

# *Blankets*

## *Sector Brief*

The objective of this short write-up is to provide the reader with an overview of the sector. The information covers global trade of the product, status of Pakistan's exports and summary of industry structure. Trade information for global comparisons has been obtained from PC-TAS, International Trade Centre's Database. Latest available export data on Pakistan has been obtained from the Federal Bureau of Statistics, Pakistan.

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## 1. Introduction

Textile made-ups are one of the most valuable and important international trading commodities. In 1999 the international textile made-ups trade value was above US\$ 11 billion which can be divided into six major categories i.e. towels & cleaning cloths, bed wear & bed linen, blankets, curtains and furnishings, canvas products and table linen. Major exporters of textile made-ups include China, Pakistan, Turkey and Portugal exporting nearly 47% of the total international market of textile made-ups. Compared to previous years, the textile made-ups sector has had a slow growth rate of 3% for the last five years and 1999 was the worst year for textile made-ups products (3% decline in international exports) which is the only year with negative growth in last five years.

Pakistan being the second largest exporter of textile made-ups has increased its share in the international market from 6.6% to 10.1% in previous five years by earning a foreign exchange of US\$ 1.18 billion in 1999 and an average growth of 15% per annum. According to Federal Bureau of Statistics data, Pakistan exports for the year 2000-01 were about US\$ 1.3 billion.

## 2. Global Trade of Blankets

Blanket is an important value-added sub-sector of textile sector. In made ups blankets sub-sector shared 7.58% of total textile made-ups exports. Its share as a sub category had remained stable and has grown by 3% per annum if total exports are analyzed.<sup>1</sup>

Table 1:

Value in \$ million					
World Exports					
	1995	1996	1997	1998	1999
WORLD	786	885	917	866	885
Growth % age		13%	4%	-6%	2%

Looking into the different products of blankets it is seen that blankets of synthetic fiber was the largest product in terms of international exports. In 1999, total exports of this product were \$585 million, which constituted 66% of the total exports of blanket market.

Table 2:

Value in \$ million							
World Exports Category-wise							
Commodity	Code	1995	1996	1997	1998	1999	% Share
(Aggregate)		786	885	917	866	885	100%
Blankets, etc. wool, hair	65831	105	111	104	91	86	10%
Blankets, etc. cotton	65832	184	175	167	154	145	16%
Blankets, etc. synthetic fiber	65833	437	538	587	562	585	66%
Blankets, etc. other textile	65839	60	61	59	59	69	8%

<sup>1</sup> World trade of blankets is reported under different SITC codes. For the purpose of analysis, all these codes have been summed together to get the overall picture of the world's trade of blankets.

China is the main exporter of blankets as a whole and exported 22.49% of the blankets market in 1999. Next was Korea which had 21.58% of the export share and then Mexico, capturing 7.03% of blanket market.

Table 3:

Value in \$ million						
Major Exporters						
	1995	1996	1997	1998	1999	% Share in 99
CHINA	189	226	224	188	199	22.49%
KOREA REP.	149	157	171	173	191	21.58%
MEXICO	31	49	63	64	62	7.03%
SPAIN	70	74	75	68	48	5.42%
ITALY	41	48	45	47	44	4.99%
GERMANY	36	33	31	34	39	4.45%
USA	34	34	35	30	32	3.58%
Other	237	265	274	262	269	30.46%

U.S.A. is the largest importer of blankets for the last two years and accounted for 23.57% of total imports valued at US\$ 157 million in 1999. USA imports have increased by 19.21% while Japan was second with nearly 18.85% of world imports of blankets and its imports have decreased by 7.7%.

Table 4:

Value in \$ million						
Major Importers						
	1995	1996	1997	1998	1999	% Share in 99
USA	79	81	99	136	157	23.57%
JAPAN	185	165	152	107	125	18.85%
GERMANY	42	37	42	46	53	7.90%
FRANCE	18	19	18	28	35	5.21%
CANADA	25	27	32	31	33	4.97%
UNTD KINGDOM	12	12	14	19	24	3.55%
SAUDI ARABIA	67	69	0	66	0	0.00%

### 3. Pakistan:

In 1999 blankets accounted for \$9.92 million in foreign exchange earnings, which was nearly 0.84% of total textile made-ups exports of Pakistan. The share has increased from 0.74% that shows that Pakistan exports of textile made-ups as a whole has increased by much lower rate than exports of blankets. In Pakistan, the blanket market has increased by an annual average of 20% in last five years with high growth rates in 1998 and 1999 i.e. by 53% and 26% respectively. Looking at the international perspective, Pakistan's share of the blanket market has increased from a level of 0.65% in 1995 to 1.12% in 1999.

Table 5:

Value in \$ million					
Pakistan Exports					
Years	1995	1996	1997	1998	1999
Value	5.07	5.49	5.16	7.90	9.92
Growth % (Value)		8%	-6%	53%	26%

For international comparisons the data used is for the year 1999. However, data is also available for Pakistan for the year 2000-2001, which shows that there has been an increase in exports from \$9.92 million in 1999 to nearly \$13.53 million – by more than 36% in last two years.

Pakistan has one major partner in this category i.e. U.S.A., which imported 86.9% of Pakistan's blankets in 1999. Others include Canada, which imported nearly 3.07% and Japan, which shared 2.51% of the Pakistan exports of blankets.

Table 6:

Value in \$ million				
Pakistan Major Partner				
Country	1998	% Share	1999	% Share
USA	6.4	80.99%	8.6	86.89%
CANADA	0.2	2.39%	0.3	3.07%
JAPAN	0.1	1.18%	0.2	2.51%
UNTD KINGDOM	0.2	3.04%	0.2	2.08%
GERMANY	0.2	2.47%	0.1	1.04%

Looking at the break-up of Pakistani blanket exports, it was found that about whole of the total value exported is accounted by just one category which is 'Blankets of Cotton' i.e. 98% of the total blankets exports. In the world export market this category shares 16% and is second largest after blankets of synthetic fiber, which accounted for 66% of the total export market in 1999.

Table 7:

Value in \$ million			
Pakistan Export Mix		2000-01	1999-2000
Commodity	PSTC Code	C-Value	C-Value
Blankets,etc.wool,f.hair	65831		
Blanket of wool/Fine Anim Harino	6583100	0.09	0.01
Blankets,etc.cotton	65832		
Blanket of Cotton	6583200	13.18	10.8
Blankets,etc.synth.fibre	65833		
Blanket of synthetic fibers	6583300	0.25	0.14
Blankets,etc.oth.textile	65839		
Blankets of Other textile	6583900	0	0
Total		13.53	10.95
Exchange Rate RS/US\$ 51.8 1999-2000			
Exchange Rate RS/US\$ 58 2000-01			