

2017

Trade Analysis Series

Pakistan Textile Made-Up Sector (2015-16)



Turn Potential into Profit!



Small and Medium Enterprises Development Authority (SMEDA)
Ministry of Industries and Production
Government of Pakistan

www.smeda.org.pk

UAN: 111 111 456

1. Product Description

Textile Made-Ups can be defined as the textile products fabricated for other than apparel purposes. It consists of a range of functional as well as decorative products, mainly including towels and cleaning cloths, bed wear and bed linen, blankets, curtains and furnishings, canvas products and table linen.

The Harmonized Commodity Description and Coding System (referred as HS Codes) designated for trade of Textile Made-Ups is 63. The brief description of sub categories falling with-in product category of HS 63 is provided in the following table:

Table 1: Textile Made-Up Product Details

Product Category HS Code	Product Description
6302	Bed linen, table linen, towels and kitchen linen of all types of textile materials
6307	Made-up articles such as cleaning clothes including dress patterns and life jackets
6305	Sacks and bags used for the packing of goods
6304	Articles for interior furnishing, e.g curtains, drapes, interior blinds, lampshades
6301	Blankets and travelling rugs of all types of textile materials
6303	Curtains, including drapes, and interior blinds
6306	Tarpaulins, awnings and sun blinds; tents; sails for boats, sailboards or land craft
6309	Worn clothing and clothing accessories, blankets and travelling rugs
6310	Rags, scrap twine, cordage, rope and cables and worn-out articles
6308	Woven fabric and yarn sets for making tapestries, rugs, table cloths

2. Global Trade of Textile Made-Ups

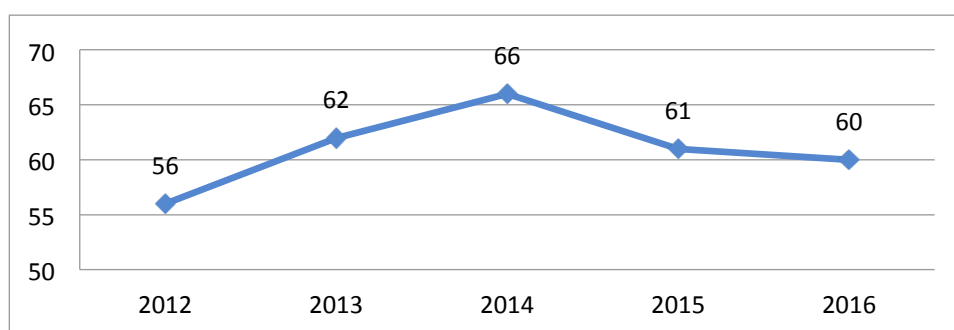
Textile Made-Ups are one of the most valuable and important commodities in international trade. During the year 2016, the international trade value of Textile Made-Ups was USD 60.04 Billion. The exports have shown a mixed growth trend with an average growth rate of 1.20 % from the year 2012 ~ 16. The last five years' exports of Textile Made-Ups in global trade are as follows:

Table 2: Global Exports of Textile Made-Ups - Last 5 Years

Description	2012	2013	2014	2015	2016
World Exports (Value in US \$ Billion)	56	62	66	61	60
Growth %age	0.97	9.23	5.98	-8.45	-2.00

Source: Trade Map



Figure 1: Growth Trend of Textile Made-Ups Exports (Value US \$ Billion)**Major Exporters**

During the last 5 years, the exports of Textile Made-Ups have been dominated by China, followed by India. The percentage share of the five biggest exporting countries is given in the following table:

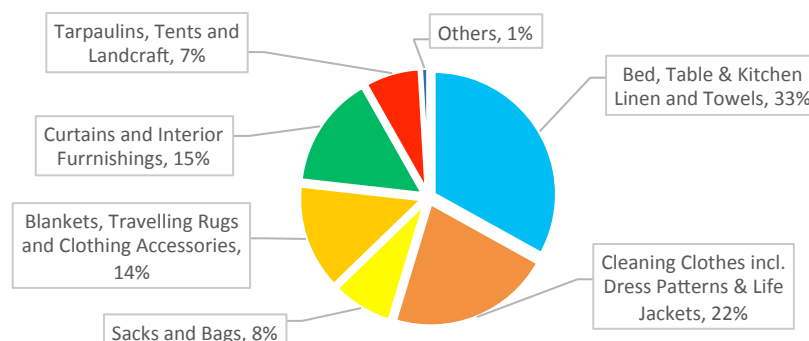
Table 3: Major Exporters in 2016

Country	Exports (Value in US \$ Billion)	% Share in Exports in World	Avg. % Growth in Last 5 Years
China	26	42.5	2.8
India	5	7.6	3.8
Pakistan	4	6.3	1.4
Germany	3	4.7	0.2
United States of America	2	3.3	1.2

Source: Trade Map

Product Mix - Share in Exports

Bed linen is the most valuable commodity of Textile Made-Ups in terms of global trade followed by cleaning clothes and life jackets. This is quite evident from the percentage share of different product categories in exports, as exhibited below:

Figure 2: Product Mix of Textile Made-Ups Export

Source: Trade Map

3. Pakistan's Exports

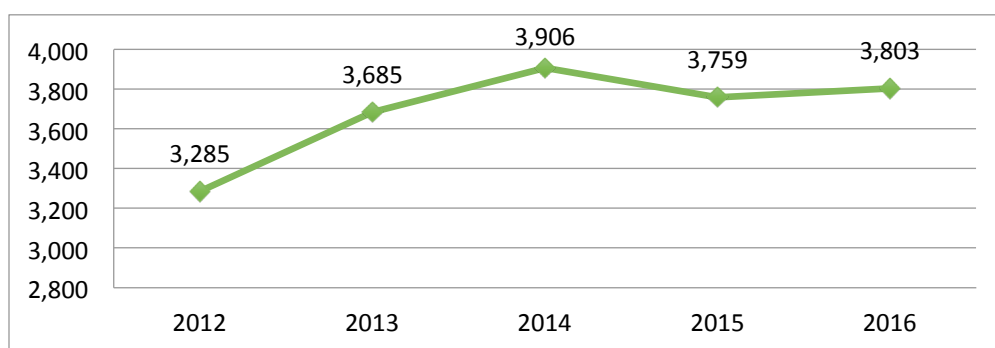
Pakistan is one of the major exporting countries of Textile Made-Ups with availability of high quality raw material and skilled labor force. Over the years, export figures have shown tremendous growth, showing a mixed growth trend in last 5 years with an average growth rate of 1.02 % from the year 2012 ~ 16. During the year 2016, the exports value of Textile Made-Ups was US \$3,803 Million. Pakistan's last five years' export figures of Textile Made-Ups are as follows:

Table 4: Pakistan Exports Textile Made-Ups - Last 5 Years

Description	2012	2013	2014	2015	2016
World Exports (Value in US \$ Million)	3,285	3,685	3,906	3,759	3,803
Growth %age	-8.67	10.86	5.66	-3.90	1.16

Source: Trade Map

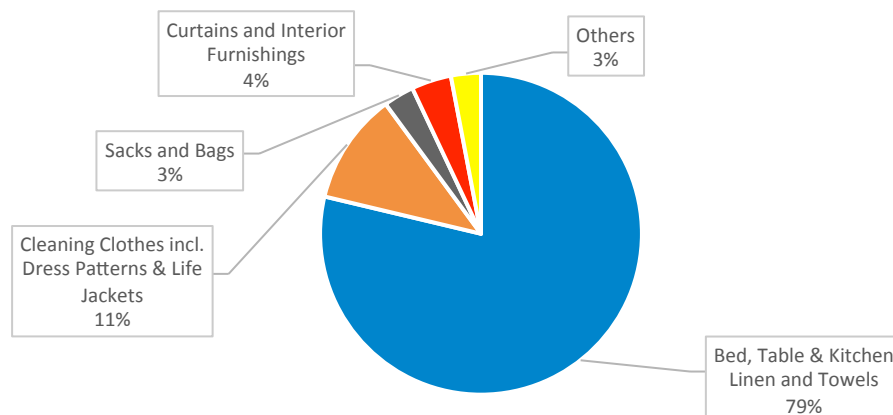
Figure 3: Growth Trend of Pakistan's Exports (Value in US \$ Million)



