen."

Engineer Khurram Dastgir Khan said, "The government is also making all out sincere efforts to bring international PayPal and other payment gateways to Pakistan very soon, saying that international payment gateway PayPal will start its regular services in Pakistan very soon, as the necessary legislation was being made here under the supervision of State Bank of Pakistan (SBP)." He also pledged to provide advanced drugs checking scanners to all dry ports in the country, adding that government is taking a very lenient view for exporters and export sector.

Engineer Khurram Dastgir Khan narrated, "The government was also upgrading and updating the old manufacturing technology to flourish and boost export-oriented industries of Sialkot on modern lines as well."

Central Chairman of Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Ejaz A Khokhar, PSGMEA Chairman Khurram Aslam, Chairman Sialkot International Airport Limited (SIAL) Malik Muhammad Ashraf, Chairman Sialkot Dry Port Trust (SDPT) Muhammad Haneef Khan, Sialkot business community's leader Riaz Ud Din Sheikh, former SCCI President Khawar Anwar Khawaja, Haji Aftab Barlas(former SVP of FPCCI) and Prof. Safdar Sandal were also present.—NNI

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Cotton prices stable on sizeable activity

RECORDER REPORT

KARACHI: Prices maintained present levels on the cotton market on Monday in the process of sizeable trading activity, dealers said.

The official spot rate was unchanged at Rs 6800, they said.

In the ready session, around 5000 bales of cotton changed hands between Rs 6775 and Rs 7000, they said. In the global markets, tone was easy mainly because of less buying interest, they added.

According to the market sources, needy mills and spinners took interest in fresh buying to replenish their stock.

Despite the declining textile exports and energy crisis a few buyers indulged in fresh purchasing, they added.

In the meantime, the ginners who were not ready to sell their unsold stock, now obliging mills as rates were matching with their psychological levels, cotton analyst, Naseem Usman said.

According to reports, to improve cotton production, growers advised to prepare land vacated from wheat crop for cotton after application of disc harrow so as to increase its fertility.

It also said that laser land leveller should also be used for equal distribution of nutrients and water while only healthy, quality and approved seed should be used.

The growers should also apply anti-sects and anti-fungus poisons to seed before sowing.

The following deals reported: 600 bales from Halani at Rs 7000, 3931 bales from Rahim Yar Khan at Rs 6850 and 200 bales from Khanewal at Rs 6775, they said.

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 20.05.2017	Difference Ex-Karachi in Rupees
37.324 Kgs Equivalent	6,800	135	**6,935**	**6,835**	NIL
40 Kgs	7,288	145	**7,433**	**7,325**	NIL

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Cotton futures slightly down

NEW YORK: ICE cotton futures fell slightly on Monday on favourable growing conditions for the natural fibre and expectations of more export cancellations.

Favourable weather in top growing regions and export cancellations from India and China have put pressure on prices since last week.

“We are in the planting season and the crop is going in nicely,” said Keith Brown, principal at cotton broker Keith Brown and Co in Moultrie, Georgia.

“Export number coming out this week might reflect some cancellations,” Brown said. “We haven’t seen cancellations of any size in a great while. On the reverse, if we do not see cancellations then we can expect July cotton to go back above 80 cents.”

Cotton contracts for December settled down 0.44 cent, or 0.60 percent, at 73.01 cents per lb. It traded within a range of 72.82 and 73.7 cents a lb.

The July cotton contract on ICE futures US settled down over 1 percent at 78.39 cents per lb.

The dollar index was down 0.14 percent. The Thomson Reuters CoreCommodity CRB Index, which tracks 19 commodities, was up 0.54 percent.

Certificated cotton stocks deliverable as of May 19 totaled 405,991 480-lb bales, up from 402,998 in the previous session.

Total futures market volume fell by 8,949 to 22,363 lots. Data showed total open interest fell 4,945 to 253,343 contracts in the previous session.

Speculators raised their net long position in cotton in the week to May 16 by 9,464 contracts, to 105,674, US Commodity Futures Trading Commission data showed on Friday.—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	79.50	79.50	78.30	78.39	14:20 MAY 22	80.17	-1.06	21076	79.45
Jul’17	-	74.65	74.65	74.65	14:20 MAY 22	76.56	-1.16	3	75.81
Oct’17	73.45	72.82	72.82	73.01	14:20 MAY 22	74.46	-0.44	8769	73.45

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Runaway budget deficits

Dr Hafiz A Pasha

The last three years witnessed a steady decline in the consolidated budget deficit during the tenure of the IMF program. The deficit was 6.4% of the GDP in 2012-13, excluding the once-and-for-all retirement of the outstanding circular debt at that time of the power sector. By 2015-16, it had been contained to 4.6% of the GDP.

Following the end of the Fund programme, it was expected that the process of fiscal deficit reduction would continue. In fact, the deficit for the on-going financial year, 2016-17, has been budgeted at an even lower level of 3.8% of the GDP. Bringing down the fiscal deficit to this low level will ensure that the public debt stops rising and could even begin to fall.

Unfortunately, the outcome for the first nine months, July 2016 to March 2017 indicates that the overall deficit has actually, more or less, sky rocketed. It has reached the magnitude of Rs 1238 billion. This is Rs 391 billion higher than the targeted level for the first three quarters. In fact, at 3.9% of the recently estimated GDP for 2016-17, it has already exceeded the annual deficit target.

Normally, the deficit incurred in the last quarter of a financial year is about 30% of the annual deficit. On this basis, the budget deficit in 2016-17 will reach Rs 1884 billion or 5.6% of the GDP. In effect, this will represent overshooting of the annual target by as much as Rs 508 billion. It also implies a significant jump of the deficit in relation to last year's level.

Why has the deficit gone up so much? First, tax revenues have shown only half the growth anticipated because, with rise in oil prices, the windfall revenue gains have largely vanished. Also, with the exception of imports, most tax bases, especially of direct taxes, have shown only modest growth.

Second, there has been precipitous decline in non-tax revenues. This is partly due to substantially reduced inflow from the Coalition Support Fund. Further, SBP profits are down due to low interest rates and dividend income from PSEs has fallen sharply. Earlier, non-tax revenues had been facilitated by substantial inflow of foreign grants, receipts from privatization and auction of 3G licenses.

Third, the cost of debt servicing has already risen faster than the projected level by over Rs 170 billion. It appears that the debt overhang is imposing a more unsustainable burden. In the first nine months, the share of interest payments in Federal current expenditure stands at 45%. This is significantly higher than the corresponding percentage of 39% in 2012-13. Consequently, development expenditure and social protection programs are being 'crowded out'.

It must also be remembered that two special factors contributed to deficit reduction .The first factor is the reduction in the tariff differential subsidy to the power sector from 1.5% to 0.9% of the GDP. This was achieved initially by escalation of power tariffs and subsequently by under-provisioning, leading to the accumulation of large circular debt once again.

The other step was the pressure on the Provincial Governments to generate cash surpluses, which at their peak approached 0.8% of the GDP. The performance criteria imposed by the IMF also necessitated major cuts of up to 25% of the budgeted size of the national PSDP so as to reduce the fiscal deficit.

