



The Federation of Pakistan Chambers of Commerce & Industry
وفاق ایوان ہکائے تجارت و صنعت - پاکستان

Press Release

Lahore (P.R)

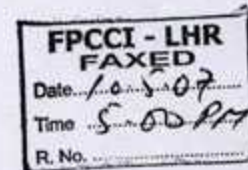
May 10, 2007

Mr. Azhar Saeed Butt Vice President and Zonal Chairman FPCCI said that after a lapse of sufficient time no relief has been provided to the spinning industry of the country, as a consequent of it a large number of spinning units have been closed down. He said that recently the Ministry of Textile Industry appointed an international advisor to study production cost of Pakistan's textile so that the government may formulate a policy to revitalize Textile Industry. He said that the international advisor has identified key areas which need to be addressed by the government of Pakistan so that the industry could compete with other nations in the international markets. They suggested incentives including export rebate, power rate subsidies, should be provided to Pakistan's textile industry so that this vital sector of the country could survive for a longer period in the international market. He said that the textile industry holds an important role in the development of Pakistan as it has 9% share in the GDP and 63 in the total export of Pakistan.

He condemned the negative attitude and statement of Dr. Shamshad Akhtar Governor State Bank of Pakistan which recently appeared in different newspapers issued in connection with revival of Textile Industry in Pakistan. She opposed the recommendations of the Ministry for increasing textile exports and said that by lowering the rate of interests and decreasing it to 6 percent would hurt the policies of the bank and inflation would surge manifold. She said "let the inefficient industry die as in the developed countries mergers of the companies are made and we should let efficient companies to take over inefficient ones."

Mr. Azhar Saeed Butt categorically said that Wapda, PIA and other similar department s are inefficient and unable to provide sufficient electricity to the industries of the country, which are tantamount to white elephant for the economy of the country. Why these departments have not yet been closed despite their continuous inefficiency in the country. He said that Pakistan is not a developed country it is a developing one and Governor State Bank has no right to comment on the Textile Industry of Pakistan which is contributing 9% share of the GDP. She should be careful in issuing such a statement which infuses a sense of insecurity among the Textile manufacturers. He suggested that government should take bold decisions for the revival of Textile Units by lowering interest rates and utility bills etc.

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(Public Relation Officer)



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