Pakistan's Major Product Mix

Bed linen is the most valuable commodity of Textile Made-Ups in terms of Pakistan's exports followed by cleaning clothes and life jackets. This is quite evident from the percentage share of different product categories in Pakistan's exports, as exhibited below:

Figure 4: Pakistan's Product Mix - Textile Made-Up Export



Pakistan's Exports Destinations

In last five years, Pakistan's major export partner for Textile Made-Ups was United States of America, followed by United Kingdom. The percentage share of top five importing countries of this commodity from Pakistan is given in the following table:

Table 5: Pakistan's Top Five Export Partners – Last 5 Years (Value in US \$ Million)

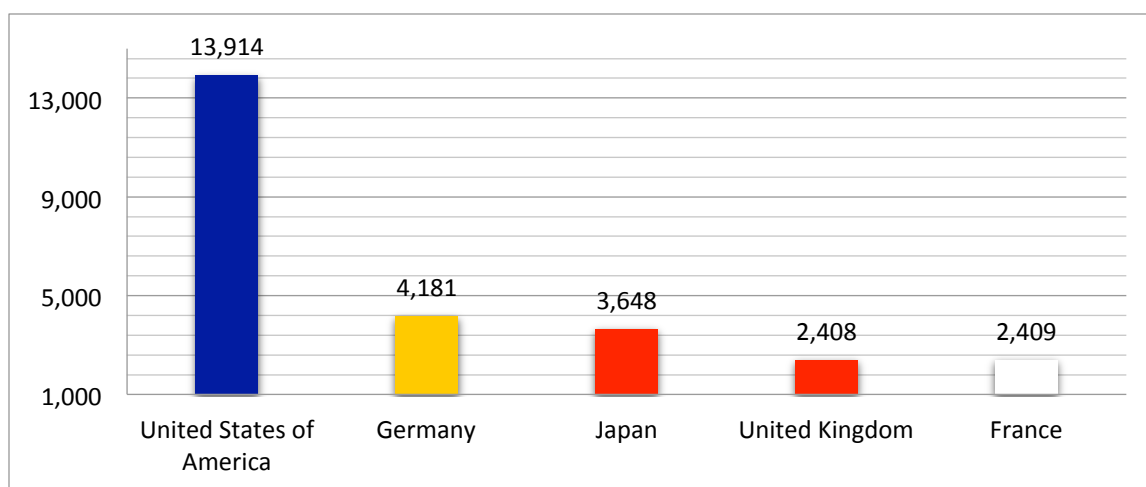
Country	2012	2013	2014	2015	2016
United States of America	1,339	1,423	1,388	1,404	1,319
United Kingdom	418	473	568	571	574
Germany	205	236	303	279	284
Netherlands	96	122	166	165	207
Belgium	141	159	185	159	164

Source: Trade Map

4. Import Destinations of Textile Made-Ups

The largest importing country of Textile Made-Ups is United States of America, followed by Germany and United Kingdom. The figures of five biggest importing countries are given below:

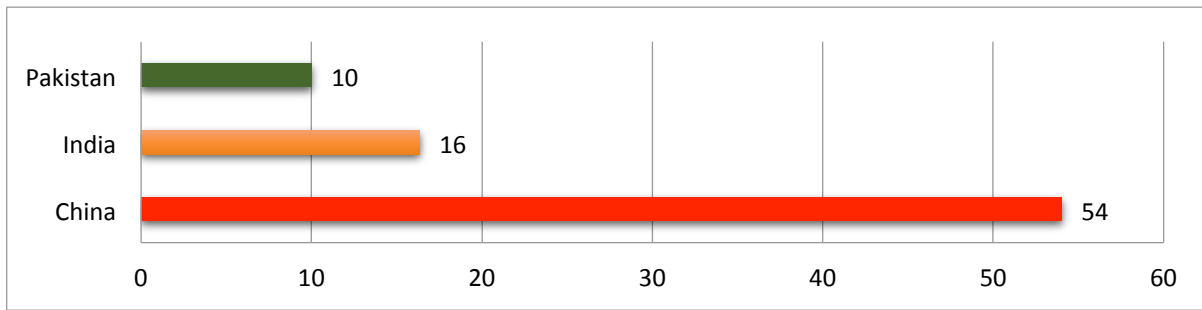
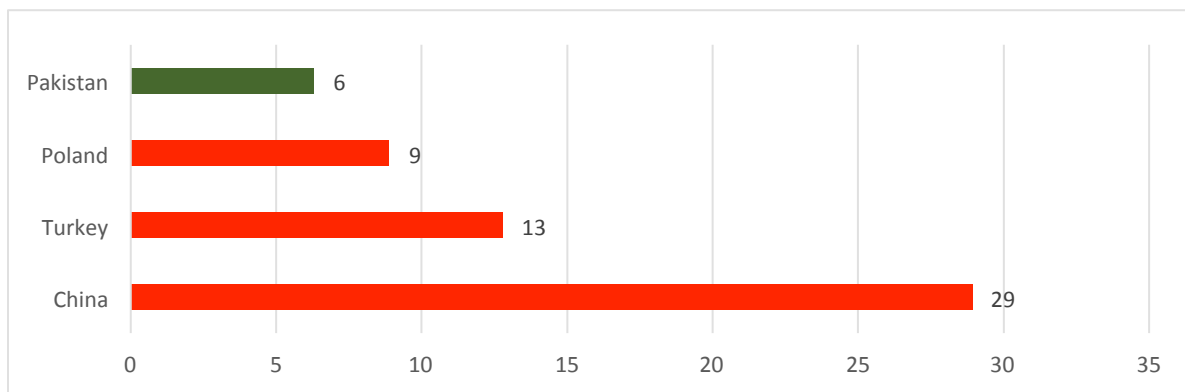
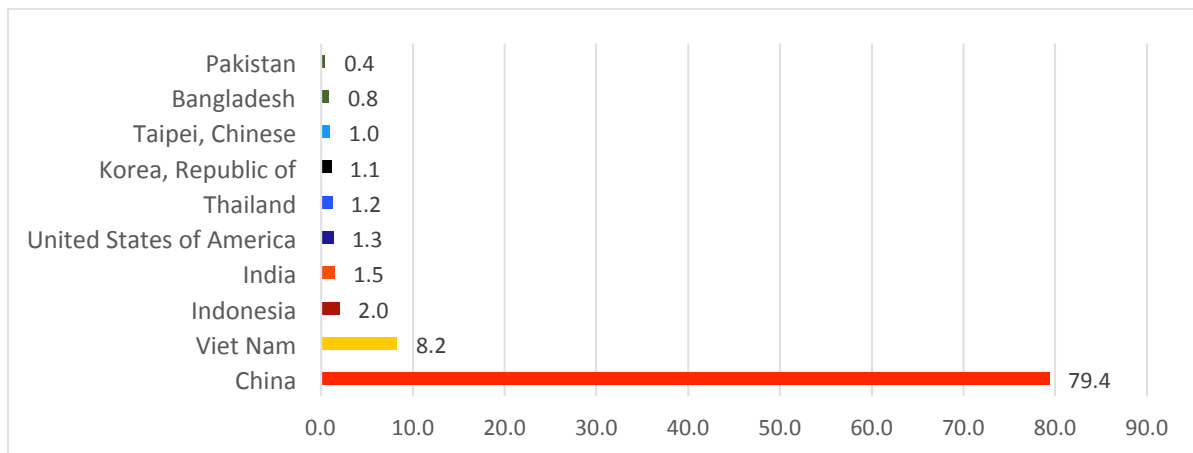
Figure 5: World Top 5 Importers (Trade Value in US \$ Million)



Source: Trade Map

Partner Countries of Top 3 Importers

The trade partners of the world's top 3 exporting countries of Textile Made-Ups are discussed in the following section. The average percentage share of exported value of Textile Made-Ups to top 3 importing countries is evaluated and presented in the form of graphs.