Further, the Federal Ministry of Finance found some ingenious ways of reducing the pressure on the budget. First, rather than directly borrowing, PSEs were asked to self-finance by taking on debt directly from commercial banks with Federal guarantee. This debt has approached 3% of the GDP. Second, a practice of showing large statistical discrepancy in expenditure was adopted. This reached the peak level of over 0.8% of the GDP in 2013-14. Third, earmarked revenues, like the GIDC, were not transferred.

What is the outlook for public finances in 2017-18? There are a number of negative factors and compulsions as follows:

(i) Oil prices are unlikely to fall and may even rise. In an election year the Government may prefer to reduce sales tax rates on petroleum products, rather than let prices go up.

(ii) Costs of debt servicing will continue to rise due to a higher component of commercial borrowing and larger public debt outstanding.

(iii) CSF inflows, which reached a peak of over Rs 150 billion, are unlikely to be fully restored. Up to now, in 2016-17, only 38% of the budgeted amount has been received.

(iv) State Bank profits will not rise sharply in the presence of low interest rates.

(v) Security expenditure will continue to have the necessary high priority and rise significantly as the Raddul Fasaad operation continues.

(vi) A limit has been reached to reduction in the tariff differential subsidy. In fact, there will be pressure in 2017-18 to retire a large part of the circular debt in order to ensure liquidity and enable the expansion in capacity to lead to more power generation, with much less load shedding, prior to the elections.

(vii) Ever since 2008-09, there has been tradition of granting relatively large increases annually in salary and pensions of Government employees. It will be difficult to avoid this in the Budget of 2017-18, given higher expectations in the election year.

(viii) The size of the national PSDP has been set at above Rs 2100 billion by the National Economic Council. This will be almost 50% higher than the projected level of development spending this year. This is partly motivated by the need to raise allocations for CPEC infrastructure projects to ensure their early completion. In addition, there will be pressure for additional allocations to special programs, BISP, etc.

(ix) The impending elections may also imply that the Federal or Provincial Governments will be reluctant to impose additional taxes. Hopefully, this will be at least substituted for by broadening of the tax base and curbing of evasion. There is some likelihood that some statutory or regulatory customs duties may be imposed and/or enhanced in the face of the upsurge in imports. Simultaneously, some reliefs and concessions may be granted to important constituencies. In particular, the export incentive package may be deepened and broadened.

(x) Provincial governments are unlikely to generate significant cash surpluses in 2017-18, as they will also need to finance a larger salary bill and push for more development spending, with bigger outlays for special programs.

The above ten factors and compulsions indicate that there is even greater likelihood of an out of control budget deficit next year. Initial calculations reveal that the deficit could reach a record level of Rs 2.1 trillion next year, equivalent to almost 6% of the projected GDP. At the Federal level the budget size could approach Rs 5 trillion, with net revenue receipts at Rs 2.9 trillion. Hopefully, the provincial governments will not go into deficit. A higher deficit of beyond 6% of the GDP in the election year is not unprecedented. It has already happened in 2007-08 and 2012-13 respectively.

What are the implications of runaway fiscal deficits? First, they will imply recourse to inflationary financing through more printing of money by the SBP, given the limits to inflows from other sources. Deficit financing has already approached to Rs 1 trillion by the end-March this year. It could go beyond Rs 1.5 trillion next year. In the face of such expansionary fiscal and monetary policies, the inflation rate target for 2017-18 of 6% looks low.

Second, more pressure will be put on imports due to higher aggregate demand. As such, here also the target current account deficit

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projected for 2017-18 is at the low side at $10.4 billion. It could exceed $12 billion, not far from the record level attained in 2007-08, following which Pakistan had to rush into an IMF program.

The Budget for 2017-18 will be presented on the 26th of May. It remains to be seen how the Ministry of Finance proposes to manage the above-mentioned developments and pressures and keep the budget deficit at a manageable level. (The writer is Professor Emeritus and former Federal Minister)

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Growth on the rise, but not quality

Analyses&Comments by BR Research

Last week this column termed 10-year high growth of 5.28 percent as fair and square; implying that the growth is real and there are no visible signs of overstating the numbers or government support schemes were to move the GDP up.

One senior monetary economist commented on social media that " There is and should be more to economic well being of societies than just economic growth what exactly is this higher growth telling us? Did the economy create more productive jobs? Is it helping mitigate inequalities of incomes and opportunities? Does it indicate that our society is more safe [sic]?"

He was spot on. There is not much debate in the policy circles and media on the quality of growth, and what drives the growth momentum. Yes, the economy is growing whilst poverty is declining; as in 2001-02 there were 57 percent households living under $2 per day and today only 7 percent are below that threshold. But, what about growing stunting issue in infants and stagnating malnutrition? The access to clean water is getting thin; and is causing more damage to society than absolute poverty could. Today more people in Pakistan posses mobile phones, than having access to toilets.

Inequality is growing at alarming rates - GINI coefficient has moved up from 0.44 to 0.55 in last fifteen years; and today the country is ranked 147 on Human Development Index. Food is becoming dearer for low income groups as there is a policy shift from direct agriculture subsidies to support price mechanism. Yes, there is the BISP, utility stores, and similar schemes by the Punjab government; but that simply is not enough to cater all.

Housing prices have moved much higher than real economic growth. The affordability of owing house is diminishing in middle class and the number of people living under a roof is increasing. Both real estate and construction prices are increasing at higher rates than real wages; and in the near absence of mortgage, it is becoming increasingly difficult for an average young family to own a house. On the flip, those who own assets are creating wealth as price movements are in their favour.

There is an elite capture to put it mildly, and those who have access to capital, assets and other social and economic amenities are growing as the vulnerable are getting deprived of basic necessities. Government education and health care are in tatters, while private service providers are charging premium. Entry barriers for kids who cannot afford good private education to decent employment are getting high. Bank financing is not available to 'ideas' rather financing rely on collateral (mainly real estate). And the list goes on.

How can these worsening social indicators be linked to macro growth in big sectors? The best performers in the last 2-3 years have been cement, steel, automobiles, banks, trade, retail, and wholesale.

There are oligopolies in many manufacturing sectors impeding them not only from becoming competitive in global markets for exports but also, at times, unnecessary protections result in rent seeking that is eventually paid by the consumers.

There is no doubt that the cement industry is competitive in Pakistan, and it's not only growing but is also in an expansionary phase. These are healthy signs for a country in quest of building large infrastructure projects. However, there is an unnecessary 20 percent regulatory duty on imports of cement, consumer is paying premium for no good reason. The gross margins of nine cement companies averaged 36 percent for the past four years, while the EBITDA margins are above 35 percent as well. This partly explains why inequality is growing in Pakistan. Had the sector been more competitive, real growth in the sector would have been even more pronounced? More importantly, it would have generated consumer surplus to lower inequality.

Even worse is the story of auto assemblers. Three players in car making took three time the time of what was initially granted for localization; and opening up to competition. The EBITDA margins are even better than their cement counterparts. There are duties on imports with limits of age, while the demand is high. These companies used to have full cash from consumers with delivery time of months while they were providing credit to vendors at mark-up. The dealers make rent by charging premium on instant delivery. How would inequality not rise?

The story goes on for many other formal and informal sectors - big farmers have government protection in form of support price irrespective of international prices. Fertilizer big guns with EBITDA margins of 30-50 percent enjoyed cash subsidy from government to sell produce to farmers in vicinity of international prices. Within textile, spinners lobby against high job creating value added sector. And the list goes on to explain why income and social inequalities are worsening in Pakistan.

