

APTMA PRESS RELEASE

APTMA Chairman Asad Shafi Sets Out Priorities for upsurging Textile Exports

On assumption of charge as Chairman, All Pakistan Textile Mills Association (APTMA) Asad Shafi has vowed to wholeheartedly concentrate on uplifting textile exports.

In a statement issued immediately after his taking responsibilities as Chairman APTMA, Shafi said that Pakistan's textile industry has the capacity to deliver an additional \$3 billion in exports during the current year and increase exports by \$10 billion within the next two to three years through targeted new investment, provided the industry is given a competitive and predictable business environment.

He said that it would be his foremost priority to work with the Government and industry towards a major expansion in value-added exports, investment and employment.



Shafi said that Pakistan is amongst the few countries in the world with complete textile value chain from fibre to fashion covering all stages of spinning, weaving, processing, finishing, garments, apparel and home textiles. He added that hence onwards the sole objective of APTMA would be to use the strength of this entire domestic supply chain to produce and export increasingly value-added finished products. The greater the share of domestic inputs and processes that goes into our exports, the greater the value retained within Pakistan in the form of employment, investment, industrial activity and foreign exchange,"

Newly elected Chairman APTMA said that Pakistan has already made considerable progress expanding value-added exports as more than 80 percent of textile exports comprise value-added consumer products, including apparel and home textiles. The next opportunity is to move beyond manufacturing alone and capture a greater share of the value generated after a product leaves the factory. Manufacturing typically accounts for less than 30 percent of the final retail value of apparel, with substantial value generated through product development, design, branding, marketing and retail. Pakistan must therefore build on its manufacturing strength by developing stronger linkages between its manufacturers and brands, helping existing Pakistani brands expand internationally and enabling manufacturers to develop brands and retail channels of their own.

Asad Shafi said developing this connection between manufacturing, branding and international retail would be one of APTMA's key priorities in the coming years. In line with this objective, APTMA is also broadening its membership base beyond its existing representation of spinners, weavers and value-added manufacturers to include major Pakistani textile and apparel brands and retailers, bringing the entire value chain onto a common platform. Pakistan must continue increasing exports of manufactured products, but at the same time seek to capture a greater share of the final value of those products in international markets.

"This is the next frontier for Pakistan's textile exports. We should not only manufacture a product in Pakistan; we should increasingly design it, brand it, market it and sell it internationally as well," he said.

Chairman APTMA urged the Government to facilitate this transition by easing foreign exchange and regulatory restrictions that constrain investment in overseas warehousing, distribution, marketing and retail operations, and by developing an enabling framework for ecommerce and retail-oriented shipments from Pakistan.

Asad Shafi stressed that the goal of increasing exports can only be realized if fundamental cost of doing business was brought in line with competing economies. He called for industrial electricity at ¢7/kWh, gas at \$7/MMBtu, and financing at 7 percent per annum to compete with regional competitors and expand exports.

The Chairman also called for restoration of DLT support for exports and immediate measures to improve exporters' liquidity, particularly through expeditious payment of outstanding sales tax, income tax and other government refunds.

"Pakistan does not need to build an export industry from scratch. Our textile value chain has matured over decades and today possesses deep manufacturing expertise, a large skilled workforce, established relationships with international buyers and significant installed capacity across the supply chain. Pakistani companies are already producing sophisticated products for some of the world's most demanding brands and markets. The immediate opportunity is to utilize this base much more effectively. With competitive energy and financing costs, adequate liquidity and a policy environment that encourages investment and international expansion, the industry can increase exports substantially from existing capacity in the near term while undertaking the investment required for the next phase of growth," Asad Shafi said.

Asad Shafi added that APTMA would work closely with the Government during his tenure on a practical roadmap to increase exports, strengthen every segment of the domestic textile value chain, attract new investment and establish Pakistani textile manufacturers and brands as a much stronger presence in global markets.