

Fall in textile exports

December 26, 2022

AT a time when the country is faced with immense economic challenges and looking towards the IMF and friendly countries for inflows of dollars to meet its external liabilities, the continuous fall in our textile exports is alarming which will only add to economic woes.

According to available data, textile exports plunged by nineteen percent in November as compared to corresponding period last year.

All Pakistan Textile Mills Association (APTMA) has now written a letter to Prime Minister Shehbaz Sharif warning that textile exports could fall below one billion dollar a month from January 2023 onwards.

Textile sector plays a significant role in supporting the economy and continues to be in the spotlight owing to country's dependence on foreign exchange.

This vital sector, which also provides massive job opportunities to our people had contributed around sixty one percent to total exports of \$31.8b during last fiscal year.

In fact rupee devaluation against the US dollar would have given our textile exporters a competitive advantage over its competitors in terms of pricing yet plunge in exports indicate that sector is faced with crisis, and same have been enumerated by the APTMA in its letter to the PM that include liquidity constraints, energy shortages and non functioning of new projects.

The recent floods have also destroyed cotton crop with only five million bales available this year whereas demand of industry is above fourteen million bales.

The foreign exchange issues have curtailed import of cotton and other essential inputs. The situation is such that government cannot turn its back, as doing so will amount to criminal negligence.

The government officials must sit with APTMA and address their genuine concerns immediately to reverse the downturn in textile exports.

Interventions also need to be made to increase domestic production of cotton that fully caters to requirements of the industry, which should also be fully supported in order to see a massive jump in textile exports.