

# PRGMEA Press Release

## EU Trade Concessions for Pakistan

(Karachi May 11, 2012) The Central Chairman, Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA) has said that the EU Trade Concessions Package announced for Pakistan have been severely politicized during the recent EU Parliament meeting and it seems that the package will either be further diluted or scrapped altogether.

According to our sources, a compromise package is being redrafted under which the number of items under quota have been increased from 20 to 26 with a quota ceiling of 120% of past trade based on 2007-09. Furthermore, on the remaining balance 49 items a ceiling has been proposed based on 130% of past trade of 2007-09. Therefore, in essence, all 75 items will be under quota. It is expected that the package will now be implemented from second half of 2012 till the end of 2013, which will further retard our efforts to boost exports.

The package is being redrafted because of objections by Spain and Portugal and now Germany has also started opposing this package due to the recessionary fears in Europe.

Mr. Shehzad Salim further added that if this packages fails implementation it will have severe detrimental effect on Pakistan's bid for GSP Plus which is going to start from January 1, 2014.

This is very dangerous development for Pakistan and our textile industry and we can expect further drop in our exports if this packages does not go through.