Traders, wholesalers, and retailers are the biggest chunk of economy. This group tends to operate informally and simply evades taxes. There are numerous high net worth individuals who make money from real estate or any other informal sector and simply do not pay tax. Yes, they do philanthropy on their whims; but the toll is too low relative to their tax potential.

In turn a fiscally strapped government does not have resources to provide social security in form of health, education and access to justice. Quality and inclusiveness of growth obviously remain a pipedream.

The good news is that next year GDP may grow up to 6 percent. Yes, it will create employment but inequality is bound to grow with the rules of the game.

BUSINESS
RECORDER
Tuesday, 23rd May, 2017

Faisalabad yarn and fibre prices

RECORDER REPORT

FAISALABAD: Cotton yarn rates in rupees per 10 Lbs on Monday (May 22, 2017).

6-8/S Cone (Cotton)

ARY 480.00

Sher 400.00

Nelibar 660.00

Al-Falah 540.00

Chagi 400.00

Shaheen 400.00

Nelum 400.00

10/S Cone (Cotton)

Sufi 650.00

Model Soft 650.00

Adil 490.00

Neilum 530.00

Nelibar 690.00

Owais Karni 490.00

Gold Star 680.00

Urooj 680.00

Shaheen 650.00

Al-Falah 490.00

Zam Zam 470.00

A.T.M 510.00

Sun flower 490.00

Apple Soft 640.00

Apple Hard 620.00

Ton-Ton 620.00

10/S Cone (Soft)

Es Guard 960.00

S.B. 840.00

Nelibar 850.00

Kinoo 900.00

Malta 970.00

Ayesha 820.00

12-14/S Cone (Cotton)

Model 690.00

Qadri 640.00

Adil 670.00

BUSINESS

RECORDER

Tuesday, 23rd May, 2017

16-18/S Cone (Cotton)

Nova 700.00

Chagi 690.00

Adil 690.00

Model 740.00

Neeli Bar 1060.00

Super Motia 770.00

Prince 690.00

Prince W 1060.00

Acro 960.00

Apple 820.00

Malta 910.00

Golden Eagle 840.00

20/S Cone (Cotton)

Zahidjee 1250.00

Anmool 1210.00

J.K. 1240.00

Khalid Shafiq 1040.00

Acro 1040.00

Darulsalam 1200.00

Ravi 1030.00

Hadabia 1230.00

22/S Cone (Cotton Warp)

Crescent 1270.00

Yahya 1250.00

HAR 1280.00

Tayyab 1220.00

Polo 1220.00

Ulfat 1240.00

24/S Cone (Cotton Warp)

Polo 1320.00

Prince 1280.00

Acro 1250.00

H.A.R. 1250.00

Silver Lines 1310.00

ATM 1300.00

Anmool 1330.00

BUSINESS RECORDER

Tuesday, 23rd May, 2017

30/S Cone (Cotton Warp)

Al Noor 1400.00

Crescent 1400.00

Acro 1390.00

Glamour 1300.00

Arain 1380.00

J.K. 1375.00

Gulistan 1425.00

Ujalla 1365.00

Khalid Shafique 1425.00

Shafi 1380.00

Chakwal 1425.00

Anmool 1380.00

Ittehad 1380.00

Hadabiya 1420.00

32/S Cone (Cotton)

Ahmad 1415.00

Malikwal 1420.00

Chand 1420.00

J.K. 1475.00

Target 1450.00

Hadabiya 1430.00

A Three 1430.00

Araian 1420.00

Acro 1420.00

Nafees 1420.00

H.H. 1420.00

40/S Cone (Combed Cotton)

JK 1750.00

JK Carded 1550.00

Acro 1750.00

Nishat 1800.00

Betray 1700.00

Ittihad 1820.00

Al-Nasar 1810.00

Ejaz 1800.00

Nafees 1550.00

Nisar 1825.00

BUSINESS RECORDER

Tuesday, 23rd May, 2017

Three-G 1610.00

Suraj 1740.00

MKB 1580.00

Ramzan 1590.00

Ahmad 1610.00

Super Shaheen 1540.00

Darul Islam 1550.00

Four-G 1640.00

A. Three 1630.00

Azam 1540.00

Wasal Kamal 1540.00

Super Gold 1560.00

Jubilee 1540.00

Babri 1560.00

Sally 1610.00

52/S Cone (Combed Cotton)

Crescent 2150.00

Ittihad 2175.00

Suraj 2300.00

Al-Nasar 2150.00

Tanveer 2175.00

Sultan 2025.00

Diamond 2000.00

Koiyal 2175.00

Malikwal 2000.00

Parado 1950.00

Four Star 2125.00

N.P. 2100.00

Prime Plus 1950.00

Saif 2100.00

Super Shaheen 1850.00

Nafees 1950.00

Habib 2075.00

Colony 1950.00

Umer auto 1750.00

Two-G 1900.00

60/S Cone (Combed Cotton)

Nishat 2275.00

J.K. 2250.00

Ittehad 2250.00

BUSINESS
RECORDER
Tuesday, 23rd May, 2017

Mapal Leaf
2375.00

Koiyal
2575.00

Gujjar Khan
2450.00

Pagri
2375.00

Deen
2375.00

Alam
2350.00

72-74/S Cone (Cotton)

Prime
2425.00

Commander
2420.00

N.P.
2500.00

Tower
2525.00

80/S Cone (Cotton)

Gold King
2650.00

Super King
2675.00

Mapel Leef
3000.00

Amjad
2800.00

Khan Buhadur
2750.00

Admiral
2850.00

Commander
2800.00

Four Star
3000.00

Rolex
3000.00

Diamond Gate
3000.00

Al Falah
3050.00

Chairman
2950.00

Battery
3050.00

Chairman
2950.00

30-31/S Cone (Polyester Cotton)

Gold Star
139.74

Sun 130.56

JK 109.00

Bilal 102.00

Tahir Rafique
105.00

Zahidjee
105.00

Bashir
113.00

Shadman
104.00

Sarfraz
104.00

Cherry
104.00

Khalid Nazir
104.00

BUSINESS
RECORDER
Tuesday, 23rd May, 2017

Wasal Kamal 103.00

North Star 104.00

Super Khuwaja 105.00

Anaar 113.00

Action 95.00

Marjan 106.00

Pak Panther-ll 105.00

Nayab 108.00

Kiran 112.00

NP 108.00

Mehtabi 104.00

Club 108.00

K.K. 106.00

Ruby 109.00

Metro 97.00

38/S Cone (Polyester Cotton)

Gold Star 150.96

Shahpur 136.96

North Star 135.00

A.D. 113.00

Multan 115.00

Golden 110.00

Kirshma 112.00

Al-Azhar 136.00

Sarhad 113.00

Aslam 107.00

Corolla 110.00

Royal 106.00

Chairman (N) 110.00

40/S Cone (Polyester Cotton)

A.A. 161.16

Mehtabi 135.00

Shadab 138.00

Marjan 131.00

40/S Cone (AV)

Koiyal 175.00

Super LG 158.00

A.J. 173.00

Ahmad Fine 164.00

BUSINESS RECORDER

Tuesday, 23rd May, 2017

Asheana 204.00

40/2 Cone (AV)

