

President's Address to Textile Asia 2006

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

It is indeed a very unique pleasure and a special privilege for me to get this opportunity to address such a wonderful gathering, a gathering of textile Asia 2006. I know I addressed a similar gathering a similar gathering in 2005 also and it is a pleasure and my proud privilege to note that the visitors from abroad I am told have almost doubled and that is the success of this wonderful crowd. So it is my pleasure to be talking to the industrialists, businessmen, investors and all the manufacturers from Pakistan and who have come from abroad and I specially welcome those who have come from abroad and are here contributing or showing concern or involvement in investment in Pakistan, in the textile industry of Pakistan. I must say that it is indeed a landmark event to promote textile investment in the region and if one has to judge by the scale of the participation which I just mentioned, one can easily say that the confidence of the world community in Pakistan's textile industry is growing day by day and we are proud of this fact indeed. I would like to commend the efforts of Mr. Mushtaq Cheema of Ministry of textile and also Khurshid Nizam of E-commerce gateway for this very successful holding of this event. I must say that this exhibition demonstrates really the partnership and spirit of public private partnership which I would like to state for mutual gain and optimizing the output that we would like to achieve and I think that this assists the SMEs specially who instead of having the requirement of going abroad and seeing various markets themselves, visiting various countries are able to interact with all other country members, organizations, individuals, industrialists are coming here and they are allowed to showcase their products here in Pakistan so I think this is an excellent idea and may I also add that with the expo-center in Karachi doing such a wonderful job, we have also done the earth breaking ceremony of another very big expo-center in Lahore. I think these two will facilitate drawing investors into Pakistan drawing buyers into Pakistan and thus showcasing our own products to the world. I am very sure that these two expo-centers will contribute their best, promoting and enhancing the exports of Pakistan. Ladies and gentlemen I would like to say to specially those who have come from abroad that Pakistan is a transformed country. This country in the last six years is in a new lead, our economy has transformed from a stagnant state to a vibrant state where the economy is on an upsurge, our GDP which stood at just about 60 to 65 billion dollars is touching 125 billion dollars so this a different ball game all together. Our GDP growth last year was 8.4% and the year before that it was 6.5% and we InshAllah determine to achieve 7 % at least this year. This happens to be a fastest growing economy of the world and if you were to see all our macroeconomic indicators, which I don't want, to go in, detail, they are all positive and showing an upsurge and showing confidence within the nation. The policy we are following of deregulation, privatization and liberalization, is paying very rich dividends and it is contributing to boost our industrial and commercial activities and also created this upsurge in our economy which I just mentioned. there is an unprecedented inflow in FDI, in foreign direct investment which over the past five years has grown by 500% although the base was low, I personally am not satisfied with that growth but I am very positive that this trend of FDI into Pakistan will keep growing at a much faster rate that what we have achieved now and because of this privatization, liberalization and deregulation policy. We have also seen an upsurge in our exports, historically never cross nine million dollars in past and when I came on scene they stood at \$7.86 billion, today are targeting \$17 billions and I am very positive that InshAllah we will touch and I am making a commitment, InshAllah we are going to touch instead of \$17billion, \$18 billion so this the grow of export of Pakistan. our stock exchange which stood KSC index under one thousand cross eleven and a half thousands and today I don't know it is round ten and a half or eleven, I don't exactly know but it has grown, you can imagine the growth of the Stock Exchange, they say it is best performing Stock Exchange of the world that may come at a surprise to all our foreign guests sitting around hear.

