

An Analysis of Textile & Garment Trade between Japan & Pakistan



Pakistan: Economic Profile

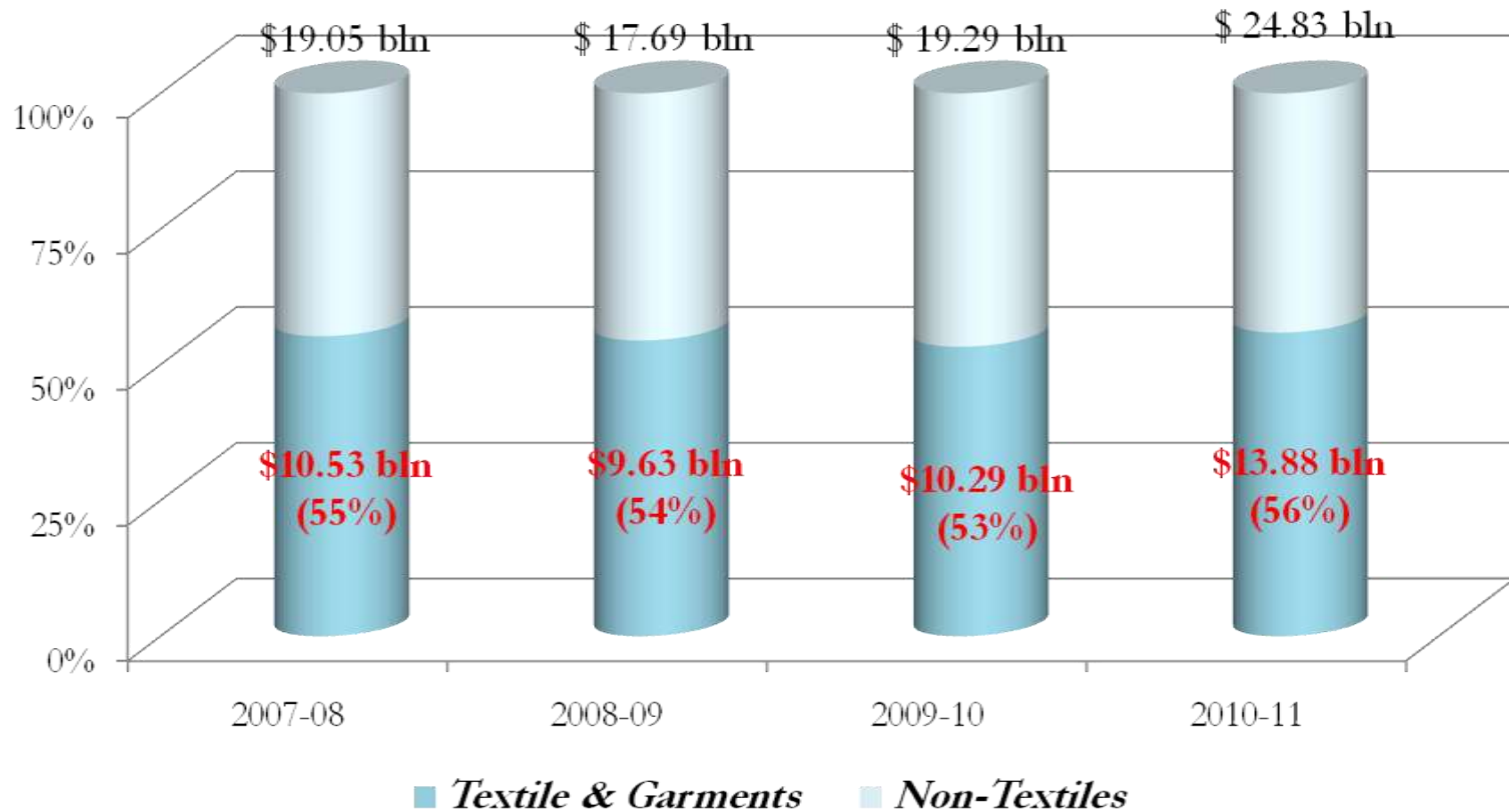
Population (2010):	173.51 million (52% male, 48% female)
Labor Force (FY2010)	33%
Unemployment Rate (FY2010)	5.6%
Per Capita Income (MP)	\$ 1,258.41
GDP (FY2011)	\$ 211,436 million
Industry (FY2011)	\$ 50,603 million
Policy Interest Rate	12%
Exports (2010-11)	\$ 24.83 billion
Imports (2010-11)	\$ 35.83 billion
Exchange Rate (Rs. / US\$)	Rs. 88.47