Koiyal 189.00

Super LG 181.00

A.J. 183.00

Ahmad Fine 178.00

30/S Cone (CVC)

Ayesha 126.00

SUN 134.65

Kamal 126.00

26/S Cone (PV)

AA 120.36

Ashiana 119.34

MM 94.00

Blue Star 96.00

Super Jett 98.00

Shuttle 94.00

M-4 99.00

Bemisal 92.00

Ghouri 93.00

U-2 95.00

L.G. 104.00

U-7 88.00

Triple two 92.00

AJ Gold 95.00

Candle 94.00

Jaguar 95.00

34-36/S Cone (PV)

A.A. 142.80

Ashiana 141.78

Sapna 133.00

Blue Star 107.00

Super Jett 107.00

Shahzad-H 107.00

Shuttle 104.00

Bemisal 103.00

Shuttle less 107.00

Cheeta 100.00

Candle 105.00

BUSINESS
RECORDER
Tuesday, 23rd May, 2017

Target
103.00

Dewan
104.00

Royal 98.00

Spin Cott
105.00

H.R. 104.00

S.S. 115.00

Tanveer
110.00

44-46/S Cone (PV)

A.A. 171.36

Ashiana
170.34

Sapna
150.00

Super Jet
121.00

Bemisal
121.00

Marghala
121.00

U-2 120.00

Cheeta
120.00

Target
120.00

S.S. 137.00

65/S Cone (PV)

Ashiana
222.36

U-2 176.00

Bemisal
173.00

Ghori
176.00

Cheeta
176.00

A.J Gold
179.00

Tanveer
173.00

Maqbool
173.00

34/S Cone PP

Zamin
86.00

Shadman
100.00

Ellahi 105.00

Dewan
87.00

U-2 88.00

60/S Cone PP

Zamin
111.00

Anwar
109.00

Taj Mahal
108.00

36-38/S Cone (Staple)

BUSINESS
RECORDER

Tuesday, 23rd May, 2017

Diamond Gate 1630.00

Marghala 1600.00

Saif 1610.00

Four Star 1630.00

A.J. 1610.00

Fazal Cloth 1600.00

L.G. 1590.00

Super Gold 1610.00

Azam 1620.00

Best 1590.00

K.P.K. 1600.00

Colony 1640.00

Martial 1620.00

30/S Cone (Ecrylic)

Koial 159.00

Saif 162.00

Combine 143.00

40/S Cone (Ecrylic)

Koial 171.00

Saif 170.00

Combine 153.00

Pagri 169.00

BUSINESS
RECORDER
Tuesday, 23rd May, 2017

Karachi Yarn Market Rate

RECORDER REPORT

KARACHI: Karachi Yarn Market Rates on Monday (May 22, 2017).

CONES CARDED

10/1.

Popular Fibre 920.00

Diwan 950.00

Tritex 930.00

12/1

Nadeem Textile 1120.00

Indus 1160.00

Popular Fibre 1100.00

Bajwa 1150.00

16/1.

Nadeem Textile 1200.00

United 1200.00

Popular Fibre 1150.00

Abdullah Textile 1150.00

Indus 1220.00

A. A. Cotton 1200.00

Tritex 1170.00

Bajwa 1210.00

21/1.

Ishtiaq Tex 1240.00

Al-Karam (A.K) 1250.00

Suriya Tex 1250.00

United 1250.00

GulAhmed (G.Lite) 1260.00

Popular Fibre 1220.00

Shadman 1240.00

Indus Dyeing 1290.00

Abdullah Textile 1220.00

Lucky Cotton 1230.00

A. A. Cotton 1300.00

Diwan 1240.00

22/1.

Bajwa 1270.00

United 1260.00

24/1.

A. A. Cotton 1370.00

Tritex 1320.00

26/1.

AL-Karam 1370.00

BUSINESS
RECORDER
Tuesday, 23rd May, 2017

Dewan
1320.00

Amin Text
1350.00

Shadman Cotton
1350.00

Diamond Int'l
1320.00

Popular Spinning
1300.00

Ishtiaq Textile
1320.00

Lucky Cotton
1320.00

A. A. Cotton Hosiery
1450.00

28/1

Abdullah Textile
1350.00

30/1.

Amin Tex.
1450.00

Al-Karam
1430.00

Jubilee Spinning
1350.00

GulAhmed (G.Lite)
1430.00

Lucky Cotton
1350.00

Diamond Intl
1400.00

A. A. Cotton Hosiery
1480.00

32/1

Abdullah Textile
1380.00

40/1

Lucky Cotton
1650.00

52/1

Lucky Cotton
1700.00

COMBED CONE

40/1

Indus CF
1740.00

20/2.

GulAhmed
1340.00

Amin
1350.00

Indus Dyeing
1360.00

Bajwa
1350.00

Shadman Cotton
1340.00

42/1

Abdullah Textile
1650.00

52/1

Abdullah Textile
1750.00

20/1. SLUB

Abdullah Textile
1300.00

30/1 SLUB

Abdullah Textile
1520.00

60/1.

Abdullah Textile
1750.00

70/1

BUSINESS RECORDER

Tuesday, 23rd May, 2017

Abdullah Textile 1850.00

CHEES CONES

10/1.

Kasim Tex 700.00

Latif Tex. (Latif) 700.00

Super 690.00

Abdullah Textile (OE) 690.00

16/1. (O.E.)

Kasim Textile 880.00

Masal 870.00

RATES OF PAKISTANI/IMPORTED POLYESTER

YARN (PER LBS) + GST

Imported 50/36 FDY 90.00

Local Mill 130.00

Rupali 75/78 FDY NA

Import 75/72 FDY 72.00

Local Mill 82.00

Rupali 75/36/0 & 75/24 DTY 90.00

Imported 75/36/0 DTY 84.00

Local Mill 83.00

Rupali 75/128 INT DTY 100.00

Local Mill 115.00

Imported 75/72 INT DTY 83.00

Local Mill 105.00

Imported 75/144 INT DTY 83.00

Local Mill 110.00

Rupali 300/96/INT DTY 80.00

Imported 300/96/INT DTY 70.00

Local Mill 66.00

Rupali 300/96/0 DTY 74.00

Imported 300/96 DTY 69.00

Local Mill 63.00

Rupali 75/24 INT DTY 100.00

Imported75/36 INT DTY 96.00

Local Mill 85.00

Rupali 150/48/0 DTY 76.00

Imported 150/48/0 DTY 74.00

Local Mill 70.00

Rupali 150/48 INT DTY 81.00

BUSINESS RECORDER

Tuesday, 23rd May, 2017

Imported 150/48 INT DTY 74.00

Local Mill 73.00

Imported 150/144 SIM 75.00

Local Mill NIL

RATE OF BLANDED YARN IN RUPEES

(PER LBS)

P.V. CONES

18/1 PV

A.A. Textiles 106.00

20/1 PVB

A.A. Textile 109.00

A. A. Cotton 109.00

24/1 P.V. BRIGHT

A.A. Tex. 114.00

Sana 109.00

A. A. Cotton (80:20) 114.00

26/1.PV Bright

A.A. Tex. 119.00

Sana 111.00

30/1 PV

A.A. Tex."Z" Twist 125.00

Sana 120.00

A. A. Cotton 125.00

26/1 P.V. (S.D.)

