

Canvas

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. towel & cleaning cloths, bed wear & bed linen, blankets, curtains & 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 Canvas

Canvas and its allied products constitute an important sub-sector of textile sector. In made ups the canvas sub-sector has significant importance in terms of production and exports and shares 8.80% of total textile made-ups market. Its share has declined from 8.56% as a sub category but has grown by 4% per annum if total exports are analyzed.¹ In 1997 exports declined by 1% but after that there has been a steady growth of 7%.

Table 1:

Value in \$ million					
World Exports					
	1995	1996	1997	1998	1999
WORLD	893	908	897	962	1027
Growth % age		2%	-1%	7%	7%

Canvas exports can be subdivided into five categories i.e. tarpaulins, awnings and sunblinds tents, sails, pneumatic mattresses and camping goods. In 1999, the export market of tents was \$576 million which accounted for 56% of the total canvas exports. Tarpaulins accounted for 22% while camping goods had third highest share of 11% in 1999 of total exports.

¹ World trade of canvas 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 canvas.

Table 2:

Value in \$ million							
World Exports Category-wise							
Commodity	Code	1995	1996	1997	1998	1999	% Share
(Aggregate)		893	908	897	962	1027	100%
Tents	65822	549	561	545	556	576	56%
Tarpaulins,awnings etc.	65821	197	201	206	219	231	22%
Camping goods, nes	65829	63	67	64	106	116	11%
Sails	65823	46	45	44	45	69	7%
Pneumatic mattresses	65824	39	33	37	35	36	4%

China is the top exporter of canvas products as a whole and exported 33.92% of the canvas market in 1999. Germany being the second largest importer had 6.15% of the export share and then USA, which captured 4.97% of canvas market. Pakistan was the third largest exporter for the year 1997 & 1998 but due to decline in exports it was at fourth position in 1999 having captured 4.86% of the total export market of canvas.

Table 3:

Value in \$ million						
Major Exporters						
	1995	1996	1997	1998	1999	% Share in 99
CHINA	282	294	301	334	348	33.92%
GERMANY	56	59	54	61	63	6.15%
USA	31	43	44	46	51	4.97%
PAKISTAN	39	36	47	53	50	4.86%
FRANCE	43	49	39	45	43	4.19%
ITALY	36	41	33	36	35	3.41%
KOREA REP.	121	64	31	25	31	3.02%
Other	287	321	348	363	405	39.47%

U.S.A. has been the largest importer of canvas products for the last five years and accounted for 26.96% of total imports of 1999 valued at US\$ 263 million. Germany was second with nearly 12% of world imports of canvas.

Table 4:

Value in \$ million						
Major Importers						
	1995	1996	1997	1998	1999	% Share in 99
USA	238	208	236	258	263	26.96%
GERMANY	117	132	108	107	117	12.00%
FRANCE	65	78	60	61	62	6.39%
UNITED KINGDOM	43	48	57	64	62	6.36%
NETHERLANDS	51	54	45	51	54	5.53%
HONG KONG	82	70	64	47	41	4.26%
JAPAN	108	103	55	39	41	4.23%

3. Pakistan:

In 1999 canvas products accounted for \$49.95 million in foreign exchange earnings, which was nearly 4.21% of total textile made-ups exports of Pakistan. The share has declined from

5.59% which shows that Pakistan's exports of textile made-ups as a whole has increased at a greater rate than canvas. In Pakistan, the canvas market has increased by an annual average of 8% in last five years with negative growth in 1996 and 1999 i.e. by 7% and 5% respectively, while there was a high growth rate of 30% in 1997. Looking at the international perspective Pakistan accounted for 4.86% of the total canvas market in 1999 which was 4.32% in 1995. In the previous five years, the peak level in terms of exports was achieved in 1998 earning foreign exchange worth US\$ 52.72 million.

Table 5:

Value in \$ million					
Pakistan Exports					
Years	1995	1996	1997	1998	1999
Value	38.60	36.07	46.76	52.72	49.95
Growth % (Value)		-7%	30%	13%	-5%

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 \$49.95 million to nearly \$52.6 million in 2000-2001 but has not crossed the export level achieved in 1998.

Some of the leading importers from Pakistan included Saudi Arabia., which imported 33.75% of Pakistan's canvas, Switzerland, which imported nearly 17.94% and Turkey, which shared 9.52% of the Pakistan exports of canvas in 1999.

Table 6:

Value in \$ million				
Pakistan Major Partner				
Country	1998	% Share	1999	% Share
SAUDI ARABIA	35.6	67.54%	16.9	33.75%
SWITZERLAND	0.2	0.39%	9.0	17.94%
TURKEY	0.0	0.07%	4.8	9.52%
KUWAIT	4.4	8.25%	4.1	8.30%
GERMANY	0.5	0.95%	2.4	4.88%
UNTD ARAB EM	3.0	5.73%	1.7	3.48%

Looking at the break-up of Pakistani canvas exports, it was found that lion share of the total value exported is accounted by just one category, which is 'tents' i.e. 73% of the total canvas exports. This is in line with the world trend since this category is the largest category in the global exports with a 56% share.

Table 7:

Value in \$ million			
Pakistan Export Mix		2000-01	1999-2000
Commodity	PSTC Code	C-Value	C-Value
Tarpaulins,awnings etc.	65821		
Tarpaulins of cotton	6582101	10.07	9.13
Awnings & Sunblinds of Cotton	6582102	0.25	0.01
Tarpaulin of Synthetic Fibre	6582103	1.25	0.81
Awnings & Sunblinds of fiber	6582104	0	
Tents	65822		
Tents of Cotton	6582201	35.57	42.1
Tents of Synthetic Fibre	6582202	2.92	0.5
Sails	65823		
Sails of Cotton	6583100	0.09	0.01
Camping goods, nes	65829		
Camping Goods nes	6582900	2.44	
Total		52.6	52.57
Exchange Rate RS/US\$ 51.8 1999-2000			
Exchange Rate RS/US\$ 58 2000-01			