



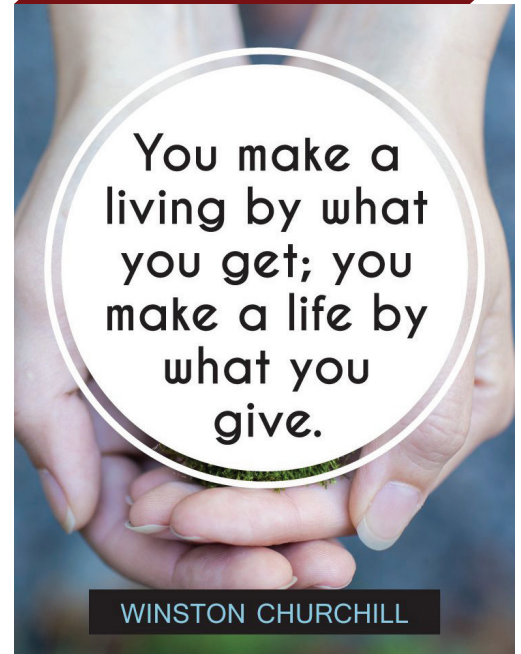
## Tips of the MONTH

**Never put off today what you can put off tomorrow.** ~ Spanish Proverb

*Don't wait until everything is just right. It will never be perfect. There will always be challenges, obstacles and less than perfect conditions. So what. Get started now. With each step you take, you will grow stronger and stronger, more and more skilled, more and more self-confident and more and more successful.* ~ Mark Victor Hansen

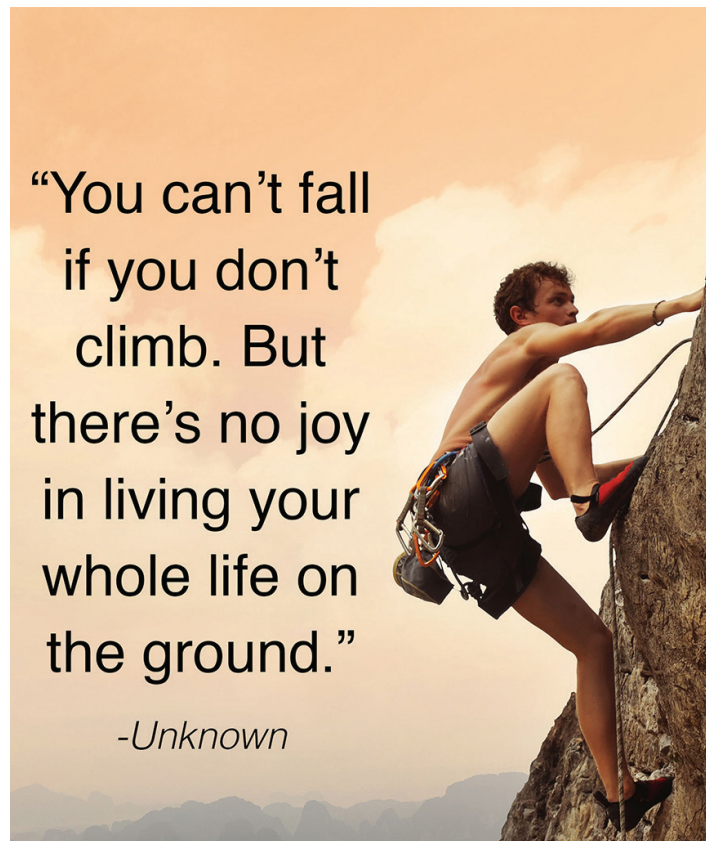


**Mistakes are painful when they happen, but years later a collection of mistakes is what is called experience.** ~ Denis Waitley



“You can't fall if you don't climb. But there's no joy in living your whole life on the ground.”

-Unknown



# CHALLENGES PAKISTAN ECONOMY is facing ahead of 2017; CPEC is crucial

By: Muhammad Umair Imtiaz



The economy of Pakistan is the 25th largest in the world regarding purchasing power parity (PPP), and 38th largest concerning nominal gross domestic product. Pakistan has a population of over 190 million (the world's 6th-largest), giving it a nominal GDP per capita of \$1,550, which ranks 132nd in the world. However, Pakistan's undocumented economy is estimated to be 36% of its overall economy, which is not taken into consideration when calculating per capita income. Pakistan is a developing country and is one of the Next Eleven, the eleven countries that, along with the BRICS, have a potential to become one of the world's large economies in the 21st century.

