

Pakistan apparel industry: Competing global market

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The textile apparel sector lies at the apex of the textile value chain starting from cotton and synthetic fibres. Over the past decade there has been a consistent increase in the value of global import market share of textile apparel in comparison to the products lying at the lower end of the value chain. This phenomenon is driven by factors like frequent movements in the global fashion scene, niche marketing resulting in higher unit price realisations and enhanced usage of diverse fabrics and materials particularly in the women apparel segment.

Pakistan produces apparel of various patterns and styles, of the latest fashions and quality. The industry is adequately equipped to produce latest fashions to suit tastes and needs in any part of the world. Leading Pakistani designers, apparel manufacturers and exporters regularly display their designs and products round the world at international fairs and exhibitions and in trade centres like Paris-London, New York, Tokyo and Berlin.

The apparel industry in Pakistan generally operates on small, medium and large scale units most of them having 50 machines and below. Large units are presently coming up in the organized sector of the industry. According to an estimate about 70% of its units are in the unorganized sector and are established in small shops, flats and houses.

Apparel industry mostly produces cotton and cotton blended shirts, T-shirts,



bush-shirts, pants, children's suits, school uniforms, skirts, blouses and maxis. Among these men's shirts and children garments are widely manufactured for local markets. These are mostly made of cotton blended cloth.

Import of machinery

The automatic sewing machines are mainly imported from China and Germany and are capable of working at high speed up to 4,500 stitches per minute. These are especially suitable for assembly line operation and are mostly used by the organised sector. Besides automatic sewing machines, household sewing machines along with parts and

electric irons are also being imported. Other important machines used by the apparel industry are the over-locking machines, which is used to trim and overlock the edges of cut cloth. The specialised machines are used for cutting, making button holes and stitching of buttons. Imports of sewing machines are given in Table-1.

Exports

The textile and apparel sector is an important part of the global trade. It has a significantly high share of 6% within the global trade in goods and merchandise that is estimated to be around US \$ 5 trillion. A further break-up

Table 1: Import of Sewing Machines and Parts
Value: Rs. Million

Machines / Parts	2011-12	2012-13	2013-14	2014-15
Industrial Sewing Machines	1,435	1,131	2,071	2,354
Automatic Sewing Machines	37	73	73	254
House hold Sewing Machines	63	207	48	52
Sewing Machines Needles	97	99	115	116
Total	1632	1510	2307	2,776

Source: Pakistan Bureau of Statistics.

Table 2: Export of Apparel from Pakistan

Year	Quantity (Million Dozs)	Value (US \$ Million)
2010-11	34	1,774
2011-12	25	1,616
2012-13	27	1,800
2013-14	29	1,909
2014-15	31	2,101

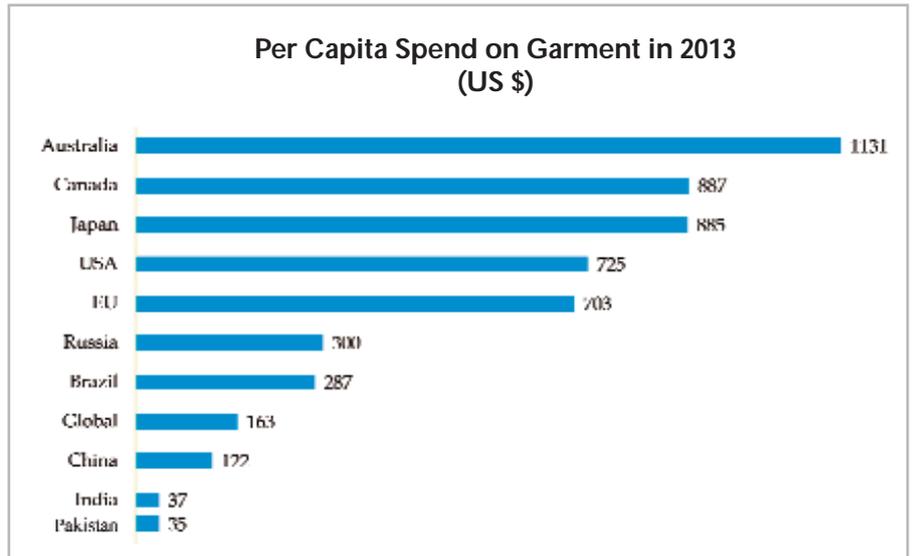
Source: Trade Development Authority of Pakistan.

