

2022

Trade Analysis

Pakistan Leather Gloves



Turn Potential into Profit!



Small and Medium Enterprises Development Authority (SMEDA)

Ministry of Industries and Production

Government of Pakistan

www.smeda.org.pk

2. Product Description

Leather Gloves can be defined as shaped covering for the hand with separate sheaths for the fingers and thumb, made of leather. Leather Gloves can be broadly classified into two main categories, i.e. Sports or Non-Sports Gloves. Non-sports gloves include fancy / fashion and industrial or working gloves.

The Harmonized Commodity Description and Coding System (referred as HS Codes) designated for trade of Leather Gloves is 420329 & 420321. The brief description of sub categories falling with-in product category of Leather Gloves is provided in the following table:

Table 1: Leather Gloves Product Details

| Product Category HS Code | Product Description |
|-----------------------------|-------------------------|
| 420329 | Gloves, Mittens & Mitts |
| 420321 | Sports Gloves |

3. Global Trade of Leather Gloves

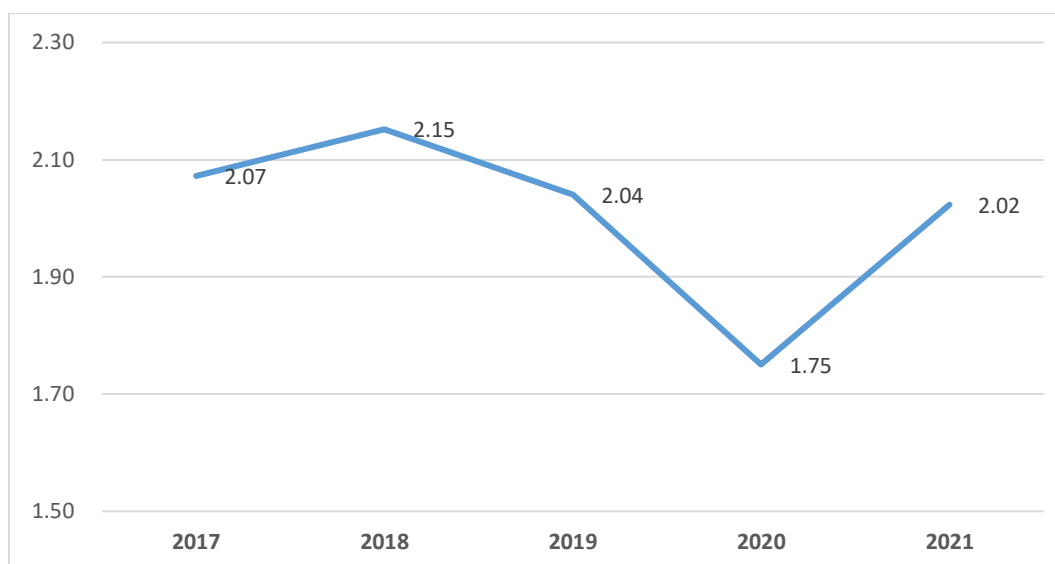
Leather Gloves are one of the important commodities in international trade. During the year 2021, the international trade value of Leather Gloves was USD 2.02 Billion. The exports have shown a mixed growth trend with an average growth rate of -0.27 % from the year 2017 ~ 21. The last five years' exports of Leather Gloves in global trade are as follows:

Table 2: Global Exports of Leather Gloves - Last 5 Years

| Description | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------|------|------|------|------|
| World Exports (Value in US \$ Billion) | 2.07 | 2.15 | 2.04 | 1.75 | 2.02 |
| Growth %age | -1% | 4% | -5% | -14% | 16% |

Source: Trade Map



Figure 1: Growth Trend of Leather Gloves Exports (Value US \$ Billion)

Source: Trade Map

Major Exporters of Gloves, Mittens & Mitts (HS Code 420329)

During the last 5 years, the exports of Gloves, Mittens & Mitts 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 of Gloves, Mittens & Mitts in 2021

| Country | Exports (Value in US \$ Million) | % Share in Exports in World | Avg. % Growth in Last 5 Years |
|----------|----------------------------------|-----------------------------|-------------------------------|
| China | 484.35 | 33% | -5% |
| Pakistan | 272.64 | 19% | 8% |
| India | 209.26 | 14% | -2% |
| Germany | 52.66 | 4% | 3% |
| Sweden | 40.93 | 3% | 4% |

Source: Trade Map

Major Exporters of Sports Gloves (HS Code 420321)

