

Water crisis threatens next cotton crop

By Mansoor Ahmad

LAHORE: The textile millers found themselves in a fix as the acute water crisis this year has created doubts about the actual size of the next cotton crop.

The millers have two alternatives - either to wait for the next crop or plan imports.

The domestic textile industry was revived in 1999 in the wake of bumper cotton crop and the millers bought the commodity below international rates. The 2000 crop was again good enough to fulfill the requirements of the industry till the arrival of the new crop in August/September 2001.

"One thing is certain that the cultivation area in Sindh is likely to decline appreciably," said one spinner. He said there would be no water in the canals when the sow-

ing season for cotton starts in April.

The situation in Punjab is equally uncertain, he added. He said the situation might improve if rains come to farmers rescue in May. Punjab reaped a good crop in 2000 despite 38 per cent water shortage in 2000, he said. Punjab farmers through prudent use of tubewell water, may again succeed in harvesting another satisfactory cotton crop this year.

He said the situation is a dilemma for the industry. He said the import and export of cotton is duty-free under the existing policy. The problem faced by the textile industry is that the crop matures world over (excluding Australia) during the same period as in Pakistan. He said if the industry delays import of cotton till the size of local cotton crop is assessed it

might end up with huge losses. He said there would be a mad race to stock the locally available cotton. The prices, he added, would be unbearable for the industry.

On the other hand if the industry opts to go for imports the rate of cotton in the world market would be higher. He said in case the country harvested a bumper crop then those who imported cotton at high rates would be in hot water.

Another spinner said the government has banked only on the sustained availability of local cotton while formulating the Textile Vision 2005. He said no provision was made to maintain a buffer stock to cover any untoward eventuality. He said no policy has been adopted to deal with the surpluses and shortages.

He said Pakistan's two main

competitors - India and China maintain a buffer stock of cotton to cover any shortfall in the crop. The Indian government, he added, even regulates the sale of cotton in the local market according to its availability. He said in case of cotton shortage, the Indian government binds all the textile mills to restrict their stocks to maximum of three months production. He said in case of cotton surplus, all the provinces are given export quota for the export of surplus cotton. He said this mechanism protects the interests of both the farmers and the millers.

He said the domestic textile industry is flourishing without any help from the government. In fact, he added, the industry is at a disadvantage vis-a-vis its competitors as it has no protection or risk cover in case of natural calamities like bad weather or insufficient crop.