A.A. Textile 119.00

A. A. COTTON 128.00

36/1 PV (SD)

A.A. Textile 144.00

40/1. (PVB)

Sana 138.00

A. A. Cotton 145.00

A. A. Textile 145.00

46/1 PVSD

Ibrahim Fibre 169.00

28/1 PV SLUB

A.A. Clock Tower 148.00

30/1 PV SLUB

A. A. Cotton (PVB) 150.00

A. A. Cotton (PC) 155.00

A. A. Cotton SLUB (PP) 150.00

Sana SLUB (PP) 145.00

Sana (PV) 150.00

Sana SLUB (V) 165.00

BUSINESS
RECORDER
Tuesday, 23rd May, 2017

40/1 SLUB

Sana (V) 180.00

SEWING THREAD YARN

Sana

21/1 PP 84.00

30/1 PP 96.00

40/1 PP 105.00

50/1 PP 122.00

20/1 PVT

Sana 118.00

30/1 PVT

Sana 128.00

10/1 PP

A. A. Cotton 93.00

12/1 PP

A. A. Cotton 98.00

16/1 PP

A. A. Cotton 103.00

20/1 PP

Sana 110.00

Diwan 98.00

A. A. Cotton 110.00

Agar 96.00

26/1 PP

A. A. Cotton 115.00

30/1 PP

Agar 101.00

Anwar 109.00

Sana 120.00

Diwan 103.00

A. A. Cotton 120.00

34/1. (PP)

A. A. Cotton 99.00

40/1 PP

A. A. Cotton 133.00

60/1. (P.P)

Agar 124.00

Diwan 125.00

Anwar 130.00

A. A. Cotton 146.00

8/.1.

A. A. Cotton (52 48) 95.00

10/.1.

Zainab 115.00

BUSINESS RECORDER

Tuesday, 23rd May, 2017

A. A. Cotton
95.00

Lucky Cotton
135.00

12/1

A. A. Cotton
100.00

14/1

Zainab Tex
118.00

A. A. Cotton
105.00

16/1

AA SML Carded (52 48)
114.00

IFL (52 48)
120.00

A. A. Cotton
105.00

P.C. COMBED

20/1. PC

A.A.SMLCARDED
123.00

Zainab (Combed)
123.00

A. A. Cotton (Carded)
112.00

A. A. Cotton CVC (65 : 35)
110.00

24/1. PC

A. A. SML Carded
123.00

Zainab (Combed)
128.00

A. A. Cotton
109.00

25/1

A.A. Cotton
117.00

30/1. PC (52 : 48)

Zainab Textile (combed)
138.00

Stallion
100.00

K. Nazir
112.00

Al-Karam
112.00

AA SML (Carded)
131.00

A. A. Cotton (Carded)
122.00

A. A. Cotton CVC (65 : 35)
114.00

36/1. PC

IFL Tex (Combed)
149.00

A. A. Cotton
140.00

40/1 PC

A.A. Textile (Combed)
159.00

45/1 PC

Zainab
172.00

10/1 CVC

A. A. Cotton (60:40)
100.00

12/1 CVC

A. A. Cotton (60:40)
107.00

16/1 CVC

A. A. Cotton (60:40)
112.00

BUSINESS RECORDER

Tuesday, 23rd May, 2017

20/1 CVC

A. A. Cotton (60:40) 118.00

AASML 114.00

24/1 CVC

A. A. Cotton (60:40) 123.00

Sana 146.00

AASML 111.00

30/1 CVC

A. A. Cotton 128.00

AASML 122.00

40/1 CVC

A. A. Cotton 140.00

40/.1. VISCOSE

Sana 160.00

Sana Acrylic 160.00

READY RATES OF STAPLE FIBER IN RUPEES

POLYESTER K.G.

I.C.I. 1.D 123.00

I.C.I. 1.2 (SD) 123.00

I.C.I. Bright 125.00

Rupali 1.D 123.00

Rupali 1.2 (SD) 123.00

Ibrahim Fiber (SD) 123.00

Ibrahim 1.D 123.00

Ibrahim Fiber Bright 125.00

Ibrahim Trilobal Bright 125.00

VISCOSE K.G.

FCFC 44 MM Taiwan 235.00

FCFC 51 MM Taiwan 235.00

Grysum India 235.00

Thai Reyon 51 MM 235.00

S.P.V. Ind. 51 MM Indone 235.00

ACRYLIC FIBER K.G.

Monty 1.2x51 Italy 205.00

Acelon Korea 1.2x51 205.00

DAWN
Tuesday, 23rd May, 2017

Textile, clothing exports record nominal decline

MUBARAK ZEB KHAN

ISLAMABAD: Pakistan's textile and clothing exports fell 0.92 per cent year-on-year to $10.29 billion in July-April mainly because of 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 Monday showed the decline in export proceeds was also evident in rupee terms.

Exports of value-added products grew during the 10 months in terms of both value and quantity.

Product-wise details show exports of readymade garments rose 5.34pc while those of knitwear dropped 0.17pc in July-April. Exports of bed-wear edged up 5.01pc while those of towels fell 4.38pc.

In primary commodities, exports of cotton yarn witnessed a year-on-year decline of 3.68pc while those of cotton cloth and yarn (other than cotton) dropped 5.73pc and 29.48pc, respectively.

Exports of made-up articles, excluding towels, increased 1.18pc and those of tents, canvas and tarpaulin grew 56.22pc. Proceeds from art, silk and synthetic textile exports declined 29.70pc while exports of raw cotton also recorded a year-on-year decline of 47.58pc.

One reason for the decline in Pakistan's textile exports is that the preferential access to the European Union under the GSP+ scheme hasn't boosted proceeds due to a slump in demand.

In April, the value of exported textile and clothing products fell 0.41pc year-on-year to $1.025bn.

Overall export proceeds in July-April were down 2.29pc to $16.91bn.

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 a Rs180bn package announced by the prime minister.

Food, oil imports: Pakistan's food, oil and machinery import bill rose nearly 31pc year-on-year to $23.71bn in the first 10 months of the current fiscal year.

The share of these products in Pakistan's total import bill in July-April was 55pc, which is putting more pressure on the country's balance of payments. The trade deficit is widening as the overall import bill has been on the rise since the start of 2016-17.

Overall petroleum imports increased 31.3pc to $8.76bn. Of these, imports of petroleum products went up 32.42pc to $5.49bn in the 10-month period. An increase of 6.63pc was recorded in the import bill of petroleum crude.

The import bill of liquefied natural gas surged 129.17pc while that of liquefied petroleum gas recorded growth of 35.59pc.

The second biggest component in the import bill was food commodities whose imports rose 16.68pc year-on-year to $5.09bn in the first 10 months of 2016-17.

This increase has been attributed to massive imports of palm oil worth $1.55bn followed by 'other' food items $1.70bn, pulses $834.45 million and tea $452.28m. Imports of dry fruits and milk products also grew during the period under review.

The import bill of machinery surged 39.25pc to $9.85bn mainly because of power-generating machinery, followed by office, textile, construction and electrical machinery.

However, negative growth was witnessed in the import bill of the telecom sector because of an increase in the import duty on mobile phones and other apparatus.

Economic managers are trying to control the impact of an increase in capital goods' imports under the China-Pakistan Economic Corridor.

