

Trade Analysis

2024

Silk and its Related Products



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1. Disclaimer

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2. Introduction to SMEDA

Small and Medium Enterprises Development Authority (SMEDA) is an apex SME development agency working under the Ministry of Industries and Production (MoIP), Government of Pakistan. In pursuit of its mission, SMEDA has adopted an integrated strategy that comprises SME sectors & clusters development, business development services (BDS), and policy advocacy to protect and promote SME interests.

SMEDA offers a broad spectrum of business development services to SMEs which include prefeasibility studies, identification of experts and consultants, delivery of need-based capacity building programs in addition to business guidance through help desk services.

3. Introduction of Silk

The objective of this write-up is to provide the reader with an overview of the sector. The information covers global trade of Silk and its related products specifically the product categories falling under HS: 50, and status of Pakistan's trade in the same. Trade information for global comparisons has been obtained from www.trademap.org, International Trade Centre's Database.

Silk is a unique protein fiber produced from the interface of plant and animal. It was discovered in China 4000 years ago and upto- date silk has continued to reign supreme over other textile fibers both the natural (cotton, wool, jute) and man-made fibers (rayon, nylon, polyester, viscose, etc.). It is due to its exclusive beauty that silk is acclaimed as the Queen of Textiles.

Silk is a fiber made up two different proteins i.e. sericin and fibroin. Almost 80% of silk fiber is made up of fibroin, which is concentrated at the core. This core is surrounded by a layer of sericin (which makes up the remaining 20% of silk). The presence of pigments (such as xanthophyll) in the sericin layer of the fiber imparts color to the silk. Each type of silk has a distinct color, as tabulated below.

Types of Silk	Color
Mulberry Silk	Yellow / Green
Eri Silk	Creamy-white / Brick Red
Tasar Silk	Copper-Brown
Muga Silk	Golden

Worldwide, 90 % of the silk is Mulberry silk obtained from Mulberry plants.

3.1. HS: Code Listing and Product Description

The Harmonized System (HS) is an international nomenclature for the classification of products published by the World Customs Organization (www.wcoomd.org). It allows countries to classify traded goods on a common basis for customs purposes

With reference to Silk and its related products for the purpose of this analysis, the focus will be on the HS product category 50. This category is further sub divided into seven sub categories as described below;

Harmonized System Code (HS Code)	Description of Goods
5001	Silkworm cocoons suitable for reeling
5002	Raw silk "non-thrown"
5003	Silk waste, incl. cocoons unsuitable for reeling, yarn waste and garnetted stock
5004	Silk yarn (excluding that spun from silk waste and that put up for retail sale)
5005	Yarn spun from silk waste (excluding that put up for retail sale)
5006	Silk yarn and yarn spun from silk waste, put up for retail sale; silkworm gut
5007	Woven fabrics of silk or of silk waste

4. Global Perspective on Items Trading Under HS: 50

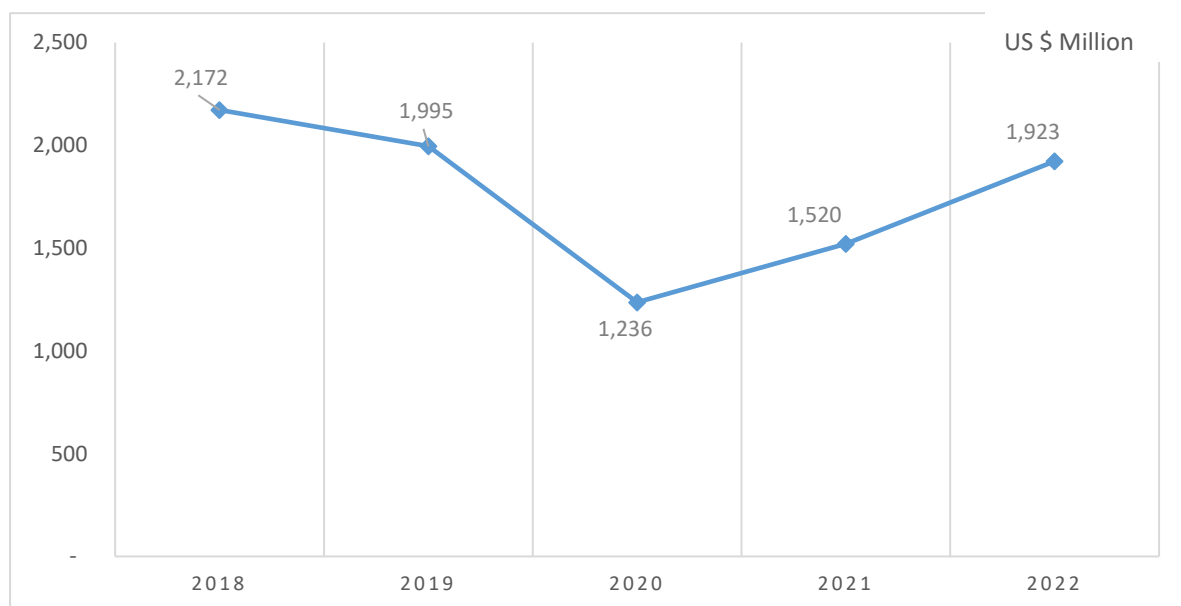
Global trade of the HS product category **50** covers trade of Silkworms, Raw Silk, Silk Yarn, Woven Silk products, etc.