However, **Pakistan is facing extreme issues like electricity and Gas shortage, terrorism, unemployment, and poverty.**

Fiscal consolidation is one of the most significant reform challenges facing Pakistan today", said Enrique Blanco Armas, World Bank Lead Economist for Pakistan.

In October 2016, the IMF chief Christine Lagarde confirmed her economic assessment in Islamabad that Pakistan economy was 'out of the crisis.' The World Bank predicts that by 2018, Pakistan economy growth will increase to a "robust" 5.4% due to a greater inflow of foreign investment, namely from the China-Pakistan Economic Corridor (CPEC).

## Economic forecasts for South Asian countries

Country	2016	2017
Afghanistan	2.0	3.0
Bangladesh	7.1	6.9
Bhutan	6.4	6.1
India	7.4	7.8
Maldives	3.5	3.9
Nepal	0.8	4.8
<b>Pakistan</b>	<b>4.7</b>	<b>5.2</b>
Sri Lanka	5.0	5.5
Average	6.9	7.3

Source: Asian Development Bank

Following chart is a trend of gross domestic product of Pakistan at market prices estimated by the International Monetary Fund with figures in millions of Pakistani Rupees. One can witness the inflation index and per capita income in Pakistan economy.

Year	Gross Domestic Product	US Dollar Exchange	Inflation Index (2000=100)	Per Capita Income (as % of US)
1960	20,058	4.76 Pakistani Rupees		3.37
1965	31,740	4.76 Pakistani Rupees		3.40
1970	51,355	4.76 Pakistani Rupees		3.26
1975	131,330	9.91 Pakistani Rupees		2.36
1978	283,460	9.97 Pakistani Rupees	21	2.83
1985	569,114	16.28 Pakistani Rupees	30	2.07
1990	1,029,093	21.41 Pakistani Rupees	41	1.92
1995	2,268,461	30.62 Pakistani Rupees	68	2.16
2000	3,826,111	51.64 Pakistani Rupees	100	1.54
2005	6,581,103	59.86 Pakistani Rupees	126	1.71
2014	22,032,565	105.95 Pakistani Rupees	260	
2016	45,680,351	104.55 Pakistani Rupees	370	2.71

In 2016 the Atlantic Media Company (AMC) of the United States has ranked Pakistan economy as a relatively stronger in the South Asian markets and expected that it will grow rapidly during days ahead. AMC said that during the period January–July this year, Indian 100 point index was 6.67% while Karachi Stock Exchange (KSE) had achieved 100 point index of 17 percent.

It is worth bearing in mind that the promise of the moment owes itself almost entirely to fortuitous circumstances. The biggest stroke of luck came in the form of sharply dropping oil prices, which stabilized the current account even as exports and FDI fell. It also contributed in no small measure to the decrease in inflation. The absence of big ideas to manage the changing circumstances has been this government's most significant constraint thus far, and 2017 will test this weakness to the maximum.

This is the year when the promise of CPEC has to take shape, but thus far CPEC projects are being executed without an overarching planning and coordination body (notwithstanding the attempts of the Planning Commission to perform that role) and without any serious transparency. Power sector reforms do not appear to be advancing, and privatization seems to be stuck in limbo.





# Pakistan Textile Industry: Challenges & Opportunities

Written by: [Fibre2Fashion.com](http://Fibre2Fashion.com)

The Harappa civilization residing in Pakistan, four thousand years ago have provided the country with the heritage of spinning and weaving. Since then Pakistan has carried forward this age old tradition and prospered to become the eighth largest exporter of textile products in Asia. The country is also the fourth largest producer of cotton and after India and China, and has the largest spinning capacity in Asia.

Pakistan is a land with 442 spinning mills, 1260 ginning units, 2550 garment manufacturing companies, and 600 knitwear producing units. Textile products like carpets, rugs, towels, tents, home textiles, hosiery and apparels are manufactured here to be exported to countries like US, Hong Kong, United Kingdom, Germany, Italy, France, Netherlands, Dubai and Afghanistan. Textile is a strong pillar supporting the economy of Pakistan. Textile products and garments constitute almost 50 per cent of the

total international exports, and accounting to almost 8.5 per cent of the GDP of the country employing 38 per cent of the production labour work force.

The spinning industry of Pakistan functions in a competitive but free environment as long as procurement and use of raw materials are concerned. Scarcity of crop led the sourcing of international cotton in Pakistan, which began a decade ago. Today, the nation approximately sources 3 million bales from the international market, and produces close to 11.5 million bales domestically.