The State Bank of Pakistan (SBP) recently imposed 100pc cash margin on the import of a number of items. This means banks now require importers to furnish foreign currency for the full purchase amount in advance on about 400 imported consumer goods, including vehicles, mobile phones and home appliances.

DAWN
Tuesday, 23rd May, 2017

Planning Commission reallocates funds to complete 101 projects

KHALEEQ KIANI

ISLAMABAD: With the inundation of Rs1.62 trillion worth of half-cooked projects in the national development programme in just one year, the Planning Commission re-appropriated funds allocated by the National Economic Council (NEC) for 213 projects during the outgoing fiscal year for speedy completion of 101 projects.

This was mainly because of start-up problems with tens of hundreds of development projects that were made part of the current year's public sector development programme (PSDP) and could not take off.

This is despite claims by Minister for Planning and Development Ahsan Iqbal that the PML-N government has done away with the practice of allowing unapproved projects in the PSDP with token allocations.

In a report shared with the Annual Plan Coordination Committee (APCC) and the NEC recently, the Planning Commission said: "The PSDP 2016-17 included 225 unapproved projects worth Rs1.62tr having an allocation of Rs93bn for 2016-17."

Re-appropriates Rs53.4bn from 213 slow-moving projects

The commission claimed it requested line ministries and executing agencies throughout the year to speed up the submission of project documents and get them approved, but to no avail. "Despite these efforts, 77 projects of 19 ministries (out of a total of 35 ministries) were still unapproved as of May 10, 2017," the report said.

Perturbed over the situation, the Planning Commission has now requested the ministries and divisions "to fix responsibility for non-preparation of PC-1s despite repeated requests and available resources".

The report said the Planning Commission authorised the re-appropriation of Rs53.4bn from 213 slow-moving projects to 101 fast-track projects. Through these re-appropriations and adjustments in the PSDP, the Planning Commission expected the completion of 145 projects by June this year, having a total cost of Rs68bn.

This was despite the fact that the Planning Commission decided last year not to encourage new projects except those that fall strictly within the development agenda under Vision 2025 while projects initiated before 2010 having throw-forward of Rs15 million were deleted.

The report said the NEC accorded the highest priority to the energy sector last year with an allocation of Rs405bn, including Rs250bn self-financing by generation companies and National Transmission and Despatch Company (NTDC). The transport and communication sector was the second top priority with an allocation of Rs240bn, followed by health and population Rs36bn, water Rs30bn, and education and training Rs30bn.

The Planning Commission undertook quarterly PSDP reviews in November 2016 and January and April 2017. The ministries were told that PC-1s of unapproved projects reflected in 2016-17 should be approved before December 31, 2016. Otherwise, allocated funds would be re-appropriated. They were also directed to ensure that any unspent amount was not surrendered unilaterally to the Accountant General of Pakistan Revenue (AGPR) and be brought to the Planning Commission for advice by May 10 for re-appropriations.

The ministries were assured that the Planning Commission would support their proposals for adjustments and re-appropriations within the sector to facilitate completion of projects at advance stages of implementation. They were told that "allocated funds would be promptly released and diversion of funds from slow-moving projects towards fast-track projects would be permitted so that projects start benefiting the masses".

Under the disbursement mechanism approved in consultation with the finance ministry, 20 per cent allocated funds were released in each of the first two quarters and 30pc each in the third and fourth quarters of the financial year. Project-wise released funds (in the case of rupee component) were uploaded on a weekly basis on the Planning Commission's website to ensure transparency.

As a consequence, total release of funds stood at Rs556bn up to May 15, 2017 that accounted for 85pc of the allocation, of which the rupee release of funds stood

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at Rs405bn, or 79pc of the rupee allocation compared to the admissible limit of 80pc.

Towards the end of year, the Planning Commission expected that the entire amount would be released and spent. “There is likelihood of over-disbursement of foreign aid compared to the budgeted amount,” the Planning Commission said.

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Economic survey on 25th

APP

ISLAMABAD: Finance Minister Ishaq Dar will launch the Economic Survey of Pakistan 2016-17 on Thursday.

The pre-budget document highlights the overall performance of economy during the outgoing fiscal year and provides a realistic feedback and basis for future planning.

The survey will cover the development of all important sectors of the economy, including growth and investment, agriculture, manufacturing, mining, fiscal development, money and credit, capital markets, inflation, debt and liabilities.

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Rs60bn sought for export industry

THE NEWSPAPER'S STAFF REPORTER

LAHORE: Pakistan Readymade Garments Manufacturers & Exporters Association (Prgmea) has urged the government to allocate at least Rs60 billion for export-oriented industry in the budget 2017-18 under the prime minister's Rs180bn package.Pgrmea Chairman Ijaz Khokhar asked the government to honour its pledge to clear pending tax refunds of exporters without any further delay. "Incentives will not be effective unless the prime minister takes ownership of exports."

He stated that the prime minister should appoint a full-time minister for the textile industry. He demanded the government to introduce a liberal import policy for raw material which are not being manufactured locally.

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Cotton price steady

THE NEWSPAPER'S STAFF REPORTER

KARACHI: Cotton prices remained steady on Monday amid selective buying from spinners.

As the current season is drawing to a close, the textile industry as well other stakeholders are focusing on next crop. There were reports that a very small deal of new cotton crop from lower Sindh was made on Monday.

Reports coming from cotton fields are quite encouraging for the next crop. But it would be too early to forecast any production figures particularly when there are reports of acute water shortage in some cotton-growing areas of Punjab.

The trading was highlighted by a big deal finalised on the ready counter where trading remained slow and inactive. However, prices remained steady at weekend level.

The world leading cotton markets, however, remained easy under the lead of New York cotton. The Chinese and Indian markets were also slow and easy.

The Karachi Cotton Association left its spot rates unchanged. Major deals on the ready counter were: 600 bales from Halani at Rs7,000, 3,931 bales from Rahimyar Khan at Rs6,850 and 200 bales from Khanewal at Rs6,775.

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			
Rate For	Ex-Gin Price	Upcountry Expenses	Spot Rate Ex-Karachi
37.324 Kgs Equivalent	6,800	135	6,935
40 Kgs	7,288	145	7,433

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MARKETS

FOREX

Exchange Rates for Currency Notes (Rs)

	Interbank market*		Open market**	
	Buying	Selling	Buying	Selling
USA	104.50	104.70	105.90	106.10
UK	135.89	136.15	137.10	138.10
Euro	116.97	117.20	118.40	119.40
S.Arabia	27.86	27.92	28.10	28.30
UAE	28.45	28.51	28.80	29.00
Japan	0.9373	0.9391	0.9435	0.9635

*forex.com.pk **ECAP

KIBOR

Karachi Interbank offered rates

	Bid	Offer
Three months	5.87	6.12
Six months	5.90	6.15
One year	5.95	6.45

LIBOR

Special US dollar bonds for May 19

Three months	1.18644 %
Six months	1.41517%

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Garment makers seek Rs60bln allocations in upcoming budget

LAHORE: Garments manufacturers on Monday urged the government to allocate Rs60 billion for the export-oriented industry in the upcoming budget 2017-18 under the PM's Rs180 billion package, besides releasing all stuck-up claims of the exporters.

In a statement, Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) chairman Ijaz Khokhar, appreciated the Prime Minister Nawaz Sharif for announcing the Rs180 billion export-led growth initiatives. He said this bold decision had started showing results, as the exports of value-added textile industry were on an upward trend despite decline in exports of all other sectors.

