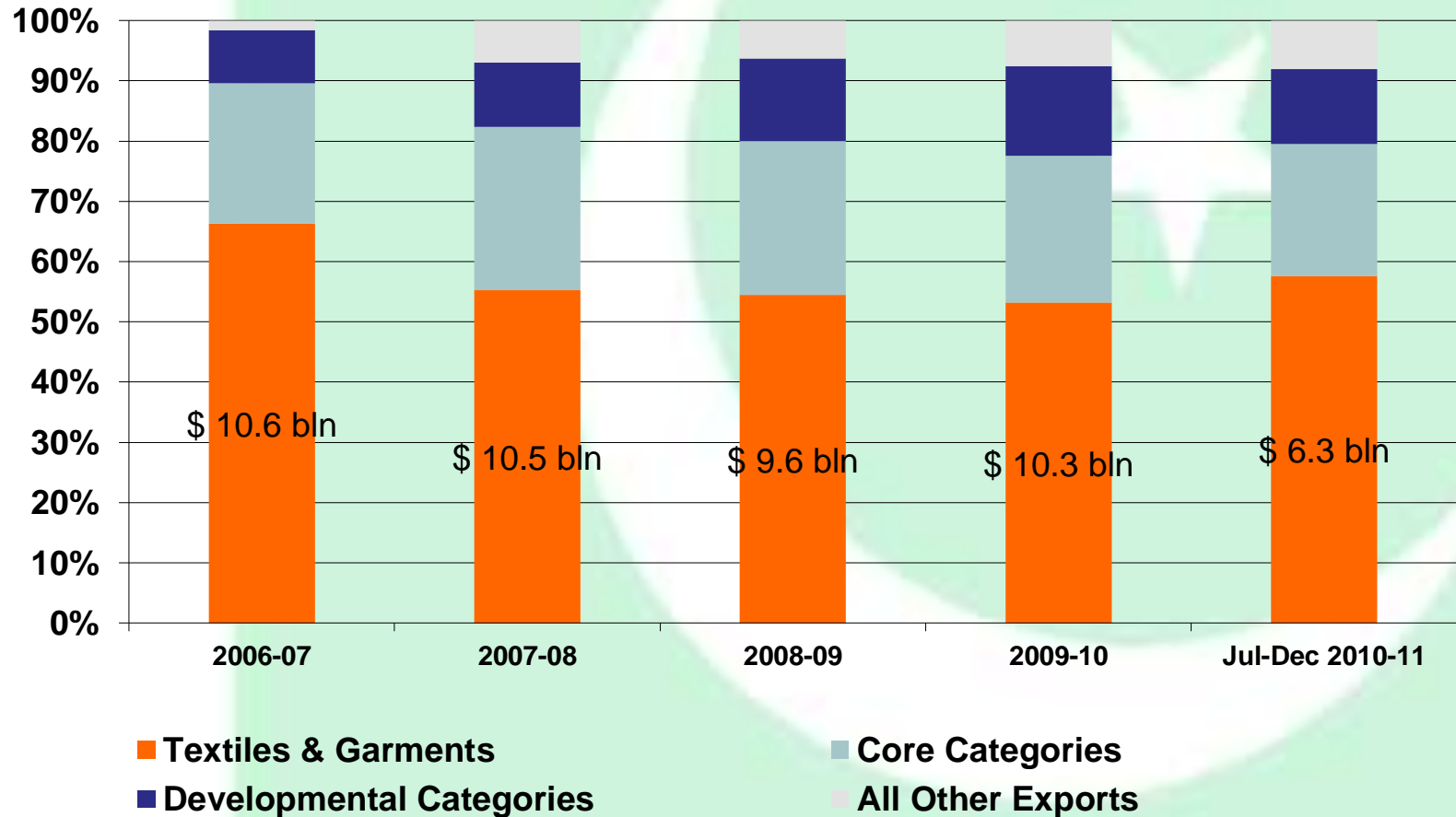

Pakistan's Garment Sector:

An Overview

Compiled & presented by: PRGMEA

Textiles and Exports:

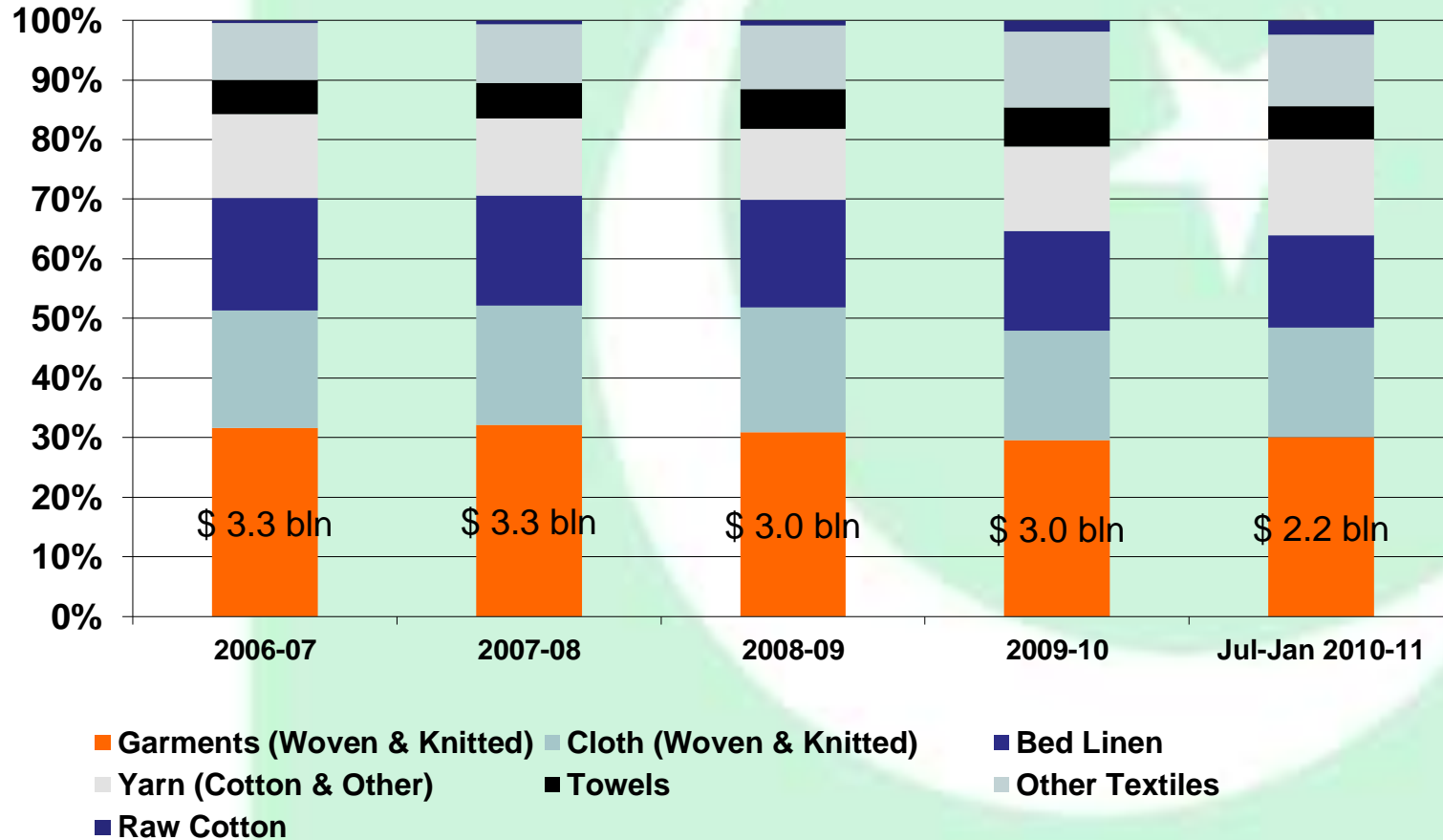


Textile's share in Pakistan economy:

Textiles is the premier industry & backbone of Pakistan's economy:

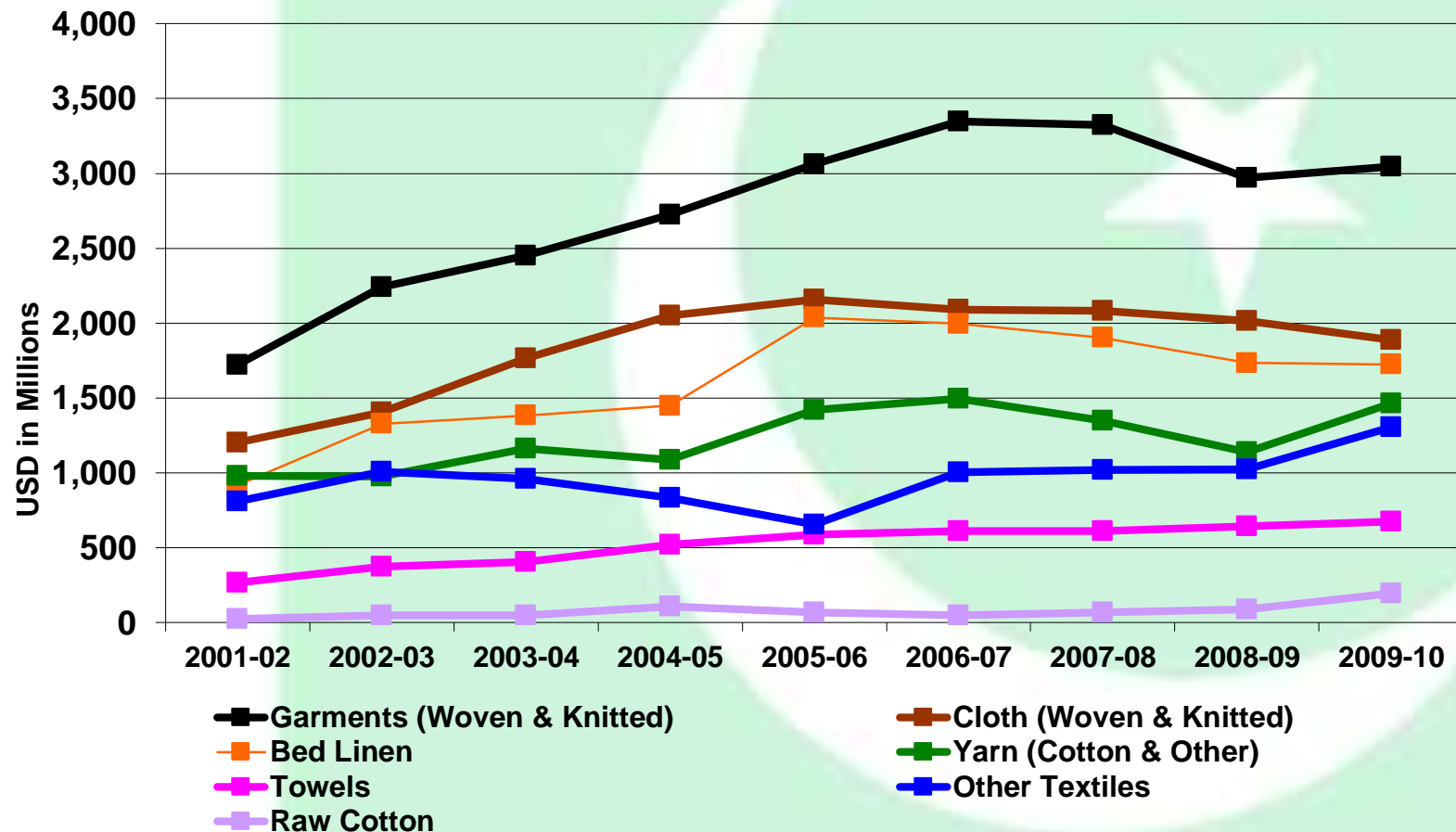
- **Generates** 54 % of exports
- **Constitutes** 46 % of Manufacturing Industry
- **Employs** 38 % of country's working force
- **Contributes** 8.5% to the total GDP
- **Drives** Banking, Shipping ,Transport ,Insurance, Machinery, Dyes/Chemicals, Printing/Packaging & Other allied sectors.

Sectors' share in textile exports:



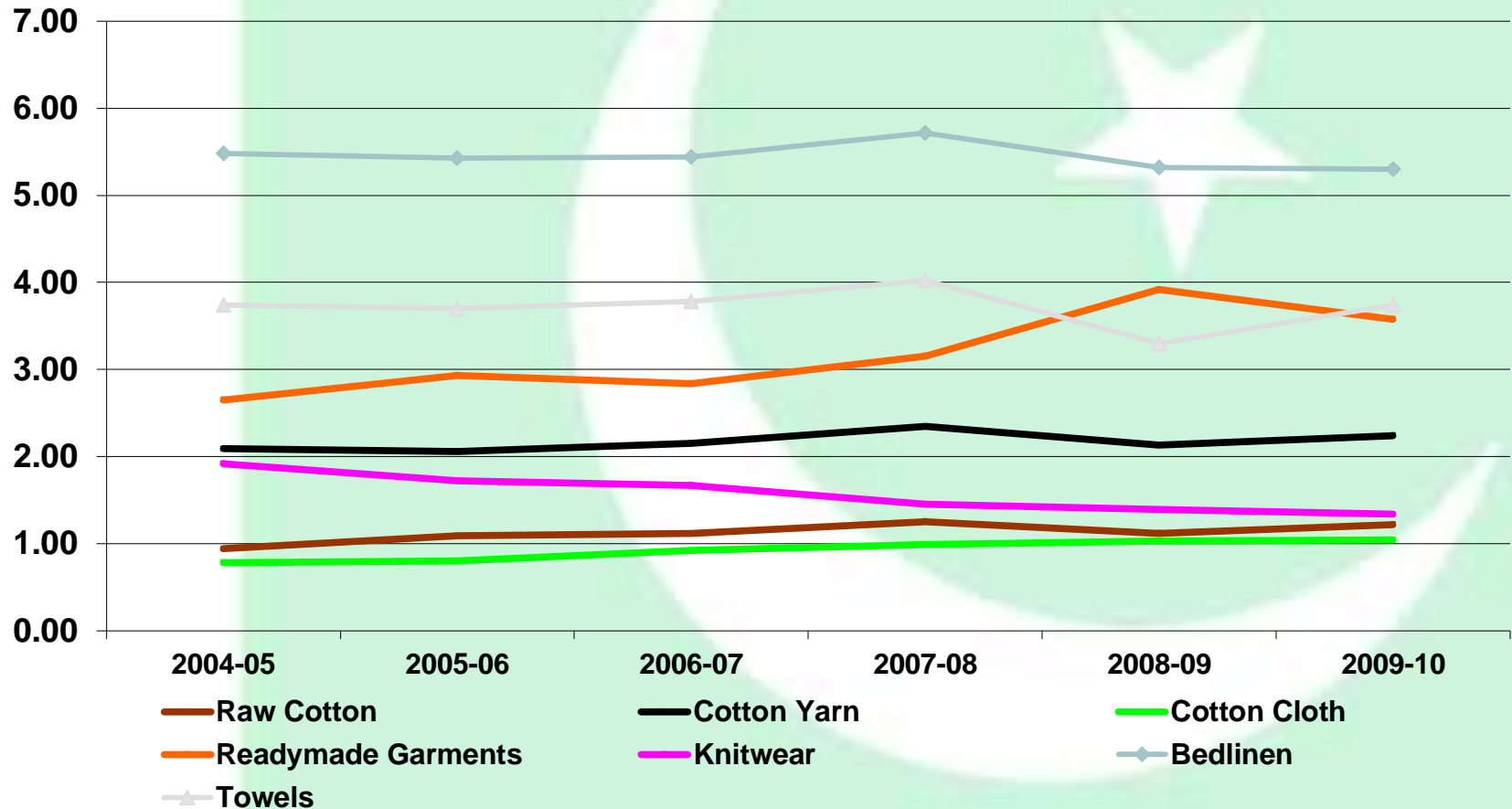
Source: TDAP

Textile sector's exports progress:



Source: TDAP

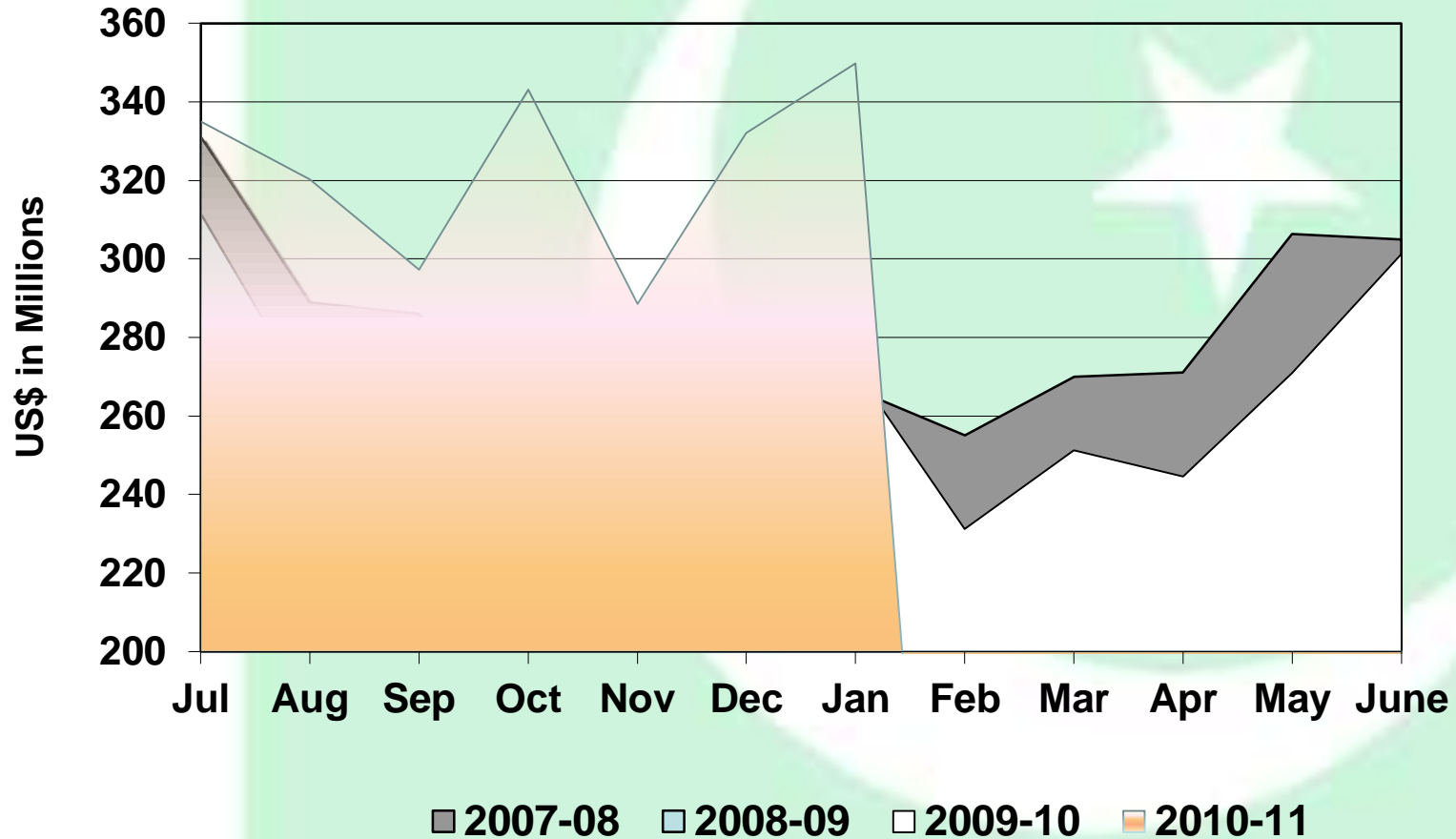
Average Unit Price Trend:



Raw Cotton, Cotton Yarn, Bedlinen & Towels AUP is \$ per KG.
 Cotton Cloth AUP is \$ per square meter. Garments & Knitwear AUP is \$ per piece

Source: TDAP

Garment Sector in the current year:



Source: TDAP

Apparel Exports to countries:

Pakistan exported HS Code # 61 & 62 (Articles of apparel and clothing accessories, knitted and woven) to about 146 countries in the year 2008.

List of importing markets for garments exported by Pakistan

Importers	2004	2005	2006	2007	2008
United States of America	1,210,314	1,562,230	1,740,706	1,672,330	1,637,803
Germany	203,165	210,869	235,663	250,527	288,860
United Kingdom	274,048	272,459	317,724	329,937	334,845
Spain	68,592	102,768	135,972	131,735	134,299
France	102,990	91,808	100,673	105,071	107,917
Netherlands	120,807	125,500	119,799	131,623	127,817
Belgium	74,865	88,089	89,808	89,108	102,764
Canada	54,810	54,943	68,390	65,925	59,564
Italy	120,150	107,321	154,876	157,214	98,470
United Arab Emirates	118,381	98,617	58,130	66,718	77,947

Categories of Apparel Exports:

Pakistan exported in following major categories of HS Code # 61 & 62 (Articles of apparel and clothing accessories, knitted and woven):

List of products exported by Pakistan

Code	Product label	2004	2005	2006	2007	2008
'6203	Men's suits, jackets, trousers etc & shorts	389,972	596,441	632,495	708,291	785,802
'6105	Men's shirts, knitted or crocheted	622,306	617,066	697,991	606,631	569,003
'6204	Women's suits, jackets, dresses skirts etc&shorts	157,192	290,858	382,880	326,636	334,668
'6109	T-shirts, singlets and other vests, knitted or crocheted	146,383	216,396	279,260	284,349	293,319
'6103	Men's suits, jackets, trousers etc&shorts, knit/croch	92,266	140,484	158,330	209,067	243,707
'6115	Panty hose, tights, stockings & other hosiery, knitted or crocheted	124,442	164,234	218,045	203,073	243,677
'6106	Women's blouses & shirts, knitted or crocheted	81,671	63,140	91,766	93,492	106,489
'6104	Women's suits, dresses, skirt etc&short, knit/croch	73,512	71,028	90,902	99,961	100,532
'6116	Gloves, mittens and mitts, knitted or crocheted	36,559	28,603	41,805	57,379	74,016
'6207	Men's singlets, briefs, pyjamas, bathrobes etc	50,894	71,976	72,810	66,103	64,928

