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Govt mulls cotton import from Uzbekistan

KARACHI: The government is considering an option to import cotton from Uzbekistan via land routes after it took back a decision of its import from India, Commerce Adviser Razak Dawood said, as textile exporters want government to take decisive steps amid 40 percent drop in the crop output.

The adviser assured value-added textile exporters during a meeting earlier this week that he'd take up the demand of textile exporters on duty-free imports via lands, ban on yarn exports or duty on its exports with the authorities, Jawed Biwani, chairman Pakistan Apparel Forum told The News.

Commerce adviser was apprised of cost-effectiveness of cotton import from India that takes four days and Uzbekistan that takes eight days to reach Pakistan compared to monthslong time of transport via seas.

The exporters said the imports via lands are cost-effective and important considering the 40 percent drop in production this year. Yarn imports should get permission much like pharma products that are imported from India, exporters said.

The cotton import from India was linked with an approval from the parliament as textile businesses seek decisive steps to preempt price turmoil amid 40 percent drop in the cotton output.

Last week, the government withdrew a decision to allow cotton imports from India.

Prices of cotton yarn have been exorbitantly high in Pakistan that reflect hoarding and black-marketing of cotton yarn. The value-added textile exporters are facing financial hardships as their cost of manufacturing has gone out of control due to dollar depreciation and increase in prices of cotton yarn more than 40 percent and 700 percent increase in sea freight charges.

The country is facing approximately 40 percent low cotton crop, which is the lowest quantity during the last 3 decades. The government should facilitate exporters to import cotton yarn from Central Asian Republics through land route via Afghanistan as the sea route is taking prolong duration due to shortage of containers and vessels.

Availability of imported cotton yarn from Central Asian Republics through land route via Afghanistan safely will bring positive impact and textile export.

The value-added textile exporters have also sought guidance from the adviser as how to operate their industries and complete export orders in the current circumstances and cotton yarn crisis which is aggravating every coming day.

They also requested the adviser commerce to expedite release of payments of duty drawbacks as quick as possible to support the textile export industry and demanded rates of gas should be same for new industrial units