The PRGMEA has also urged the government to release all stuck up funds, including DLTL, Customs Rebates and Sales Tax rebate. The PM's revival package has started boosting the country's exports, and if it was implemented in its true spirit, the issue of liquidity crunch would be resolved, the statement added.

Ijaz Khokhar asked the PM to appoint a full time minister for the textile industry as early as possible, for a proactive role.

"The government must discourage exports of raw material to facilitate the value-added textile and apparel sector, which ranks as the largest employment generator in the country," he said. He also urged for emphasising on job creation and value-added segments like apparel exports. "At the same time, raw material exports must be dis-incentivised as they take jobs away from our country and create them in competing countries where they export raw material," he added. PRGMEA vice chairman Jawwad Ch said the value-added textile export sector was the backbone of the economy with great potential for earning foreign exchange. It was the least energy and capital-intensive industrial activity, and was thus well suited for Pakistan's resource endowment to generate economic growth and employment, the statement said. The value-added textile sector was the major tax payer, largest employment generator in the whole textile chain, and was exporting up to $5 billion textile products.

Jawwad Ch said the high cost of doing business, energy shortages, myriad of taxes on exports, rising exchange rate, raw material shortages, and the divide between policy and its implementation have eroded the economic viability of the business. "We will continue to lose export share in the global market, and the textile sector may face closure in the absence of consistency in policies and proper policy implementation," he added.

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Economic Survey on May 25

ISLAMABAD: The Pakistan Economic Survey (2016/17), a pre-budget document presenting state of the country's economy, is likely to be launched on Thursday (May 25).

All arrangements have been finalised to launch the Economic Survey for 2015/16, officials said.

Federal minister for finance Ishaq Dar would launch the pre-budget document, highlighting the overall performance of the economy during the outgoing fiscal year, providing a realistic feedback and basis for future planning.

The survey will cover the development of all the important sectors of the economy, including growth and investment, agriculture, manufacturing, mining, fiscal development, money and credit, capital markets, inflation, debt and liabilities.

It will also highlight the performance of agriculture, education, health and nutrition, besides showing the overall population, labour force and employment, poverty, transport and communication and per capita income, the officials added. It will also highlight issues of environment, contingent liabilities, tax expenditure and economic and social indicators.

Meanwhile, the National Economic Council (NEC), chaired by Prime Minister Nawaz Sharif on May 19, had already approved the Gross Domestic Product (GDP) growth target at six percent for the financial year 2016/17, while the government achieved a GDP growth rate of 5.3 percent in the outgoing fiscal year.

The NEC also approved the country's consolidated development budget of Rs2.5 trillion for the upcoming financial year (2017/18), showing highest-ever increase in the overall national outlay.

This included Rs1,001 billion Federal Public Sector Development Programme (PSDP), Rs1,112 billion provincial Public Sector Development Programme , while Rs400 billion would be spent by various corporations from their own resources to carry out their development projects.

THE NEWS
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Govt. allocates Rs250bln for special socioeconomic uplift schemes in FY18

ISLAMABAD: The government has allocated Rs250 billion for various special programmes for the forthcoming budget of 2017/18 to improve socioeconomic developments, a document showed on Monday.

Just ahead of the next general elections due next year, the government is going to launch special programs of more than Rs260 billion funds; of that a major chunk will be utilised for different initiatives taken by Prime Minister Nawaz Sharif.

The allocations for the special programs include Rs30 billion for Prime Minister's (PM) global sustainable development goals (SDGs) program for the next budget. The SDGs funding is largely utilised through parliamentarians in consultation with provinces.

The centre and provinces undertake these schemes on a cost-sharing basis of 50:50 percent. But, there was a growing criticism among the opposition parliamentarians that they were deprived of the funds.

The SDGs funding is largely utilised for minor schemes, such as for provision of electricity, gas and water supply schemes. The government has approved a new initiative under the federal development programme by allocating Rs40 billion for the next budget.

Another Rs20 billion has been earmarked for the PM's youth initiatives for the upcoming budget under which different initiatives will be taken by the government. The discretionary funds would be at disposal of lawmakers from the ruling bench to disburse them ahead of the elections.

The government, after coming into power in 2013, had abolished all discretionary allocations in its first budget, but now again such allocations were made part of the upcoming budget in order to win support of masses.

There is a difference between allocations made for ministries/divisions and discretionary allocations as such funds could easily be diverted towards winning loyalties in certain constituencies.

The government allocated Rs10 billion for PM's national health programme during the upcoming financial year. The government allocated Rs10 billion for PM's program for new hospital (phase-1) in the next fiscal budget. For PM's program for prevention and control of hepatitis, the government allocated Rs200 million. For planning of PM's new hospital, its designing and master plan, the government allocated Rs1.317 billion in the coming budget.

Moreover, the government allocated Rs100 million for PM's electric wheelchair scheme for university students.

Under the special programs, the government also earmarked seven billion rupees for the Earthquake Reconstruction & Rehabilitation Authority for the next budget for undertaking development schemes largely in quake affected areas in Azad Jammu and Kashmir and Khyber Pakhtunkhwa.

The government earmarked five billion rupees in allocation of special provision for the completion of China-Pakistan Economic Corridor projects. The government allocated Rs90 billion for temporarily displaced persons, including Rs45 billion for relief and rehabilitation of internally displaced persons and Rs45 billion for security enhancement in the federal administered tribal areas. The government also allocated Rs25 billion for gas infrastructure development cess under the special programme.

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ADB approves $20 million loan to increase credit access in Pakistan

KARACHI: The Asian Development Bank (ADB) has approved a $20 million loan to help Pakistan's Khushhali Microfinance Bank (KMBL) to expand access to credit for agriculture-related borrowers and small businesses.

"Agriculture and small business are critical sectors in Pakistan's economy that play a significant role in job creation and poverty reduction," Christine Engstrom, director of ADB's Private Sector Financial Institutions Division, said in a statement on Monday.

"ADB's assistance will help support KMBL's goal to improve financial inclusion to these sectors through their extensive expertise and outreach to underserved populations," she added.

The ADB assistance will help KMBL — Pakistan's largest microfinance bank — increase the provision of financial services to micro, small, and medium-sized enterprises (MSMEs) from 5,700 today to over 30,000 by 2020.

Women are expected to comprise up to 25 percent of loan recipients. A separate technical assistance programme will support the establishment of a MSME training academy as well as investments in Khushhali Microfinance Bank's "technology up gradation" programme, the statement said.

"ADB's support will deepen the market penetration of KMBL into the rural economy, and enhance access to small businesses vital to economic growth and prosperity," Ghalib Nishtar, president of KMBL, said.

"In the past 16 years, KMBL has led the way towards financial inclusion by offering loans and savings products tailored to the low income segment of the market, and empowering women entrepreneurs belonging to the marginalised communities by creating awareness and providing opportunities of financial access through its value propositions," he added.

Access to finance in Pakistan is limited, with only 24 percent of the adult population having a bank account with a formal financial institution, while MSMEs face difficulty securing financing from the banking sector.

KMBL has a nationwide presence in Pakistan with a network of 144 branches and the largest client base among microfinance banks in the country. At the end of 2016, KMBL had over 550,000 active borrowers and managed a gross loan portfolio of over Rs23 billion ($220 million).