of the textile trade depicts that over the last decade or so the clothing trade has surpassed the trade in textile products such as yarns and fabrics.

Apparels are required to produce and export items that do not require imported yarn, fabric, or special trimmings and accessories, raising their costs and reducing their competitiveness in the international market. Also given that man-made fibre now comprises 65% of total fibre consumption in the world, Pakistan's exporters are excluded from a substantial proportion of the market.

Production of apparel by units depends on export orders directly or indirectly. These orders have somewhat risen in terms of value, but have fluctuated widely in terms of quantity. Exports increased from 25 million dozens in various types of apparel worth US\$ 1.62 billion in 2011-12 to 31 million dozens worth US\$ 2.10 billion in 2014-2015, thus showing an average increase of 10% in terms of value. Exports of Apparel are given in Table-2.

The main focus of the Pakistan's exports have been on three major markets USA, Spain and UK. In 2014-15 exports of apparel product to USA were US \$ 487 million, US \$ 306 million to Spain and US \$ 275 million to UK. This reflects that around 51% of the apparel exports. The rest of the exports are made to other countries including Germany, Belgium, Netherlands, France Italy and other Asian countries. Country wise export of apparel is given in Table-3.



Per capita consumption

There is a big difference in apparel spending per capita between developed countries and developing countries. Australia has the highest apparel spending per capita with US\$ 1,131 per year, while Pakistan is the country with the lowest apparel spending per capita among major emerging economies. Australia is forecast to remain the highest apparel spending per capita in the world by 2025.

Future prospects

Today's fashion market is highly competitive and the constant need to 'refresh' product ranges means that there is an inevitable move by many retailers to extend the number of 'seasons', that is, the frequency with which the entire merchandise within a store is changed.

The Asian countries dominate the apparel markets of the world. Almost 45% of the total exports in the apparel markets originate from the Asian countries which includes key players like China, Hong Kong, Thailand, Turkey, Bangladesh, India and Pakistan.

The growing reliance of consumers in Europe and America on Asia as a low-cost producer has resulted in very low retail prices for goods of reasonable quality.

Pakistan is one of the leading textiles exporting countries in the region and got the GSP Plus status from EU countries. Its textile industry has been competing

Table 3: Country wise Export of Apparel Value in \$ 000

Country	2014-15	2013-14	2012-13
U.S.A	486,416	498,203	515,595
U.K	274,758	261,329	234,368
Spain	306,399	227,517	201,238
Germany	238,524	190,963	240,486
Belgium	139,233	129,099	114,092
Netherlands	126,330	118,414	67,205
France	73,775	85,138	17,651
Italy	80,684	75,890	62,485
U.A.E	56,235	46,349	38,999
Sweden	39,403	38,980	32,669
All others	273,332	237,441	274,803
Total	2,095,089	1,909,323	1,799,591

Source: Trade Development Authority of Pakistan.

global market without any roadmap and support while our major competitors like India and China were utilising all channels and resources for capturing the world market of apparel and textiles.

Pakistan has not been able to capitalise on the GSP Plus status due to the problems of increasing production costs and severe competition from other Asian countries.

References

1. Pakistan Bureau of Statistics.
2. Pakistan Economic Survey- 2014-15.
3. Readymade Garments Manufacturers and Exporters Association (PRGMEA)
4. Trade Development Authority of Pakistan ♦

Export share of Apparel from Pakistan