4.1. World Exports

The total world exports for products falling under HS:50 stood at US \$ 1.92 Billion in the year 2022. The table below shows a five-year trend of world exports in HS: 50 from year 2018 to 2022, along with percentage growth from previous years;

HS: 50 World Exports				US \$ Million	
	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
World Exports	2,172	1,995	1,236	1,520	1,923
Growth % (from previous year)	4%	-8%	-38%	23%	27%

Based on data from the table above, the following illustration demonstrates the data on world exports under HS: 50, along with percentage increase from previous years;



4.1.1. Product Subcategory Wise World Exports

World exports for each subcategory of products traded under HS: 50 between 2018 and 2022 are shown, along with average percentage growth between 2018 and 2022 in the following table;

Sub-Category Wise World Exports						US \$ Million
Sub-category HS Codes	Exported value in 2018	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	% Growth between 2018-22
5007	1,261.41	1,195.95	686.37	853.87	993.52	0.14%
5002	399.08	355.05	214.29	249.01	446.74	7.56%
5004	297.22	248.07	157.62	182.57	245.71	-0.04%
5005	97.46	90.13	73.30	94.20	105.69	2.04%
5003	99.72	88.97	91.62	120.83	102.08	7.49%
5006	8.17	7.82	7.01	6.51	5.74	-7.49%
5001	4.62	3.84	2.38	9.02	5.69	41.72%

Based on the export data for the year 2022, woven fabrics of silk or silk waste comprised the highest exported items, accounting for approximately 52% of the total export of silk-related items. Raw silk constituted the second-highest category, representing 23% of the world export.

4.2. Top Exporting Countries

China is the largest exporter of silk and its related products, falling under HS 50, followed by Italy, Vietnam, and India. Pakistan ranks 55th in the world export of this category. The following table shows the exports of these countries from 2018 to 2022, along with the average growth during these years.

Top Exporting Countries of HS 50						US \$ Million	
World Export Standing	Countries	Exported value in 2018	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	Avg. Growth between 2018-22
1	China	1,140	996	511	655	933	2.30%
2	Italy	292	282	193	223	282	2.87%
3	Viet Nam	102	109	75	112	143	12.65%
4	India	83	84	82	117	95	6.23%
5	Uzbekistan	50	72	75	78	94	26.85%
6	Romania	106	99	58	68	93	3.42%
7	France	68	72	46	46	49	-1.63%
8	Japan	49	47	39	38	32	-9.64%
9	Korea, Republic of	44	38	17	21	28	-4.88%
10	Brazil	34	29	20	27	26	-2.35%
55	Pakistan	0.87	0.40	0.36	0.20	0.11	-35.02%

4.2.1. Product Sub-Category Wise Top Exporting Countries

The detail of top 5 exporting countries in the sub-category of HS 50 is given in the table below.