During the last 5 years, the exports of Sports Gloves have been dominated by Pakistan, followed by China. The percentage share of the five biggest exporting countries is given in the following table:

Table 4: Major Exporters of Sports Gloves in 2021

| Country | Exports (Value in US \$ Million) | % Share in Exports in World | Avg. % Growth in Last 5 Years |
|-----------|----------------------------------|-----------------------------|-------------------------------|
| Indonesia | 111.63 | 20% | 10% |
| Pakistan | 77.001 | 14% | -4% |



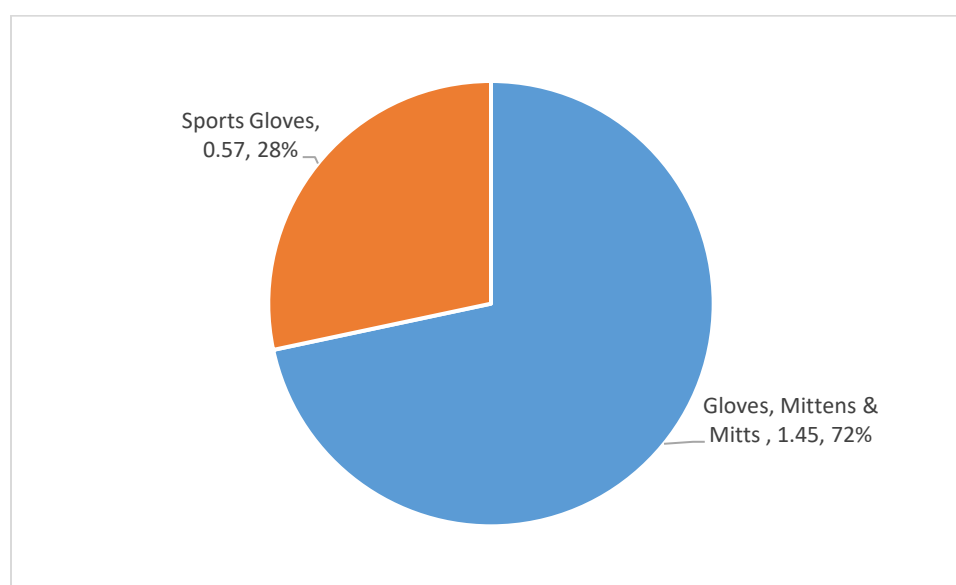
| | | | |
|----------|--------|-----|-----|
| Thailand | 68.85 | 12% | 7% |
| Viet Nam | 65.247 | 12% | 6% |
| China | 56.908 | 10% | -1% |

Source: Trade Map

Product Mix - Share in Exports

Gloves, Mittens & Mitts (HS 420329) are the most valuable commodity of Leather Gloves in terms of global trade followed by Sports Gloves (HS 420321). This is quite evident from the percentage share of different product categories in exports, as exhibited below:

Figure 2: Product Mix of Leather Gloves Export in 2021 (Value USD Billion)



Source: Trade Map

4. Pakistan's Exports

Pakistan is one of the major exporting countries of Leather Gloves with availability of high quality raw material i.e hides and skins as well as skilled labor force. Over the years, export figures have shown positive growth with slight decline in last couple of years with an average growth rate of 5 % from the year 2017 ~ 21. During the year 2021, the exports value of Leather Gloves was US \$350 Million. Pakistan's last five years' export figures of Leather Gloves are as follows:

Table 5: Pakistan Exports Leather Gloves - Last 5 Years

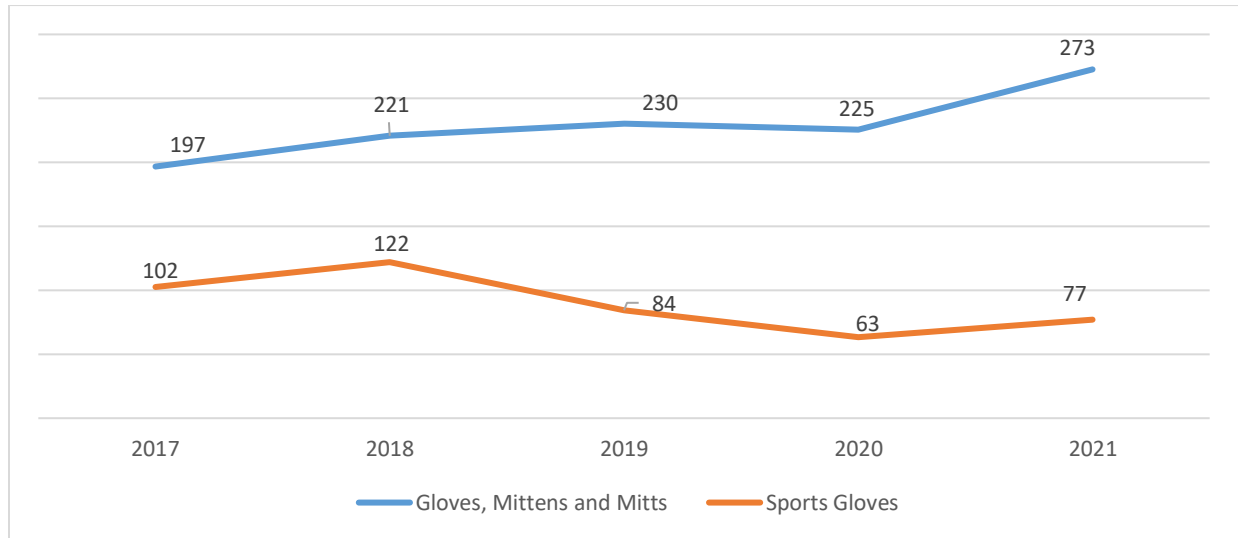
| Description | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------|------|------|------|------|------|
| Gloves, Mittens and Mitts | 197 | 221 | 230 | 225 | 273 |
| Sports Gloves | 102 | 122 | 84 | 63 | 77 |



| | | | | | |
|--|-----|-----|-----|-----|-----|
| Total Exports (Value in US \$ Million) | 299 | 343 | 314 | 289 | 350 |
| Growth %age | 4% | 15% | -8% | -8% | 21% |

Source: Trade Map

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

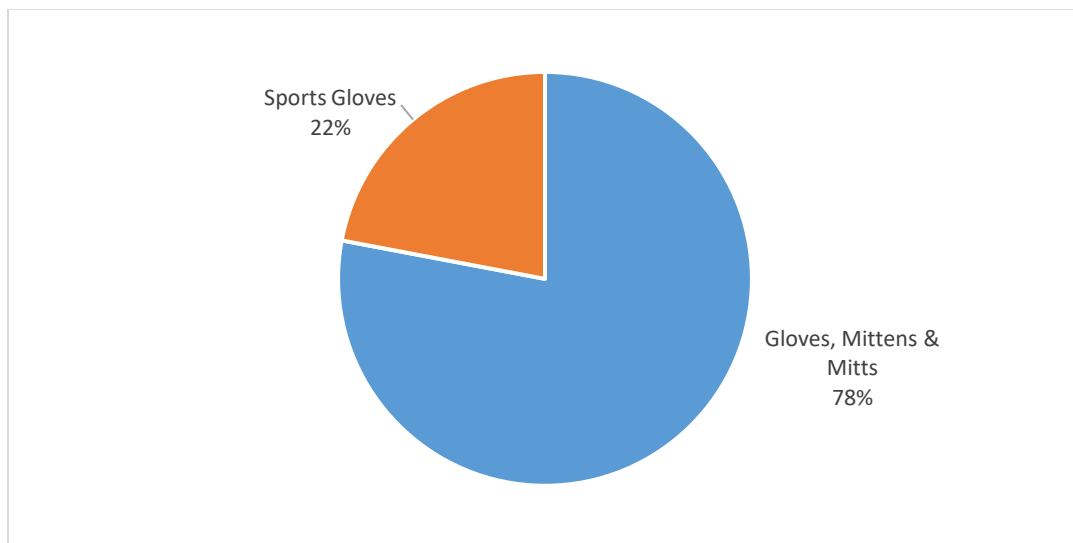


Source: Trade Map

Pakistan’s Major Product Mix

The category of Leather Gloves which dominates Pakistan’s exports of this commodity is Gloves, Mittens & Mitts (HS 420329) followed by Sports Gloves (HS 420321). However, interestingly, Pakistan is the leading exporter of Sports Gloves in the world. The percentage share of product categories in Pakistan’s exports is exhibited below:

Figure 4: Pakistan's Product Mix - Leather Gloves Export



Source: Trade Map

Pakistan's Exports Destinations for Gloves, Mittens & Mitts (HS Code 420329)

In last five years, Pakistan's major export partner for Gloves, Mittens & Mitts was United States of America, followed by Germany and Canada. The percentage share of top five importing countries of this commodity from Pakistan is given in the following table:

Table 6: Pakistan's Top Five Export Partners – Last 5 Years (Value in US \$ Million)

| Country | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------------|------|------|------|------|------|
| United States of America | 38 | 44 | 57 | 54 | 74 |
| Germany | 22 | 27 | 23 | 25 | 31 |
| Canada | 18 | 21 | 25 | 28 | 29 |
| Poland | 7 | 11 | 12 | 13 | 16 |
| Sweden | 11 | 13 | 12 | 12 | 15 |

Pakistan's Exports Destinations for Sports Gloves (HS Code 420321)

As far as Sports Gloves are concerned, in last five years, Pakistan's major export partner was United States of America, followed by Germany and United Kingdom. The share of top five importing countries of this commodity from Pakistan is given in the following table:

Table 7: Pakistan's Top Five Export Partners – Last 5 Years (Value in US \$ Million)

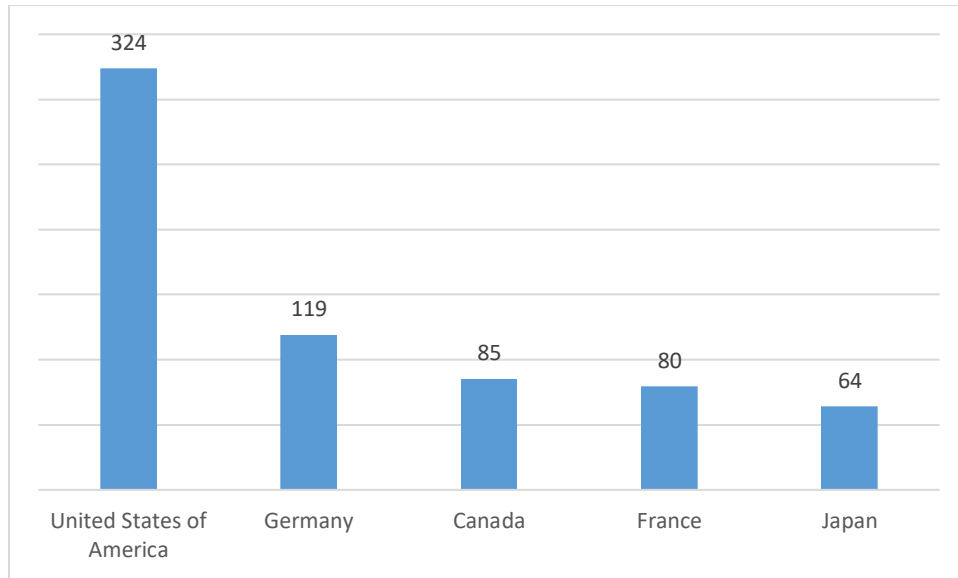
| Country | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------------|------|------|------|------|------|
| United States of America | 23 | 34 | 27 | 21 | 26 |
| Germany | 14 | 14 | 9 | 7 | 7 |
| United Kingdom | 11 | 13 | 7 | 4 | 6 |
| Spain | 4 | 4 | 3 | 3 | 5 |
| Canada | 3 | 4 | 3 | 4 | 4 |

5. Import Destinations of Leather Gloves

The largest importing country of Gloves, Mittens & Mitts (HS Code 420329) is United States of America followed by Germany and Canada. The figures of five biggest importing countries are given below:

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

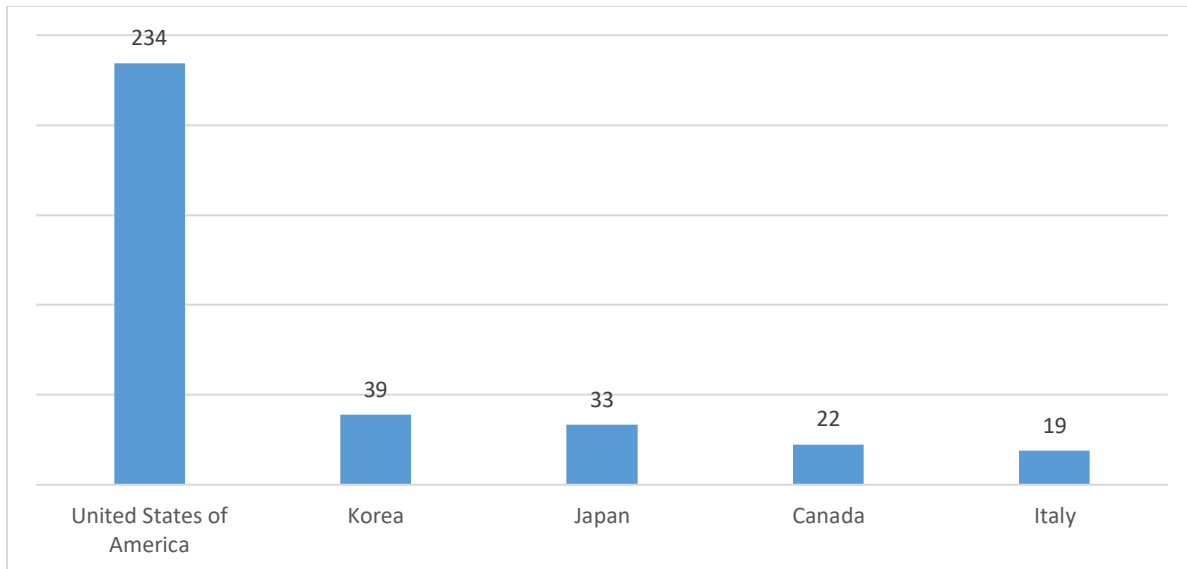




Source: Trade Map

Similarly, in case of Sports Gloves, (HS Code 420321) the largest import destination is also United States of America followed by Korea and Japan. The figures of five largest importing countries are given below:

Figure 6: World Top 5 Importers (Trade Value in US \$ Million)



Source: Trade Map

Partner Countries of Top 3 Importers (Gloves, Mittens & Mitts) (HS Code 420329)