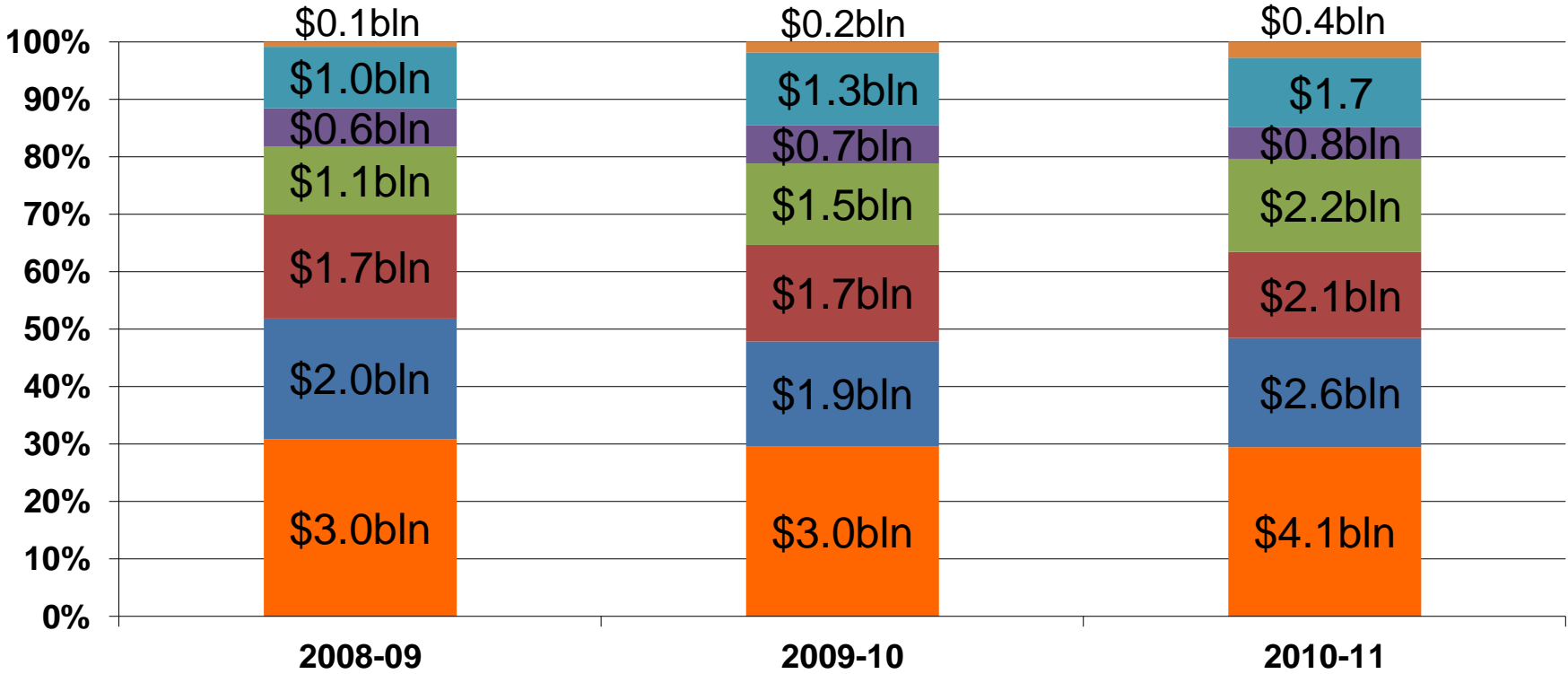
Textiles' share in Pakistan's Economy

- 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.