Sub-Category Wise World Exports							US \$ Million
HS Code	Top Exporting Countries	Exported value in 2018	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	% Growth between 2018-22
5007	China	641.39	594.56	267.76	387.84	453.42	-2.33%
	Italy	227.54	222.70	143.02	163.97	199.39	-0.30%
	India	60.34	66.97	59.83	79.67	70.27	0.20%
	Uzbekistan	6.00	14.12	20.23	23.84	52.71	1.05%
	France	66.99	69.94	44.14	43.70	47.07	-0.22%
5002	China	290.83	228.99	121.99	112.86	280.80	12.40%
	Viet Nam	39.14	55.33	39.76	70.67	96.05	31.29%
	Italy	23.15	22.90	19.55	27.54	24.08	6.95%
	Uzbekistan	24.49	30.43	17.52	17.18	20.18	1.32%
	Korea	-	-	-	2.72	8.89	25.35%
5004	China	92.30	75.22	46.73	49.64	76.40	0.10%
	Romania	78.71	74.83	43.33	52.12	70.24	3.19%
	Viet Nam	41.24	34.75	19.97	25.69	32.94	-2.11%
	Italy	24.56	21.79	17.18	18.40	28.54	8.57%
	Brazil	32.65	27.64	19.25	23.55	25.23	-2.84%
5005	China	73.94	64.90	51.75	70.52	83.04	2.47%
	Italy	10.18	11.62	9.03	9.19	10.86	7.55%
	Thailand	3.88	3.56	2.38	3.88	3.70	12.85%
	India	1.99	1.55	2.27	2.27	2.60	22.27%
	Switzerland	2.12	2.08	2.27	2.17	2.57	3.04%
5003	China	41.05	31.19	22.69	33.29	37.92	3.17%
	Uzbekistan	19.28	27.24	37.02	36.07	20.97	33.54%
	India	19.16	14.85	18.42	30.21	19.49	13.76%
	Germany	9.92	6.12	5.51	6.96	6.65	2.03%
	Italy	5.18	2.29	2.57	3.17	4.24	4.47%
5006	India	0.82	0.63	0.71	0.70	0.97	3.37%
	Germany	1.24	0.91	0.94	0.92	0.69	-9.83%
	Japan	0.48	0.60	0.65	0.48	0.61	13.98%
	Peru	0.35	0.25	0.35	0.62	0.51	36.67%
	Italy	0.87	0.41	0.98	0.81	0.43	-3.53%
5001	Myanmar	0.14	0.48	0.13	0.05	2.66	1076.57%
	China	0.20	0.14	0.11	0.25	1.13	86.63%
	Afghanistan	-	-	0.22	0.33	0.33	10.20%
	Russian Federation	-	-	-	-	0.31	0.00%
	UAE	0.17	0.03	-	0.00	0.30	1458.81%

4.3. Top Importing Countries

Italy is the largest Importer of silk and its related products, followed by India, Japan, and France. Pakistan ranks 26th in the import of this category. The following table shows the Imports of these countries from 2018 to 2022, along with the average growth during these years.

Top Importing Countries of HS 50							US \$ Million
World Import Standing	Countries	Imported value in 2018	Imported value in 2019	Imported value in 2020	Imported value in 2021	Imported value in 2022	Avg. Growth between 2018-22
1	Italy	391.66	318.22	194.93	231.51	350.94	6.15%
2	India	208.69	210.79	110.87	135.88	274.05	12.22%
3	Japan	137.26	114.24	72.05	84.23	101.60	-4.18%
4	France	90.08	80.06	66.37	70.45	97.15	5.79%
5	Romania	132.55	103.23	75.85	61.02	96.67	7.11%
6	China	53.31	56.58	48.43	92.00	81.15	15.06%
7	USA	87.48	72.37	50.98	52.91	71.73	-0.81%
8	Viet Nam	57.83	52.32	26.54	27.19	49.89	4.30%
9	Korea	56.70	49.41	25.51	32.16	39.18	-4.80%
10	Tunisia	35.45	34.26	28.24	37.01	38.90	5.37%
26	Pakistan	23.26	15.98	7.29	10.41	9.92	-17.90%

