

PRESS RELEASE

Pakistan Textile Council Welcomes Prime Minister’s Export Recognition and Market-Based Support Measures

Islamabad, February 1st, 2026: The Pakistan Textile Council (PTC) has expressed its sincere appreciation to the Honourable Prime Minister of Pakistan for recognising and honouring members of PTC among the country’s top exporters, calling it a strong vote of confidence in Pakistan’s export industry and a reaffirmation of the government’s commitment to performance, compliance, and global competitiveness. Commenting on the announcement, **Chairman PTC Mr. Fawad Anwar** said that the Prime Minister’s recognition has come at a critical juncture for the economy and has sent a positive signal to exporting industries that continue to operate under challenging conditions. *“At a time when Pakistan has limited fiscal space due to the IMF programme, the government’s decision to support exports through smart, market-based measures is both courageous and economically sound,”* he stated.

PTC particularly welcomed the recent reduction in **Export Refinance Facility (ERF) rates**, noting that the measure reflects prudent macroeconomic management and has been achieved **without imposing any fiscal burden**. Mr. Anwar explained that the **1 percent cut in the Cash Reserve Requirement (CRR)** has released more than **Rs 300 billion in liquidity** into the banking system, enabling banks to absorb the **300 basis points reduction in ERF rates** while maintaining financial sector stability and profitability.

“This approach strengthens market liquidity, lowers the cost of financing for exporters, and preserves the health of the banking system—an outcome that is both rare and commendable in a constrained fiscal environment,” he added.

PTC also welcomed the Prime Minister’s announcement to **remove cross-subsidies from industrial power tariffs**, terming it a long-overdue correction of structural distortions that have disproportionately penalised export-oriented sectors. According to Mr. Anwar, these steps clearly signal a shift toward **targeted, export-led growth in the post-stabilisation phase of the economy**.

Addressing concerns surrounding the recently concluded **India–EU Free Trade Agreement**, Mr. Anwar cautioned against unnecessary alarmism. *“There is no case for panic. Competitiveness—not fear—should guide policy,”* he said, adding that the perceived threat to Pakistan’s exports to the EU is being overstated, including by quarters that have historically advocated policies detrimental to value-added exports.

He noted that the agreement will become effective next year, and while competition may intensify, **Pakistan’s leading exporters—particularly in value-added textiles and apparel—are well positioned to compete**, given their strengths in quality, compliance, sustainability standards, and long-standing buyer relationships.

Looking ahead, PTC emphasised the urgent need for a **bold, comprehensive, and long-term reform agenda** to ensure sustainable export growth. Chairman PTC highlighted key priorities, including:

- Continuation of Pakistan’s **GSP Plus regime** through credible compliance and proactive engagement

- Regionally competitive taxation through base broadening and a reduced burden on documented businesses and the salaried class
- Investment-linked tax incentives to encourage private sector expansion
- A stable and market-aligned **Real Effective Exchange Rate (REER) in the 99–100 range**
- Duty-free access to export inputs across the value chain
- Decisive removal of bureaucratic and procedural barriers

PTC reaffirmed its commitment to working closely with the government to translate macroeconomic stability into **sustained export growth, job creation, and enhanced foreign exchange earnings** for Pakistan.

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