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Import Substitution for Raw Materials Used in Textile Industry: Case for Towels

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Table of Contents

List of Figures

List of Tables

Abbreviations

HS Code	Harmonized System (HS) Code
CAGR	Cumulative Average Growth Rate
COVID	Corona Virus Disease
PACRA	Pakistan Credit Rating Agency Limited
SBP	State Bank of Pakistan
OECD	Organization for Economic Co-operation and Development

Executive Summary

Textile industry of Pakistan is hailed as backbone of country's export and thus its economy. Currently, Pakistan is facing high trade deficits repeatedly, which warrant an in-depth review of policy measures. Following import substitution approaches for trade policy analysis, this report has studied import substitution and diversification possibilities for textile industry raw materials with special focus on towel industry. Towel exports on average constitute 5.7% of Pakistan's total export, growing at CAGR of 0.17% from 2016-2020.

Global market review in this study shows that trade in towel industry has been sluggish with mere one percent growth over 9-years. It has also been observed that the market concentration is increasing with time. In 2011 China, Pakistan and India exported 61.63% of world towel export, whereas in 2019 they exported 65.07% of world towel export. Similarly, imports are getting concentrated to one destination as well, in 2011 USA imported 28.29% of world total towel imports whereas in 2019 it increased to 32.17%. Like world's towel exports, Pakistan's towel exports are also concentrated to USA where 42% of Pakistan's terry towels are exported.

In terms of unit price Pakistan has maintained to be competitive supplying approximately 25-40% cheaper products compared to Bangladesh and Vietnam.

Many of the raw materials, such as cotton yarn, dyes, and basic manufacturing machinery, used in towel manufacturing are produced locally. The raw materials which are produced locally also benefit from government protection in form of high import duties, such as in case of power looms 26% import duty is imposed and for dyes and chemical duties range from 5-26%. However, towel manufacturers still import raw materials at higher costs to fulfill quality and efficiency requirements.

This study recommends rationalization for chemical (dye) tariffs to appropriate levels, the levels enough to protect local dye manufacturing industry with minimum burden on consumer. Also new branding opportunities needs to be explored for products produced using recycled raw materials (e.g. recycled polyester thread).

Finally, the study concludes that the allied industrial structures required to support towel industry are very much present in Pakistan, developing these allied industries will in tandem develop towel and textile industry.

1. Introduction & Background

Textile exports constitute more than 50% of Pakistan's total exports, for year 2020 textile exports amounted to USD 12.65 billion (57.5% of total exports). Though, textile is major export commodity, its export value is largely stagnant and ranges in between USD 12-14 billion.[1] Compared with 2011, Pakistan's textile exports decreased by USD 376.51 million in 2019. During the same period textile imports have increased by USD 1.025 billion. 9-year[2] CAGR shows negative 0.30% growth in exports and 3.92% growth in imports for Pakistan. For a country like Pakistan this is challenging situation. With slowing exports and growing imports net benefit from textile trade is eroding.

Table 1:
Pakistan's Textile Trade

Year	Exports (USD million)	Imports (USD million)
2011	13,958	2,480
2012	12,944	2,143
2013	13,474	2,526
2014	13,727	2,462
2015	13,335	2,772
2016	12,465	3,133
2017	13,036	3,846
2018	13,772	4,332
2019	13,582	3,505
2020	12,652	3,977
CAGR (2011-2019)	-0.30%	3.92%

***Source**: State Bank of Pakistan (SBP)*

Analyzing commodity level trade (HS Code chapter level), some important developments are observed. From 2011 to 2019 cotton import has increased by 62.39% and exports have decreased by 35.86%, Man-made staple fiber exports have declined 56.23% while imports have increased by 3.11%. For wading (water sustainable) and other special yarns imports have decreased 496.38%, and for laces and tufted textile imports have grown by 246.04%. **Annexure-A** shows detailed table covering import, export and net trade for all 14 chapters related to textiles(*State Bank of Pakistan*, n.d.).[3]

Trade policy analysis is usually bifurcated into export promotion approach and import substitution approach. Export promotion policies are targeted to increase export earning thus impacting credit side of current account. While import substitution policies advocate decrease in import bill thus impacting debit side of current account. Over the time in Pakistan, trade

[1] Export Receipts by all Commodities & Import Payments by all Commodities, Economic Data, State Bank of Pakistan

[2] 9-year CAGR (from 2011-2019) is calculated instead of 10-year CAGR (from 2011-2020) to exclude COVID related effects.

[3] Export Receipts by all Commodities & Import Payments by all Commodities, Economic Data, State Bank of Pakistan

policies have experimented with both approaches as per need of time. This study endeavors to find possibilities of import substitution in textile industry raw materials. The report encompasses 9 chapters, chapter-1& 2 gives introduction and methodology used in the study, chapters 3-5 discuss global and national trends for towel industry whereas chapters 7 & 8 focus on cost any duty structure, finally chapter 9 gives conclusion and recommendation based on arguments presented in the study.

2. Methodology

Textile sector in Pakistan is broad. It encompasses raw materials (cotton and other fibers), value added intermediary commodities (yarn and fabric) and finished garments. All different commodities have different raw material requirements for production. For instance, yarn production, at its simplest process, requires fibers (which could be man-made, natural or mix of both) and machinery. However, to produce fabric one needs yarns, dyes, washing and bleaching agents and various specialized machines.