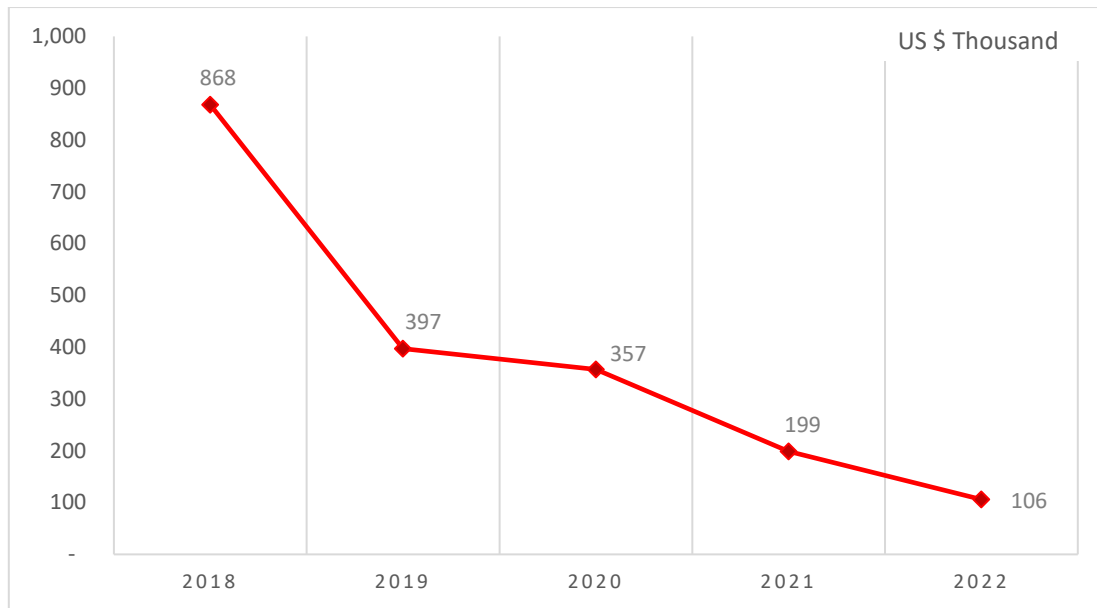
5. Pakistan's Trade in Products Listed Under HS: 50

5.1. Pakistan's Exports

The table below shows Pakistan's total exports for HS: 50 (in US \$ thousands) along with percentage growth from previous years. Silk does not rank among the prominent export items for Pakistan, as it stands at 93rd in terms of Pakistan's worldwide exports.

Pakistan's Exports of Product Code HS: 50					US \$ Thousand
Year	2018	2019	2020	2021	2022
Export Value (in \$ thousand)	868	397	357	199	106
% Growth (from previous year)	-19.78%	-54.26%	-10.08%	-44.26%	-46.73%

Data from the table above is graphically represented below and showing the continuous decrease in export;



5.1.1. Pakistan's Subcategory Wise Exports

Pakistan's major export is in Woven fabric (HS 5007), while in the other categories are negligible.

Pakistan's Exports of Product Code HS: 50					
US \$ Thousand					
HS Code	2018	2019	2020	2021	2022
5007	612	377	357	199	105
5002	-	-	-	-	1
5003	32	-	-	-	-
5004	224	20	-	-	-

5.1.2. Top Importing Partners for Pakistan

Following table shows data about major HS: 50 products importing countries from Pakistan between 2018 and 2022.

HS: 50 Top Importers from Pakistan					
US \$ Thousand					
Country	Value in 2018	Value in 2019	Value in 2020	Value in 2021	Value in 2022
United Arab Emirates	235	211	163	103	73
United States of America	0	9	18	17	18
United Kingdom	149	31	22	10	5
Bangladesh	5	0	0	1	3
Qatar	19	5	2	3	3

5.2. Price Comparison of Items Exported under HS 5007

It can be seen from Pakistan's export data regarding products falling under parent category HS:50 that the major sub product category (value wise) in this segment is HS: 5007 namely "Woven Fabric".

The table below compares per ton value of products exported under HS: 5007 by Pakistan with the top five global exporters of this product sub category in the year 2022.