Figure 6: Trade Partners of USA (Avg. % Share in Export Value – Last 5 Years)**Figure 7: Trade Partners of Germany (Avg. % Share in Export Value – Last 5 Years)****Figure 8: Trade Partners of Japan (Avg. % Share in Export Value – Last 5 Years)**

Source: Trade Map

From the above graphical descriptions, it is clear that Pakistan has been able to tap the market of United States of America and Germany relatively well, however, China is leading the exports in both. Surprisingly, Pakistan's exports to Japan, which is the third largest importing country, are miserably low. Therefore, Pakistani exporters should also target the Japanese market that has huge export potential.

Price Comparisons

The following price comparisons of Textile Made-Ups show the prices charged by exporting countries for major product mix.

Figure 9: Price Comparison for Bed, Table & Kitchen Linen and Towels (HS 6302, US \$ / Ton)

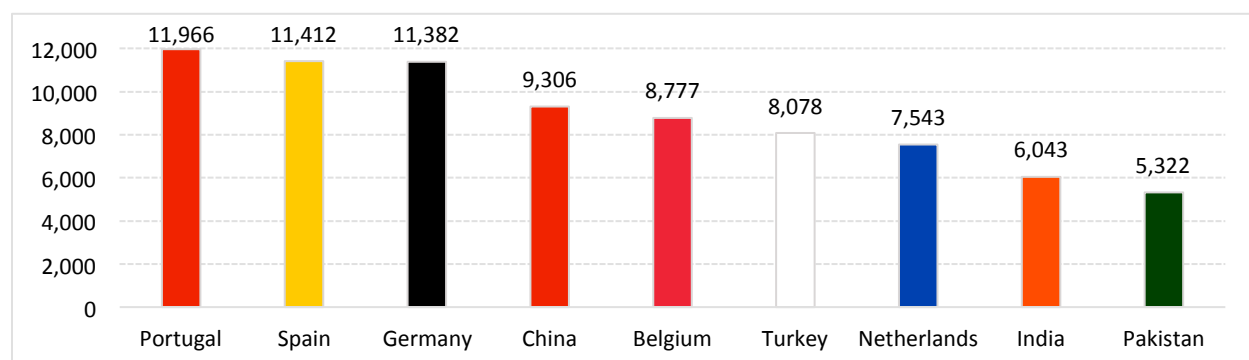


Figure 10: Price Comparison for Curtains and Home Furnishings (HS 6303, US \$ / Ton)