Applicable import duties on Apparel:

Import duties on Cat 6203 (Men's suits, jackets, trousers etc & shorts)

Duty rates shown are total ad valorem equivalent tariff (estimated)

	USA	EU	Brazil	Australia	Canada
Pakistan	10.85%	9.6%	35%	*10%	17.46%
China	10.85%	12%	35%	17.5%	17.46%
Bangladesh	10.85%	0%	35%	0%	0%
Vietnam	10.85%	9.6%	35%	17.5%	17.46%
Cambodia	10.85%	0%	35%	0%	0%
India	10.85%	9.6%	35%	17.5%	17.46%
Sri Lanka	10.85%	0%	35%	17.5%	17.46%

* WEF 1/1/2010

Source: International Trade Centre (UNCTAD/WTO)

Why Garment sector is essential:

Employment:

Garment sector is the largest employment creating sector in Pakistan with around 2 million people directly employed.

An additional million dollars invested creates:

	<u><i>Garment Sector</i></u>	<u><i>Spinning/Weaving</i></u>
<i>Additional Jobs</i>	460	34
<i>Additional exports</i>	US\$ 3.2 million	US\$ 0.27 million

Value Addition:

<i>A bale of cotton exported earns</i>	US\$ 238
<i>Clothing made & exported of one bale earns</i>	US\$ 1,600

Garment Exports of Selected Economies:

(Million dollars and percentage)

	Value					Share in economy's total merchandise exports	
	1990	2000	2006	2007	2008	2000	2008 ^a
World	108,129	197,722	309,142	345,830	361,888	3.1	2.3
China ^d	9,669	36,071	95,379	115,233	119,978	14.5	8.4
Bangladesh ^{b, c}	643	5,067	8,318	8,855	10,920	79.3	71.1
India	2,530	5,960	9,499	9,786	10,854	14.1	6.1
Viet Nam ^c	...	1,821	5,579	7,400	8,971	12.6	14.3
Pakistan	1,014	2,144	3,907	3,806	3,906	23.8	19.2
Cambodia ^c	...	970	2,513	3,491	3,645	69.8	84.8
Sri Lanka ^c	638	2,812	3,046	3,283	3,460	51.8	40.9

a Or nearest year.

b Figures refer to fiscal year.

c Includes Secretariat estimates.

d Includes significant exports from processing zones.

Existing Market - USA:

Existing trade between United States of America and Pakistan

Product code	Product label	Pakistan's exports to USA			USA's imports from world			Pakistan's exports to world		
		2006	2007	2008	2006	2007	2008	2006	2007	2008
'620342	Mens/boys trousers and shorts, of cotton, not knitted	202,713	234,174	238,734	5,550,775	5,461,354	5,390,716	526,323	580,434	609,917
'610510	Mens/boys shirts, of cotton, knitted	426,566	345,503	275,203	1,995,625	2,107,015	1,783,983	553,222	442,825	355,388
'610910	T-shirts, singlets and other vests, of cotton, knitted	152,919	164,937	194,372	3,877,210	3,645,942	3,971,235	261,911	258,266	266,334
'620462	Womens/girls trousers and shorts, of cotton, not knitted	99,096	78,846	83,251	6,101,518	6,095,207	5,845,705	242,385	217,348	244,109
'610610	Womens/girls blouses and shirts, of cotton, knitted	56,190	44,516	47,472	1,087,956	1,125,877	970,096	79,749	71,983	77,513

Sources : ITC calculations based on COMTRADE statistics.

All values in USD '000

Existing Market - UK:

Existing and potential trade between United Kingdom and Pakistan

Product code	Product label	Pakistan's exports to UK			UK's imports from world			Pakistan's exports to world			Indicative potential trade		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
'610910	T-shirts, singlets and other vests, of cotton, knitted	21,428	19,874	21,735	2,109,495	2,323,210	2,174,378	261,911	258,266	266,334	240,483	238,392	244,599
'611020	Pullovers, cardigans and similar articles of cotton, knitted	2,541	3,382	3,375	935,391	1,100,488	1,342,991	51,644	38,665	29,506	49,103	35,283	26,131
'611030	Pullovers, cardigans and similar articles of man-made fibres, knitted	68	57	151	1,101,568	1,167,888	1,317,983	1,101	3,535	3,247	1,033	3,478	3,096
'620462	Womens/girls trousers and shorts, of cotton, not knitted	22,960	19,524	23,014	1,108,669	1,142,549	1,226,178	242,385	217,348	244,109	219,425	197,824	221,095
'620342	Mens/boys trousers and shorts, of cotton, not knitted	64,378	71,300	70,818	1,012,629	1,074,941	1,113,934	526,323	580,434	609,917	461,945	509,134	539,099
'620520	Mens/boys shirts, of cotton, not knitted	5,286	17,505	1,601	625,712	715,410	698,520	60,624	100,683	15,027	55,338	83,178	13,426

Sources : ITC calculations based on COMTRADE statistics.