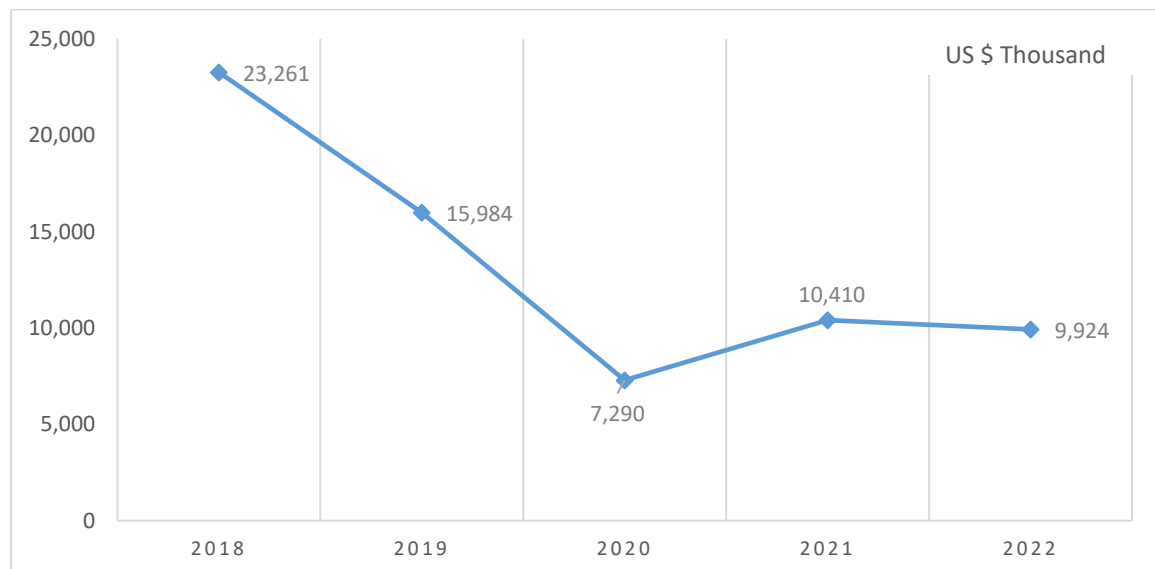
HS: 5007 Pakistan's Price Comparison with top 5 Exporters (Year 2022)		
Country	Unit value per Ton (US \$ 000)	Share in World Exports
China	82,290	45.60%
Italy	198,400	20.10%
India	228,149	7.10%
Uzbekistan	222,401	5.30%
France	273,657	4.70%
Pakistan	3,500	0.01%

5.3. Pakistan's Imports

The table below shows Pakistan's total imports for HS: 50 in (US \$ thousands) along with percentage growth from previous years.

Pakistan's Imports of Product under HS: 50					
Year	2018	2019	2020	2021	2022
Import Value (in US \$ thousand)	23,261	15,984	7,290	10,410	9,924
% Growth (from previous year)	-41.98%	-31.28%	-54.39%	42.80%	-4.67%

Data from the table above is graphically represented below;



It is evident that Pakistan's Imports under this product category are significantly higher than the imports (US \$ 106,000 Exports vs US \$ 9,924,000 Million Imports). This Shows the huge trade deficit in this category.

5.3.1. Pakistan's Subcategory Wise Imports

Most of the imports into Pakistan are for premium paints. The total US \$ value of Pakistan's imports of products falling under HS:50 in various categories from 2018 to 2022 are shown in the following table. Also indicated is the percentage increase/decrease in value of imports between 2021-2022.

Pakistan's Imports of HS: 50					US \$ Thousand	
Sub-category HS Codes	Imported value in 2018	Imported value in 2019	Imported value in 2020	Imported value in 2021	Imported value in 2022	% Growth 2021-22
5007	15,273	7,213	1,938	5,374	4,299	-2.59%
5004	2,936	3,226	2,229	2,584	2,582	-7.41%
5002	2,081	2,865	1,765	1,440	1,858	-5.55%
5005	2,953	2,680	1,245	900	813	-28.13%
5003	0	0	23	69	369	106.96%
5006	1	0	61	35	2	-66.55%
5001	16	0	29	8	0	-49.87%

5.4. Custom Tariffs & Duties Applicable

It is important to get educated about applicable customs duties & tariffs before choosing a product or service to import or export and calculating economic feasibility of any trade. Knowing applicable custom duty is also essential if you wish to any claim refunds or rebates. The whole circle of imports and exports hangs upon knowing and using the custom tariffs/duties or exemptions. Customs Act, 1969 & Customs Rules 2001 are the relevant laws and "Pakistan Customs" which is a subsidiary of FBR is the final authority dealing with custom tariffs and rules in Pakistan. The Government often changes the duty structure and rules therefore businesses/traders need to regularly check for any changes to remain updated. The following is the link can be used to check current applicable customs tariffs/duties in Pakistan

<https://www.fbr.gov.pk/categ/customs-tariff/51149/70853/131188>

6. Prominent Regional Trade Fairs

Name of Trade Show	Location	Frequency	Web links
India International Silk Fair	India	After 2-3 Years	https://indiansilkfair.in
Canton Fair	China	Regular	https://www.cantonfair.org.cn/en-US
International Apparel & Textile Fair	Dubai	Regular	https://www.internationalapparelantextilefair.com