The trade partners of the world's top 3 importing countries of Gloves, Mittens & Mitts are discussed in the following section. The average percentage share of exported value to top 3 importing countries is evaluated and presented in the form of graphs.

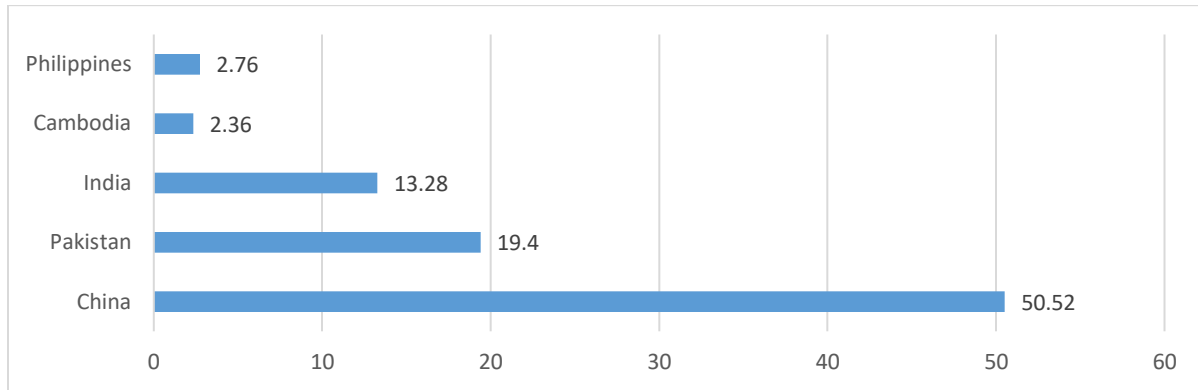
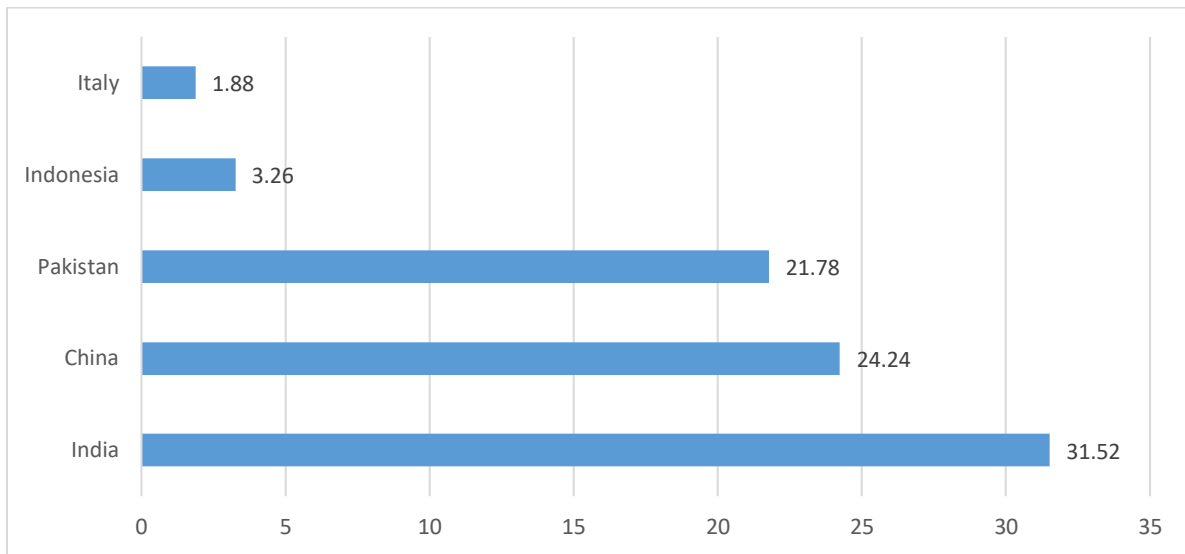
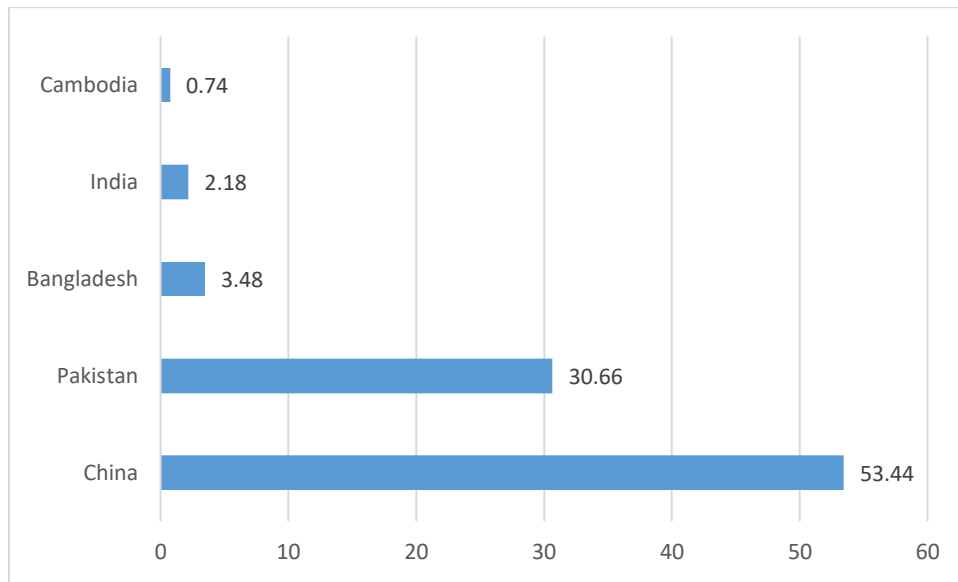
Figure 7: Trade Partners of United States of America (Ave. % Share in Export Value – Last 5 Years)**Figure 8: Trade Partners of Germany (Avg. % Share in Export Value – Last 5 Years)**