All values in USD '000

Existing Market - Germany:

Existing and potential trade between Germany and Pakistan

Product code	Product label	Pakistan's exports to Germany			Germany's imports from world			Pakistan's exports to world			Indicative potential trade		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
'610910	T-shirts, singlets and other vests, of cotton, knitted	9,758	6,881	4,473	2,421,032	2,620,078	2,773,528	261,911	258,266	266,334	252,153	251,385	261,861
'620342	Mens/boys trousers and shorts, of cotton, not knitted	72,938	76,767	78,947	2,112,619	2,323,413	2,682,264	526,323	580,434	609,917	453,385	503,667	530,970
'611020	Pullovers, cardigans and similar articles of cotton, knitted	734	649	110	1,484,870	1,649,160	2,044,215	51,644	38,665	29,506	50,910	38,016	29,396
'620462	Womens/girls trousers and shorts, of cotton, not knitted	45,499	47,720	64,903	1,666,884	1,804,679	1,836,069	242,385	217,348	244,109	196,886	169,628	179,206
'611030	Pullovers, cardigans and similar articles of man-made fibres, knitted	32	10	54	1,470,676	1,327,881	1,452,515	1,101	3,535	3,247	1,069	3,525	3,193

Sources : ITC calculations based on COMTRADE statistics.

All values in USD '000

Existing Market - Spain:

Existing and potential trade between Spain and Pakistan

Product code	Product label	Pakistan's exports to Spain			Spain's imports from world			Pakistan's exports to world			Indicative potential trade		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
'610910	T-shirts, singlets and other vests, of cotton, knitted	6,877	3,129	3,971	1,112,745	1,297,499	1,349,335	261,911	258,266	266,334	255,034	255,137	262,363
'611020	Pullovers, cardigans and similar articles of cotton, knitted	1,170	1,340	1,424	591,286	763,396	1,047,294	51,644	38,665	29,506	50,474	37,325	28,082
'620462	Womens/girls trousers and shorts, of cotton, not knitted	23,241	20,510	25,632	784,319	969,696	1,034,922	242,385	217,348	244,109	219,144	196,838	218,477
'620342	Mens/boys trousers and shorts, of cotton, not knitted	27,582	27,970	27,495	702,801	868,289	1,004,616	526,323	580,434	609,917	498,741	552,464	582,422
'611030	Pullovers, cardigans and similar articles of man-made fibres, knitted	52	55	-	414,973	438,755	584,010	1,101	3,535	3,247	1,049	3,480	3,247
'620520	Mens/boys shirts, of cotton, not knitted	1,853	1,445	703	359,723	490,539	515,115	60,624	100,683	15,027	58,771	99,238	14,324

Sources : ITC calculations based on COMTRADE statistics.

All values in USD '000

Potential Market - Brazil:

Existing and potential trade between Brazil and Pakistan

Product code	Product label	Pakistan's exports to Brazil			Brazil's imports from world			Pakistan's exports to world			Indicative potential trade		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
'620343	Mens/boys trousers and shorts, of synthetic fibres, not knitted	8	15	10	38,259	51,137	63,423	8,887	15,936	18,196	8,879	15,921	18,186
'620342	Mens/boys trousers and shorts, of cotton, not knitted	23	24	73	18,806	34,898	47,834	526,323	580,434	609,917	18,783	34,874	47,761
'611030	Pullovers, cardigans and similar articles of man-made fibres, knitted	-	-	-	19,459	24,349	27,982	1,101	3,535	3,247	1,101	3,535	3,247
'620520	Mens/boys shirts, of cotton, not knitted	14	-	-	10,291	17,377	27,450	60,624	100,683	15,027	10,277	17,377	15,027
'620462	Womens/girls trousers and shorts, of cotton, not knitted	104	-	-	14,661	17,774	25,282	242,385	217,348	244,109	14,557	17,774	25,282
'620530	Mens/boys shirts, of man-made fibres, not knitted	-	-	63	11,843	14,256	22,684	10,438	3,490	2,818	10,438	3,490	2,755

Sources : ITC calculations based on COMTRADE statistics.