Pakistan enjoys Free Trade Agreement with the European Union. Thanks to the textile industry of the country, Pakistan enjoys healthy relationships with EU. The European Union has relieved Pakistan from tariffs on exports of products, and also the law signed on December 2013 granted the nation a Gen-



eralised Scheme of Preferences status (GSP Plus). The deal and allocation of work began in January 2014 and will continue till the year 2017. While the European Union will benefit from importing cheap textile products from Pakistan, the latter will seek advantage by creating jobs in the sector and also lead to economic growth. The GSP Plus is estimated to increase exports worth \$ 650 million from textiles and apparels alone in the first year of its agreement.

The government of Pakistan has also made improvements in the textile policy of 2014-2015 in order to support and uplift the sector. The revisions emphasize on proper infrastructural facilities, adequate investments, proper training centres, research institutes for developing quality products in the textile industry. It will also concentrate on regional trading in order to expand production capacities of garments in Karachi, Islamabad, and Faisalabad.

However, there have not been enough efforts from the country's government in the matter of energy crisis. The government has not yet fulfilled the promise of installing continuous electricity and gas plants to boost power supply. This has affected the textile industry of Pakistan tremendously. Manufacturers had to move to alternative methods of producing electricity like generators and invertors, ultimately leading to rise in the costs of production. The shortage of electricity hence increased expenses and reduced profitability for textile exporters of the country. As a result of lack of power supplies many factories closed down and thousands of individuals remained unemployed.

Pakistan's textile and apparel industry also faces fierce competition from nations like India, China, and Bangladesh. Economic factors such as depreciation of the national currency, increasing interest rates, twin digit inflation, and rising cost of raw materials like cotton and yarn have also placed significant hurdles against the country. The inadequacy of a decent infrastructure, technology, latest machinery, and skilled labour force are also hampering the growth of the Pakistani textile industry. Adding to this are woes from political instability in the country and issues of internal security. These concerns are making foreign buyers worry and giving them reasons to source textile products and garments from Pakistan's neighbouring countries.

The country also needs to improve and comply with the international health and safety standards to impress its international buyers. Recently, Walt Disney terminated all garment orders with Pakistan based manufacturing units on the same grounds. As many as sixteen companies lost businesses worth \$ 150 million in the country. A cascading effect of such an incident is a bad sign for the textile industry since, US imports textile products worth \$ 3.2 billion. Companies export in total \$ 1.2 billion worth of garments to brands like GAP, Levis Strauss, Nike, Wal-Mart, and Jones Apparel every year.

Poor working conditions have led to international companies from US and EU demanding the country and its manufacturing units to adopt a Better Work Programme (BWP). The International Labour Organization (ILO) also had warned the country to adopt an enforcement system against weak labour conditions and poor monitoring. Many manufacturers will suffer if they soon do not comply with such rules and systems and lose their orders.

It can be concluded that the textile and garment industry of Pakistan has immense potential to expand provided it takes into consideration the various obstacles that require immediate and necessary actions, especially by the government to uplift the sector. Failure in taking steps can pull the textile industry down leading to inability to compete in the international market against its rapidly growing and abled contemporaries.

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# NEWS FROM PRINTEX

By the Grace of Allah Almighty, Second Roq You installed Successfully at Kay & Emms Pvt. Ltd. Faisalabad. *Here are some pics for kind reference.*



- Our CEO , Mr. Mustafa Kamal & Technical Director , Mr. Nadeem Ahmed visited Srilanka for attending the Screen Printing & Dyes Exhibition in Colombo.

- By the Grace of Allah Almighty, Printex has launched successfully the Cresaclear SRD – Universal thickener for Reactive & Disperse Printing.

- On behalf of Printex Team, we would like to say Special Thanks to all our Principals ( Print Corex- Cresa, Fujifilm Sericol , Abifor , Sroque ) for their kind support throughout the Year 2016 and we expect the same Patronage in the years to come to further strengthen our relationships and Hallmarks new horizons .

- On behalf of Printex Team, we would also like to say Special Thanks to all our valued customers who support us and provided us the Opportunities to serve their Esteemed Organizations. We also ensure them that we would try our best to serve them more enthusiastically in the years to come.

- We wish a very Happy New Year 2017 to all and hope that New Year brings Happiness, Prosperity and Peace for All.



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