Figure 9: Trade Partners of Canada (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, Germany and Canada relatively well, however, China is leading the exports to all three countries.

Partner Countries of Top 3 Importers (Sports Gloves) (HS Code 420321)

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

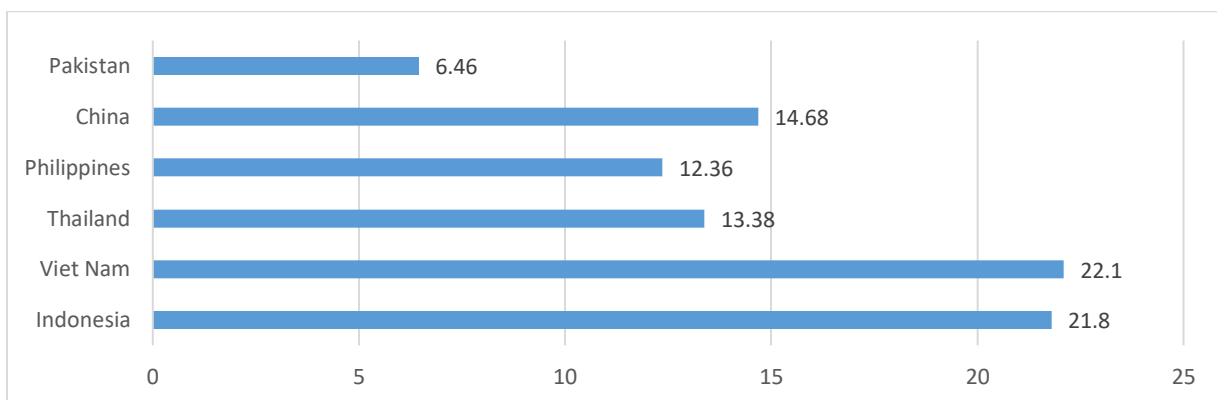
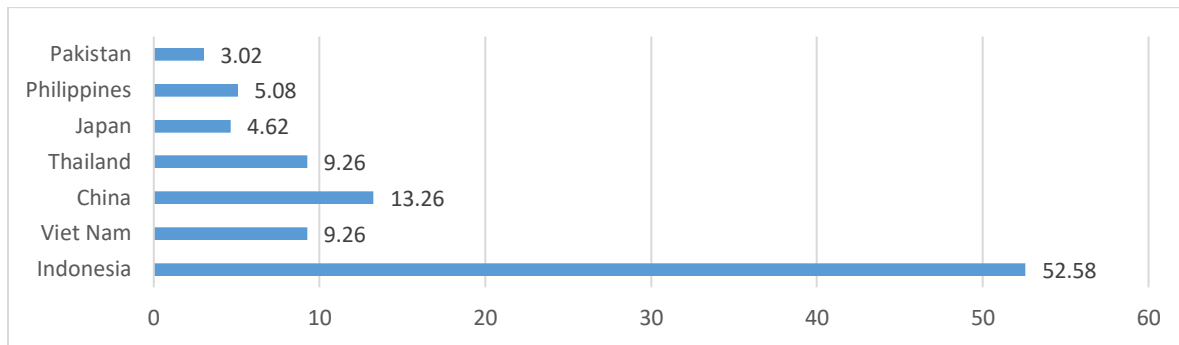
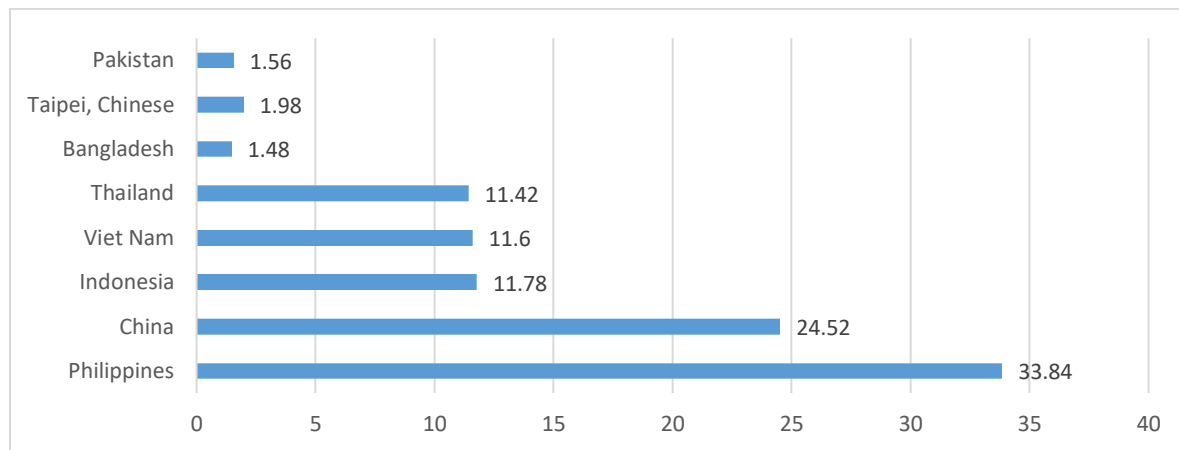
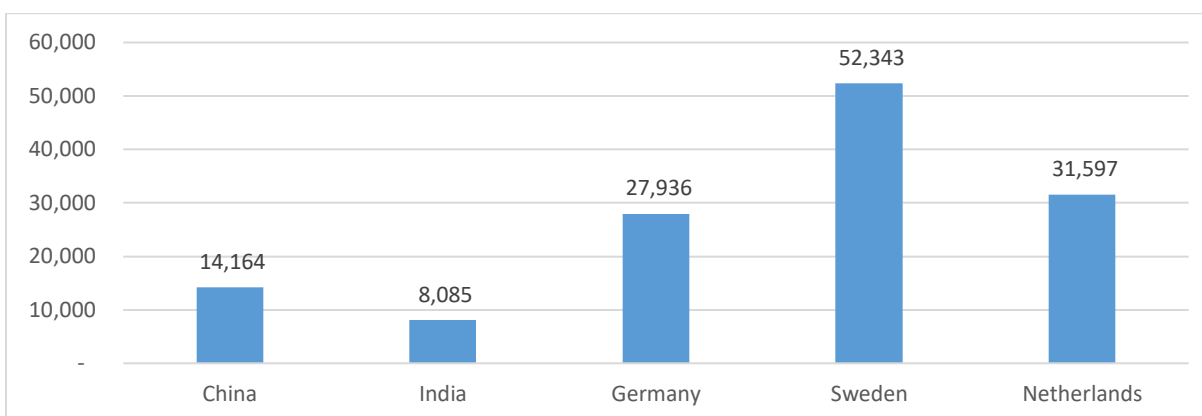
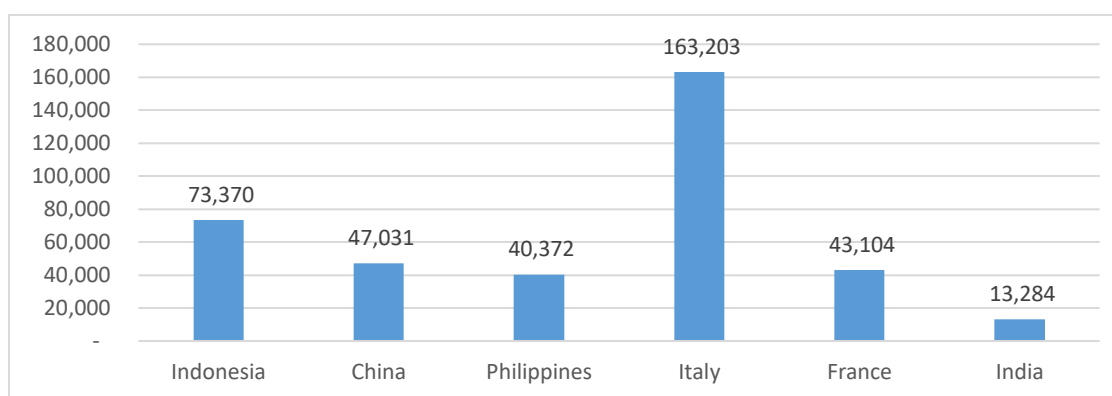
Figure 10: Trade Partners of United States of America (Ave. % Share in Export Value – Last 5 Years)