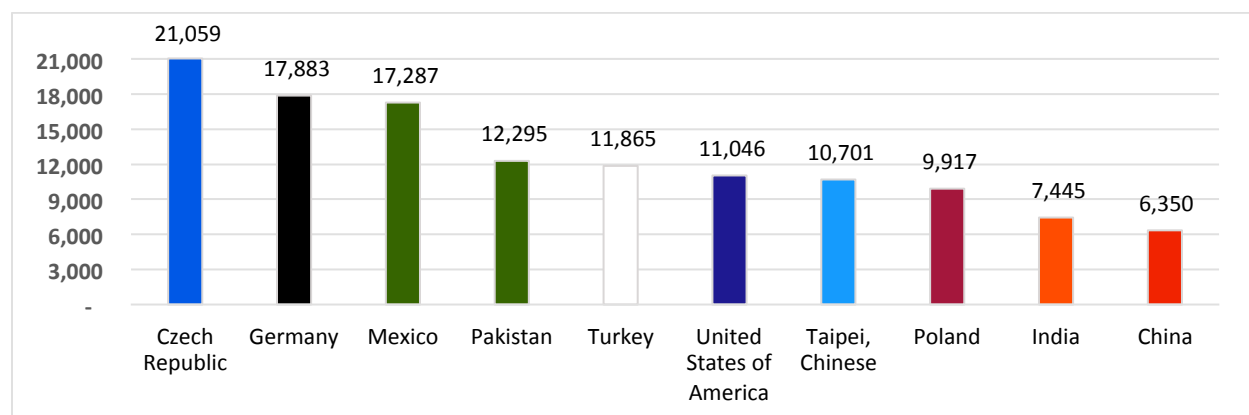
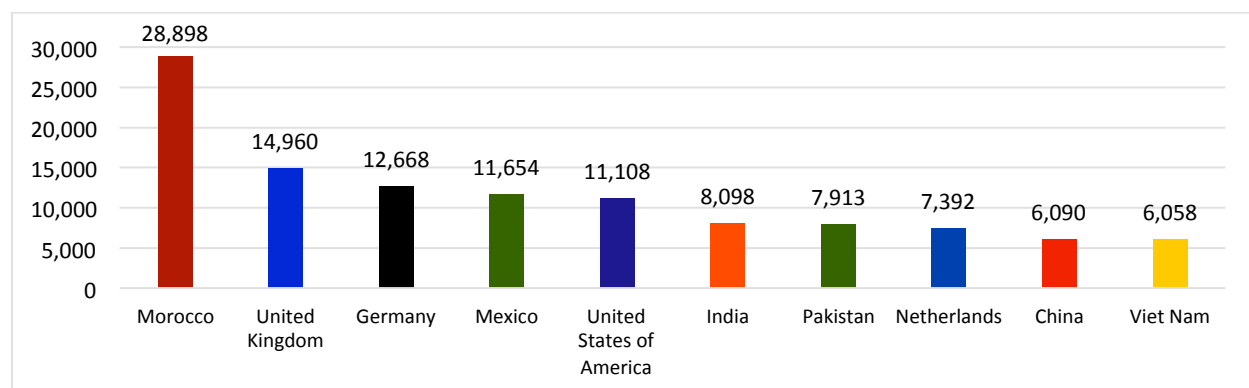


Figure 11: Price Comparison for Cleaning Cloths, Dress Patterns and Life Jackets (HS 6307, US \$ / Ton)



Source: Trade Map

5. Pakistan's Export Trade and Tariff

- There is a 5% rebate on the exports of all value-added goods in textile sector including Textile Made-Ups. However, the rebate is applied if there is a 10 percent incremental increase in exports over the preceding year.
- A General Sales Tax on exports of Textile Made-Ups is 2%, which is refundable.
- Custom Rebate or Duty Drawback also exists whose percentage varies from item to item imported as raw material for Textile Made-Ups.

6. Prominent International Trade Fairs

Name of Trade Shows	Location	Frequency	Web Links
Los Angeles International Textile Show	California Market Center, Los Angeles, USA	Twice a year	http://www.californiamarketcenter.com/la-textile/home.php
Kingpins Denim Supply Chain Show	Pier 36 - Basketball City, New York, USA	Twice a year	http://www.expodatabase.com/tradeshows/kingpins-denim-supply-chain-show-68568.html
Home Textiles Sourcing	Jacob K. Javits Convention Center, New York, USA	Annual	https://hometextilessourcing.us.messefrankfurt.com/newyork/en/for-attendees/welcome.html
Texworld USA	Jacob K. Javits Convention Center, New York, USA	Twice a year	https://texworldusa.us.messefrankfurt.com/newyork/en/for-attendees/welcome.html
The London Textile Fair	Business Design Centre, London, United Kingdom	Twice a year	http://thelondontextilefair.co.uk/
Texfusion The London World Textile Fair	Business Design Centre, London, United Kingdom	Annual	http://texfusion.co.uk/
Heimtextil International Trade Fair for Home and Contract Textiles	Messe Frankfurt, Frankfurt / Main, Hesse, Germany	Annual	https://heimtextil.messefrankfurt.com/frankfurt/en.html
Techtextil Leading International Trade Fair for Technical Textiles and Nonwovens	Messe Frankfurt, Frankfurt / Main, Hesse, Germany	Biennial	https://techtextil.messefrankfurt.com/frankfurt/en/besucher/willkommen.html