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, ADB is celebrating 50 years of development partnership in the region. It is owned by 67 members—48 from the region.

THE NEWS
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Cotton stable

Karachi

Normal trading was witnessed at the Karachi Cotton Exchange on Monday, while spot rates remained unchanged.

The spot rates stood firm at Rs6,800/maund (37.324kg) and Rs7,288/40kg. Ex-Karachi rates also remained unchanged at Rs6,935/maund and Rs7,433/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively. An analyst said the new crop might be delayed because of water shortages.

"In some areas of Sindh and Punjab, growers have re-sown the seed, as water shortages destroyed the seeds," he added. The cotton market recorded three transactions of around 5,000 bales at a price in between Rs6,775 and Rs7,000/maund. Halani's 600 bales were traded at Rs7,000/maund, 3,931 bales of Rahimyar Khan at Rs6,850/maund and 200 bales of Khanewal exchanged hands at Rs6,775/maund.

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Govt urged to allocate funds for refunds

Our Staff Reporter

LAHORE - The Lahore Chamber of Commerce and Industry (LCCI) has urged the government to allocate adequate funds in the federal budget 2017-18 for payment of refunds as businessmen are bearing huge financial cost on their own hard earned stuck-up money. In a statement issued here on Monday, LCCI President Abdul Basit, Senior Vice President Amjad Ali Jawa and Vice President Muhammad Nasir Hameed Khan said that delay in release of huge refunds, that runs into billions, has triggered serious liquidity crunch for the exporters and manufacturers that might lead to closure of several industrial units.

On the other hand, Information Technology University (ITU) Punjab in collaboration with Punjab Higher Education Commission is holding first Job Fair for the first batch of students from BS Computer Science, BS Electrical Engineering and third batch of MS Computer Science at Arfa Software Technology Park.

The graduate batch of ITU year 2017 has a wide array of experience in a diverse arena providing a clear edge in the job markets of electrical engineering and computer sciences. They have sound theoretical understanding coupled with experience in practical environment as interns. The presence of CEO's and representatives of the hiring companies will be a morale-boosting factor for the ITU graduates.

A host of companies including IBM, Oracle, Dell, HP, Teradata, Ebryx, Infotech, Lenovo, Huawei, PTCL, U-Blox, Teradat, Microsoft, MicroTech Industries, Lamudi, INBOX, Polycom, Wateen, Mobilink, Warid, Zong, Telenor, Careem, Sofizar Pvt Ltd, Mantaq Systems, FRAG Games, Mindstorm Studios Game Strom Studios, Tower Technologies, Suparco Lahore, Haier, Transfo Power Technologies, Nespak, Mentor Graphics, Punjab Information Technology Board and others are setting up their stalls at the event.

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Oil, machinery, food import bill reaches $23.7b

Imran Ali Kundi

ISLAMABAD - Pakistan's combined import bill of food, oil and machinery swelled to $23.7 billion during ten months (July-April) of the ongoing financial year, which affect the country's foreign exchange reserves.

The import bill of these three groups had enhanced by over 30 percent as against the same period of the last fiscal year when the country imported food, oil and machinery items worth of $18.1 billion. The country's overall import had ballooned to $43.5 billion mainly due to heavy imports of food, oil and machinery goods during July-April of the year 2016-17, according to the latest data of Pakistan Bureau of Statistics (PBS).

Pakistan's imports are expected to exceed $50 billion during ongoing financial year, which would be for the first time in the history. The State Bank of Pakistan (SBP) in its recent monetary policy noted that expansion in economic activity has led to a concomitant surge in import payments during July-April period of the FY17. A sustained increase in other private inflows – foreign direct investments and export earnings in particular – is required to fully finance the surge in imports. In this regard, accompanied with expected improvements in global demand, the current composition of imports, mainly machinery, bodes well for the future economic activities. Furthermore, the current growth momentum led by CPEC related investments is likely to boost foreign direct investment inflows, the SBP noted.

According to the PBS, the country had spent $8.8 billion on imports of petroleum group, which is 31.3 percent higher over a year ago. In petroleum products, the government had imported petroleum products worth of $5.5 billion and spent $2.1 billion on petroleum crude. Similarly, the country had imported liquefied natural gas (LNG) worth of $1 billion and liquefied petroleum gas (LPG) worth of $190 million.

According to the PBS figures, the country had spent $9.9 billion on importing machinery during ten months of the ongoing financial year, which is 39.3 percent higher than the import of $7.1 billion of the corresponding period of the last year. The growth was mainly driven by power generating machinery. Its import grew by 70.1 percent year-on-year to $2.05 billion, followed by electrical machinery and appliances whose imports rose by 23.1 percent to $1.88 billion and other machinery by 50 percent to $2.81 billion.

The import bill of office machinery went up by 60pc year-on-year, textile machinery by 20.8pc, construction machinery by 66.8pc and agriculture machinery by 35.8pc. However, the import bill of the telecom sector down by 1.7pc to $1.028 billion. The country spent $572 million on import of mobile phones and $563 million on import of other mobile apparatus. The third-biggest component was food commodities whose imports rose 16.68 percent year-on-year to $5.1 billion.

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PRGMEA seeks Rs60b in budget under PM's package

Our Staff Reporter

LAHORE - The Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA) has urged the government to allocate at least Rs60 billion for the export-oriented industry in the upcoming budget under PM's export package, besides releasing all stuck-up claims of the exporters.

PRGMEA Central Chairman Ijaz Khokhar appreciated Prime Minister Nawaz Sharif for announcing Rs180 billion export-led growth initiative for the export sector of Pakistan and said that his bold decision has started showing results, as the exports of value-added textile industry has now adopted upward trend at a time when all other sectors' exports continued to decline.

The PM's package has started giving some boost to the country's exports and if it is implemented in its true spirit and the issue of liquidity crunch is also resolved on an emergency basis the exports of value-added textile industry will enhance further despite tough competition with the regional countries.

Khokhar asked the government to honour its pledge to clear pending tax refunds of exporters without any delay. Incentives will not be effective properly until the prime minister takes ownership of exports till the next general elections as policy implementation is not seen anywhere, the PRGMEA chief said. He stated the prime minister should appoint a full time minister for the textile industry as early as possible so that he could play proactive role. He demanded the government to introduce the liberal import policy for raw materials for re-export like duty-free import of fabrics and accessories which are not being manufactured in Pakistan. He appealed the government to take steps to discourage exports of raw material for the sake of finished clothing products in domestic and export markets.

"The government must discourage exports of raw material to facilitate the value-added textile and apparel sector which ranks as the largest employment generator in the country. Emphasis must be put on job creation and value-added segments like apparel exports. At the same time, raw material exports must be dis-incentivised as they take jobs away from our country and create them in competing countries where they export raw material," he added.

PRGMEA Vice Chairman Jawwad Chaudhry said that the value-added textile export sector is the backbone of the economy with great potential for earning foreign exchange. The value-added textile sector is the major tax payer, largest employment generator in the whole textile chain and exporting up to $5 billion textile products. He said that the high cost of doing business, energy shortages, myriad of taxes on exports, rising exchange rate, raw material shortages, and the divide between policy and its implementation have eroded the economic viability of the business. "We will continue to lose export share in the global market and textile sector may face closure in absence of consistency in policies and proper policy implementation," he added.