Figure 11: Trade Partners of Republic of Korea (Ave. % Share in Export Value – Last 5 Years)**Figure 12: Trade Partners of Japan (Ave. % Share in Export Value – Last 5 Years)**

From the above graphical descriptions, it is clear that although Pakistan has been able to tap the market of United States of America, there is potential for further inroads with good quality products with China leading the exports. 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. Pakistan can potentially focus on increasing its share in the market.

Price Comparisons

The following price comparisons of Leather Gloves show the prices charged by exporting countries for major product mix.

Figure 13: Price Comparison for Gloves, Mittens & Mitts (HS 420329, US \$ / Ton)**Figure 14: Price Comparison for Sports Gloves (HS 420321, US \$ / Ton)**

6. Pakistan's Export Trade and Tariff

Customs Tariffs/Duties

Knowing customs duties (or tariffs) are important to take decision of choosing a product or service for importation or exportation economically feasible or not. In the same manner to claim refund or rebate again knowing custom duty is essential. Whole circle of import and export depends upon knowing and using the custom tariffs/duties or exemptions. Determining which customs duty is applicable to a product is a complex exercise and expert advice may be sought. Customs Act, 1969, Customs Rules 2001 are the relevant law and Pakistan Customs under FBR is the only authority to deal with custom tariffs and rules. Government often change duty structure and rules due to which these are not stagnant. Following is the link to check the customs tariffs/duties applicable in which Pakistan Customs is the final authority to the extent of Pakistan.

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



7. Prominent International Trade Fairs

| Name of Trade Shows | Location | Frequency | Web Links |
|---|--|--------------|---|
| Couromoda Sao Paulo Brazil | Expo Center Norte, Sao Paulo, Brazil | Annual | https://couromoda.com/noticias/ |
| Shanghai International Fashion Accessories Expo | Shanghai World Expo Exhibition Center, China | Annual | http://www.shgexpo.com/en/ |
| ILM International Leather Goods Fair | Offenbach/Main, Germany | Twice a year | http://www.ilm-offenbach.de/ |
| MIPEL | C / O Exhibition Center Fieramilano-Rho, Milan | Twice a year | http://mipel.com/ |
| All China Leather Exhibition (ACLE) | Shanghai New International Expo Centre, China | Annual | http://www.aclechina.com/en-us/ |