



## PRESS RELEASE

All Pakistan Textile Mills Association (APTMA) issued the following Press Release

### **APTMA STRONGLY OPPOSES MOVE FOR IMPOSITION OF REGULATORY DUTY ON YARN EXPORT**

#### **COTTON YARN EXPORTS HAVE DECREASED BY 25% IN LAST 3 YEARS**

ISLAMABAD, 27<sup>th</sup> SEPTEMBER 2021 – All Pakistan Textile Mills Association has strongly opposed the move of imposing Regulatory Duty on the export of cotton yarn, it would not only distort the momentum gained in exports after decades but will disturb the continuity of governmental policies for export-led growth.

Mr Abdul Rahim Nasir (Chairman APTMA) has said in a press statement that a certain group with vested interests are busy making unnecessary hue and cry for levying RD on the export of cotton yarn on false pretexts with the intent to agitate the historic high trend of textile exports, roll back investment of more than \$ 4 billion and to deprive the country of projected additional 500,000 jobs.

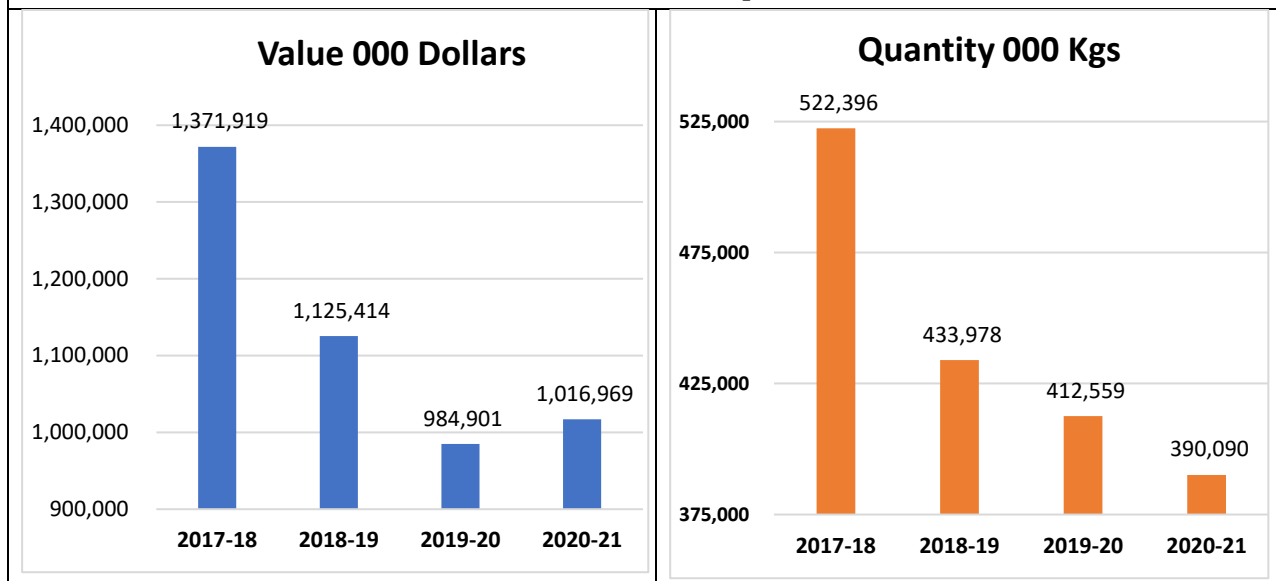
He emphasized that cotton yarn is sufficiently available in the country for consumption in the value-added sector for export purposes which is evident from the fact that cotton yarn export has declined in past years, resultantly textiles have achieved historic high exports of 15.4 billion dollars.

An article was published in business recorder on 24<sup>th</sup> September 2021, which is based upon misguided and contradictory figures. The facts are as follows;

- Cotton Yarn exports have **decreased by 25%** in quantitative terms from 0.522 million tons (FY19) to 0.390 million tons (FY21) and **26% in value terms**.
- Exports of cotton yarn in FY21 have **decreased by 5%** in quantitative terms while value has **increased by 3%** as compared to FY20.

<b>Cotton Yarn Exports</b>								
<b>Units</b>		<b>FY18</b>	<b>FY19</b>	<b>%Change</b>	<b>FY20</b>	<b>%Change</b>	<b>FY21</b>	<b>%Change</b>
<b>Value</b>	In Billion \$	<b>1.37</b>	<b>1.13</b>	-18%	<b>0.99</b>	-12%	<b>1.02</b>	3%
<b>Quantity</b>	In Million Kgs	522	434	-17%	413	-5%	390	-5%

## Cotton Yarn Exports



According to PBS data, over the last four years, cotton yarn exports are on a declining trend both in quantity and value terms. It showed that cotton yarn produced domestically is being used in the value-added sector which is evident from exports figures. **The exports of the value-added sector have shown remarkable growth during FY21, registering 32% in the towel, 19% in garments, 37% in knitwear, and 29% in bed wear exports.**

The textile exports have increased by 23% in FY21 while registering 29% growth in the first two months of the current fiscal year. In August 2021, textile exports have registered a growth of 45% over the same period last year.

Instead of considering any idea to impose RD on cotton yarn export, there is an urgent need to ensure the supply of basic raw materials (cotton and MMF) at competitive rates. **Domestic production of cotton yarn is about 3.5 million tons and local consumption is 90% for value-added products while only 10% is being exported.**

APTMA believes in a free-market mechanism for textile trade all across the value chain. In a scenario, when cotton is short by 6 million bales and polyester is short by 200,000 tons, these raw materials need to be imported to keep the mills operating normally to achieve the textile exports target of \$ 21 billion.

**APTMA will not let anybody sabotage the industrialization and export growth and put restrictions on free exports of Yarn, Greige Fabric or Dyed Fabric.**

APTMA believes that export incentives should only be given to the goods made from Pakistani produced materials. This will not only increase industrialization but reduce the burden on imported materials which have put pressure on the balance of trade numbers. The Pakistan textile industry exports specialized cotton and synthetic blended yarn, fabrics and finished fabrics to large brand names and large retailers of the world creating economies of scale making Pakistani textile products competitive in the international markets. In a scenario where free exports of yarn and fabrics are discontinued, many industries will shut down creating instability in the entire textile value chain.

**As many as 1.3 million spindles are being added to the existing spinning capacity that would increase the yarn production by 17%.** In addition to this, the revival of sick/in troubled/non-operational units will further increase the yarn availability for the textile value-added sector.

The freight costs have also played havoc with the situation as it has increased four times during the post covid period, making cotton and Polyester Staple Fibre (PSF) imports more expensive. **Polyester container freight from China to Pakistan has gone from \$ 500 to \$ 10,000.**

**Chairman APTMA urged the Honorable Prime Minister Mr Imran Khan, Advisor to the Prime Minister on Commerce Mr Abdul Razzak Dawood and Finance Minister Mr Shaukat Tarin to take stock of the situation and ensure continuity of policies in the larger interest of the economy and the country's exports.**

---

*Forwarded for favor of publication in your esteemed newspaper / transmission.*

**SHAHID SATTAR**

Executive Director & Secretary General APTMA