

Press Release:

MFN status to India is not a political issue, PRGMEA

(Karachi, November 1, 2011): Central Chairman Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA), Mr. Shehzad Salim has strongly criticized the news report that the government has decided to put on hold the issue of granting MFN status to India after receiving hostile reaction from opposition political parties and security agencies. "This is an economic issue and should not be politicized", he said.

"There are two major reasons why Pakistan should immediately grant MFN to India. Pakistan's textile and garment exports are reliant on economies of US and the EU and approximately 90% of our exports are destined to these two markets and we need to get duty-free access on the 75 products as proposed by the EU to sustain our exports. Furthermore, under WTO agreements we are bound to give MFN to India. India, at any times can take us to arbitrations court of the WTO if we do not comply.

"India has also linked the issue of EU trade concessions to Pakistan with granting MFN status and if this not done India will continue to block this issue at the WTO meeting scheduled to be held in November. The textile and garment industry is eagerly looking to get this issue passed through WTO by virtue of which our exports to EU will rise by about Euro 100 million annually. Also, Pakistan is striving to get the GSP+ status from the EU in 2014 which may also be effected if the trade concessions issue remains blocked", he stressed.

"The ministry of commerce and foreign affairs has worked diligently to remove the trade barriers with India and granting MFN is a vital step towards trade liberalization. In fact, trade with India has been put as the top agenda item by our government and now the government should take a principle stand and not to allow this to become politicized.

"Granting MFN to India is an economic issue by virtue of which we can gain a foothold into one of the fastest growing markets in the world. This step can bring millions of rupees to the exchequer in terms of additional export revenues and bring about job opportunities to thousands of unemployed youth of Pakistan, therefore, PRGMEA requests the government to take a stand on this vital issue".