Now ladies and gentlemen, I personally am trying to encourage FDI into Pakistan and when I say that I am personally doing that, I encourage them any investors coming to Pakistan through organizing meeting which I chair myself where I make the investors sit on one side of the table and I make the government stake holders to sit on the other side of the table and I ask the investors to shoot their problems and I try to resolve them right there across the table. This trend and this involvement of mine is what I intend of continuing in the future also because I personally feel that when we draw investments into Pakistan whether it is FDI or local investors, investing in Pakistan and opening factories in Pakistan, we are creating jobs and when we create jobs we contribute towards poverty alleviation and when we contribute towards poverty alleviation I strongly believe that we are striking at the root of extremism and terrorism therefore I personally feel that I need to get involved in ensuring that investment comes into Pakistan in the form of foreign investors, by expatriate Pakistanis and local Pakistanis and I am extremely proud and glad to say that this is happening. What I can tell you ladies and gentlemen is that we have created an investor friendly environment in Pakistan and we continue to improve that environment and just to give you a feel of the few regulations which we have introduced, Number one that all the economic sectors of Pakistan are open to foreign direct investment. 100% foreign equity is allowed and there is a very equal treatment, level playing field for a foreign investor as it is to a Pakistani investor, remittances of royalty, of capital, of profit, of dividends, of fees is allowed and also that FDI is fully protected. Other than these regulations some of which I enumerated, I would like you to see Pakistan not as a stand alone country, I have been saying this everywhere Pakistan's strategic location gives it a very central position to play a role as a trading energy corridor between the gulf, the central Asian republics and Afghanistan, China and also South Asia so therefore beside seeing Pakistan as a country with a 160 million population, also see that through Pakistan you have entry into all this region which happens to be almost half the world so other than this I would also like to mention that today with the upsurge in our economy where our per capita income has also grown to the extent that from a low income category country today we stand as a middle income category country therefore the purchasing power of people of Pakistan has increased substantially and when purchasing power if people increases, the demand for all products increases but the supply is not keeping pace with the demand so therefore the demand supply gap has increased and what I want to deduce is that today in Pakistan's environment ladies and gentlemen there is the biggest profitability margin that can rarely be seen anywhere in the world. I know the 600 to 700 foreign firms here are doing business in Pakistan are earning profits between 20 to 60% and some even over 80% and I am saying this with full information so therefore this is no mean achievement but we don't grudge any profit as long as there is win- win for all , win-win for Pakistan and as well as investors, so ladies and gentlemen with upsurge in our economy, today with this gap in the demand supply, profitability margins are great and this is the time to invest in Pakistan. Textile sector as brought out by Mr. Cheema also and the Governor forms the back bone of our industry, it is the largest foreign exchange earner and we would like to develop it further, my desire is that we should develop the textile industry even further. We want to increase our exports to earn more and to earn more foreign exchange and we can earn more through increasing quality and also increasing quantity, we are trying both, we must increase the quantity by increasing the capacity of existing mills and also opening new textile mills and we need to improve the quality of existing mills and also the value add and I know the minister is try his best and I know the textile industry in Pakistan is value adding. So we must go for value addition and we must go for qualitative improvement and we must go for expansion in our capacity and this is the way to forward on our exports and this is way forward to meet the challenges in the post quota era so therefore ladies and gentlemen, I am very proud of the fact that I know that textile industry has already invested \$5.5 billion into all these areas of quality and quantity increases, value addition and machines, I am very proud of that and as far as government is concern, we can only facilitate the private sector, by providing better facilities and better utilities.

With upsurge in our economy, there is shortage in our energy, let me ensure you government is fully vigorous on this and we are trying to tap on all sources and we will, make sure we meet the challenges of addition requirement of energy in the future and also we will and trying to improve our communication infrastructure in form of roads, railway and ports and we are doing that from Karachi as well from Gwadar and we are trying to make Gwadar very efficient

and important port so on the whole ladies and gentlemen, this is all I have to speak and I would like to comment the efforts of the Pakistan textile industry, who have gone for balancing modernization and replacing the BMR and they have improve a lot, they need to work harder, if we want to sustain our exports, if we want to sustain our economic growth. I would like to commend the efforts the Minister Mushtaq Cheema and I would like to commend the efforts industry minister who is encouraging the industry in Sindh and I would like to commend the efforts of Mr. Khurshid Nizam, who is encouraging and facilitating this interaction between public and private sector.

Thank You very much.
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