

Pakistan Knitwear & Sweater Exporters Association

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Impediments to export growth identified



The country's export-oriented industry has sought the Commerce minister's support to address the undue burden of upfront taxes, high energy tariffs, and insufficient credit limits under the Export Finance Scheme (EFS).

Federal Minister for Commerce Jam Kamal Khan, accompanied by senior officials of the Ministry of Commerce, held a consultative session in hybrid mode with chairmen and representatives of the Pakistan Hosiery Manufacturers and Exporters Association (PHMA), Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA), Pakistan Textile Council (PTC), Pakistan Textile Exporters Association (PTEA), All Pakistan Bedsheets and Upholstery Manufacturers Association (APBUMA), and Towel Manufacturers Association (TMA).

The meeting, held at the Ministry of Commerce, was aimed to thoroughly examine the key challenges facing the value-added apparel and textile sector and devise strategic measures to strengthen its global competitiveness and accelerate export growth.

Industry representatives delivered a detailed presentation outlining major impediments to export expansion. These included the substantial burden of upfront taxes; elevated energy tariffs coupled with infrastructural constraints; persistent liquidity issues due to pending refunds; limitations under the temporary importation scheme, including reduced utilisation periods; insufficient credit limits under the Export Finance Scheme restricting access to working capital; and frequent policy changes that undermine export growth potential.

Jam Kamal Khan reaffirmed the government's support, describing the value-added apparel and textile sector as a cornerstone of Pakistan's exports and employment generation.

"Pakistan is among the few countries in the world with a vertically integrated textile supply chain, which significantly contributes to the country's socio-economic development. The government will extend maximum support to ensure its sustainability and growth," he said.

The minister further stated that in line with the prime minister's directions, a dedicated technical committee has already been constituted to review the issue of limited utilisation periods under the Export Facilitation Scheme and to submit recommendations for the immediate resolution of these constraints.

Representatives of Micro, Small and Medium Enterprises (MSMEs) proposed that the State Bank of Pakistan and EXIM Bank issue clear regulatory guidelines to ensure the uniform acceptance of foreign Master Letter of Credit (LCs) by commercial banks as collateral for opening back-to-back LCs. This, they argued, would enhance exporters' access to working capital and enable them to tap into additional global business opportunities.

They also advocated the inclusion of value-added exporters' representatives on the SMEDA Board and other relevant forums to promote inclusivity and ensure active participation in policymaking processes.

The federal minister reiterated the Ministry of Commerce's commitment to providing all necessary facilitation to exporters, including MSMEs. He assured participants that issues concerning back-to-back LCs would be actively pursued with the relevant authorities to ensure smoother and more effective implementation.

Industry representatives stressed the need to align Pakistan's export policies with those of regional competitors to enhance global competitiveness. They emphasised that long-term policy stability and the swift implementation of supportive measures are critical to strengthening and safeguarding the sector's competitive position in international markets.

Expressing optimism about increasing national exports through coordinated and inclusive engagement, the minister encouraged the industry to capitalise on opportunities in existing markets, explore new destinations, and diversify into high-value finished products.

He invited consolidated proposals from the apparel and textile industry, stating that the Ministry would categorise them into immediate measures, budget-linked proposals, and structural reforms before submitting them to the prime minister for final consideration.

The meeting concluded with a shared commitment to sustained structured dialogue and coordinated action aimed at enhancing Pakistan's export competitiveness and supporting sustainable export growth.

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