All values in USD '000

Potential Market - China:

Existing and potential trade between China and Pakistan

Product code	Product label	Pakistan's exports to China			China's imports from world			Pakistan's exports to world			Indicative potential trade		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
'620462	Womens/girls trousers and shorts, of cotton, not knitted	38	31	27	151,696	195,772	168,468	242,385	217,348	244,109	151,658	195,741	168,441
'611020	Pullovers, cardigans and similar articles of cotton, knitted	5	33	-	187,924	195,843	166,110	51,644	38,665	29,506	51,639	38,632	29,506
'620342	Mens/boys trousers and shorts, of cotton, not knitted	13	179	106	84,809	112,192	138,970	526,323	580,434	609,917	84,796	112,013	138,864
'610910	T-shirts, singlets and other vests, of cotton, knitted	4	43	3	92,633	97,690	122,639	261,911	258,266	266,334	92,629	97,647	122,636
'620520	Mens/boys shirts, of cotton, not knitted	5	-	-	111,239	115,544	119,600	60,624	100,683	15,027	60,619	100,683	15,027
'611030	Pullovers, cardigans and similar articles of man-made fibres, knitted	-	-	-	120,225	114,547	81,019	1,101	3,535	3,247	1,101	3,535	3,247

Sources : ITC calculations based on COMTRADE statistics.

All values in USD '000

Potential Market - Japan:

Existing and potential trade between Japan and Pakistan

Product code	Product label	Pakistan's exports to Japan			Japan's imports from world			Pakistan's exports to world			Indicative potential trade		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
'611030	Pullovers, cardigans and similar articles of man-made fibres, knitted	-	-	3	1,641,726	1,852,305	2,082,289	1,101	3,535	3,247	1,101	3,535	3,244
'611020	Pullovers, cardigans and similar articles of cotton, knitted	6	2	-	1,439,971	1,417,637	1,484,415	51,644	38,665	29,506	51,638	38,663	29,506
'610910	T-shirts, singlets and other vests, of cotton, knitted	23	32	92	1,104,650	1,080,600	1,217,869	261,911	258,266	266,334	261,888	258,234	266,242
'620462	Womens/girls trousers and shorts, of cotton, not knitted	17	53	194	1,198,837	1,150,590	1,150,513	242,385	217,348	244,109	242,368	217,295	243,915
'620342	Mens/boys trousers and shorts, of cotton, not knitted	42	33	81	694,217	683,386	711,246	526,323	580,434	609,917	526,281	580,401	609,836
'620311	Mens/boys suits, of wool or fine animal hair, not knitted	-	-	-	558,491	558,211	602,069	188	25	21	188	25	21

Sources : ITC calculations based on COMTRADE statistics.

All values in USD '000

Potential Market – Russian Federation:

Existing and potential trade between Russian Federation and Pakistan

Product code	Product label	Pakistan's exports to Russian Federation			Russian Federation's imports from world			Pakistan's exports to world			Indicative potential trade		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
'621600	Gloves, mittens and mitts, of textile materials, not knitted	51	103	460	4,568	6,093	8,133	28,910	20,319	18,251	4,517	5,990	7,673
'620462	Womens/girls trousers and shorts, of cotton, not knitted	13	492	152	86,770	174,395	247,379	242,385	217,348	244,109	86,757	173,903	243,957
'620342	Mens/boys trousers and shorts, of cotton, not knitted	65	389	133	69,659	138,679	203,122	526,323	580,434	609,917	69,594	138,290	202,989
'620432	Womens/girls jackets, of cotton, not knitted	-	104	94	15,364	25,389	24,942	10,488	7,107	3,783	10,488	7,003	3,689
'620333	Mens/boys jackets and blazers, of synthetic fibres, not knitted	-	1	76	2,505	4,547	6,111	13,632	7,930	8,679	2,505	4,546	6,035
'620319	Mens/boys suits, of other textile materials, not knitted	-	29	58	2,836	7,409	9,890	7,468	8,847	12,018	2,836	7,380	9,832

Labor Cost Comparison 2008:

Average cost per operator hour:

	Direct Wages *	Other Costs Paid to Operator *	Other Costs paid by Company *	Total Cost per Hour *	Exchange Rate (a)	Total Cost in US\$
Pakistan	34.18	7.31	2.41	44.00	78.68	0.56
Bangladesh	19.08	0.90	1.20	21.18	68.55	0.31
India	31.34	4.54	5.09	40.97	48.41	0.85
China – Coastal	8.93	0.78	3.06	12.77	6.79	1.88
China – Inland	6.74	0.74	2.33	9.81	6.79	1.44
Vietnam	7,812	700	1,400	9,912	17,389	0.57

* Local Currency (a) Exchange rate on December 30, 2008

Source: Werner International