Pakistan's Textile Exports



Textile Industry Exports



- Garments (Woven & Knitted)
- Cloth (Woven & Knitted)
- Bed Linen
- Yarn (Cotton & Other)
- Towels
- Other Textiles
- Raw Cotton

Capacities & Production

	No. of Units	Size	Production	Exports 2010-11
Ginning	1,260	-	20 mil bales	\$ 0.36 bil.
Spinning	442	10 mil spindles	2.9 bil. kgs yarn	\$ 2.23 bil
Weaving	124 large units 425 small units	7,170 intege rated 28,500 shuttleless 400,670 p.looms	1 bil. sq. meters	\$ 2.64 bil.
Finishing	10 large units 625 small units	-	4.8 bil. sq. meters	
Garments	50 large units 2,500 small units	450,000 machines	670 mil. Pieces	\$ 1.77 bil.
Knitwear	600 units	21,000 knit machns	350 mil. pieces	\$ 2.31 bil.
Towels	400 units	7,500 towel looms	53 mil. kgs	\$ 0.76 bil.
MMF	-	-	635,000 tons	
Synthetic Fab.	-	90,000 looms	147,8571 mln. sq. mtrs	\$ 0.67 bil.

Textile Products

- **Home Textiles**: bed linen, towels, cleaning cloths, comforters, curtains and furnishings, canvas products and table linen, kitchen linen.
- **Knitwear**: T-shirts, sleeping suits, sportswear, warm-up jackets, tracksuits, and fleece jackets.
- **Woven Garments**: Trousers, denim jeans, shorts, shirts and MARTIAL ARTS UNIFORMS.

Major Importing Countries for Pakistan's Garments

Countries	2008	2009	2010
Total	3,249.47	2,894.20	3,444.06
USA	1,637.80	1,424.89	1,673.82
United Kingdom	334.85	323.84	388.37
Germany	253.04	436.34	297.28
Belgium	102.77	122.96	161.20
Spain	134.3	123.03	157.73
France	107.92	99.46	109.35
Italy	98.47	83.15	95.52
Netherlands	127.81	96.73	99.32
Japan	4.22	6.22	8.17

All figures in USD Millions

Data according to calendar year

Japan RMG Imports Comparison

Country	2008	2009	2010
Total RMG Imports	24,216.34	24,069.83	25,262.22
India	182.33	192.71	204.57
Bangladesh	45.35	120.55	196.87
Pakistan	4.22	6.22	8.17

Pakistan's total RMG exports to Japan in 2010 was only 0.03% of Japan's total RMG imports from the world

All figures in USD Millions

Data according to calendar year

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)

	Japan	USA	EU	Brazil	Canada
Pakistan	9.10%	10.85%	9.6%	35%	17.46%
China	9.10%	10.85%	12%	35%	17.46%
Bangladesh	0%	10.85%	0%	35%	0%
Vietnam	9.10%	10.85%	9.6%	35%	17.46%
Cambodia	0%	10.85%	0%	35%	0%
India	9.10%	10.85%	9.6%	35%	17.46%
Sri Lanka	9.10%	10.85%	0%	35%	17.46%

What Pakistan has to offer.....

- Joint ventures in Pakistan, especially in the vibrant RMG sector, where Pakistan not only has the top quality raw materials available but also has a large labor force, which is both , low cost and efficient.
- Low cost of doing business, i.e., labor costs and other input costs.
- Land route to fastest growing markets of India and China.
- Pakistan is expected to get the duty concession from EU on 75 tariff lines next year and the GSP+ by 2014, which would open up tremendous opportunities for the RMG and textile sectors.

What Pakistan needs from Japan.....

- Signing of Preferential Trade Agreement (PTA) or Free Trade Agreement (FTA) with Japan in order to enhance its textile and garment exports.
- Joint ventures with Japanese counterparts on 80%-20% basis.
- Technical support in terms of machinery, technology and management practices from the Japanese counterparts.
- Enhanced cooperation in RMG sector with large Japanese trading companies who are already buying raw material or low value-added products from Pakistan.
- Increased participation in Japanese RMG trade fairs.

Thank you



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