To systematically deal with the subject, at first import substitution for towels, is analyzed. At beginning, world trade shares are studied to identify top exporters and importers. Then top export markets for Pakistan and Pakistan's share in total imports of these markets is listed. Data analysis is done using trade data from State Bank of Pakistan (SBP), UN Comtrade and ITC Trademap.

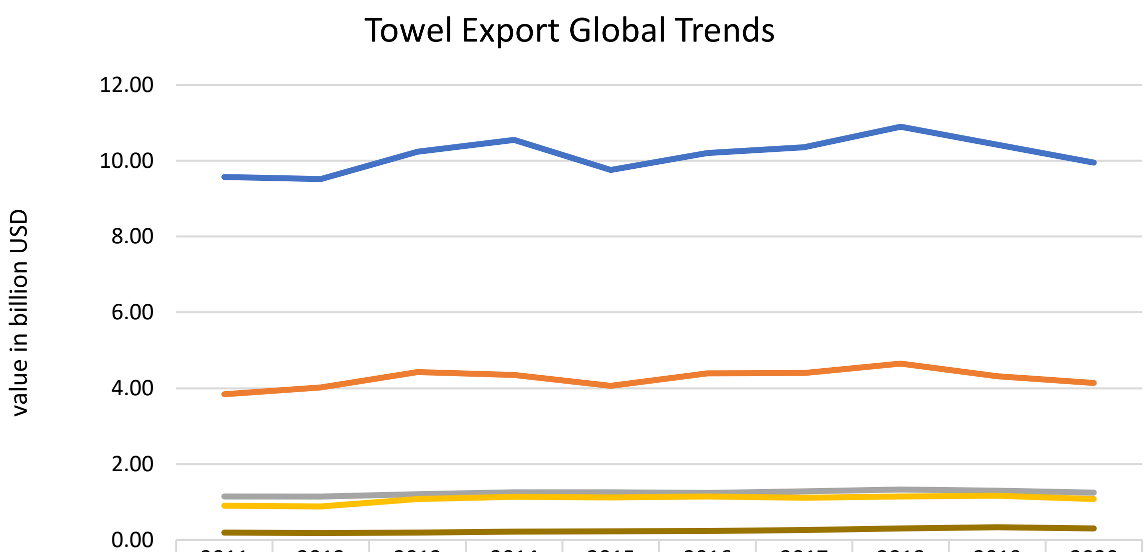
For analysis, year 2020 is considered outlier as COVID impacted shifts in trade might not provide sustainable trends. Literature has been reviewed to map out towel manufacturing process with emphasis on identifying machinery and chemicals used. Stakeholder consultation has been conducted to get industry insight.

3. Towel Global Trade Trends

Analyzing global export figures for towel industry (HS Codes 630260, 630291, 630292, 630293, 630299, 630710) it can be assessed that towel industry is facing sluggish growth. Towel exports have grown by mere one percent[4] over 9-years, with USD 9.57 billion exports in 2011 and USD 10.42 billion in 2019.

Figure-1 below also shows trends for world and selected top-exporters indicating slow growth. However, there is slight difference in growth rate among different countries. 9-year CAGR for Pakistan's towel industry is 1.4%, India 2.8%, Viet Nam 6.1%, Bangladesh -1.2% and China 1.3%.[5]

Figure 1:
Towel Export Global Trends



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
World	9.57	9.52	10.24	10.55	9.76	10.21	10.35	10.90	10.42	9.95
China	3.84	4.02	4.43	4.35	4.06	4.39	4.40	4.65	4.32	4.14
Pakistan	1.15	1.14	1.21	1.26	1.25	1.24	1.28	1.33	1.30	1.25
India	0.91	0.88	1.08	1.14	1.12	1.14	1.11	1.14	1.17	1.08
Viet Nam	0.20	0.18	0.19	0.22	0.23	0.24	0.26	0.31	0.33	0.30

Data Source: (*Trade Map - List of Exporters for the Selected Product Group (Towels)*, n.d.) value of HS Codes 630260, 630291, 630292, 630293, 630299, 630710 have been taken as representative of Towel Sector

[4] 9-year CAGR from 2011-2019
[5] Author's calculation based on ITC Trademap Data

Countries' share in towel export market has stayed nearly same over time. **Table 2** below depicts countries share in global export. In 9 years, China, India, Pakistan, and Viet Nam registered increase in their export share by 1.29%, 1.74%, 0.44% and 1.16% respectively. On other side Turkey, Germany, Bangladesh, Portugal, and Netherlands reported decrease in their share by 0.2%, 0.5%, 0.5%, 0.5% and 0.1% respectively.

Table 2:
Countries share in global towel exports over time

Country	Share in World Total Export 2011 (a)	Share in Worlds Total Export 2019 (b)	Change in Market Share (b-a)
China	40.16%	41.44%	1.29%
Pakistan	12.00%	12.44%	0.44%
India	9.47%	11.19%	1.73%
Turkey	6.25%	6.02%	-0.23%
Germany	3.37%	2.88%	-0.50%
Bangladesh	2.86%	2.35%	-0.51%
Portugal	2.69%	2.18%	-0.51%
Belgium	2.43%	1.38%	-1.05%
Viet Nam	2.05%	3.21%	1.16%
Netherlands	1.69%	1.60%	-0.09%
Others	17.03%	15.31%	-1.72%

Source: Author's calculation based on ITC Trademap data (*Trade Map - List of Exporters for the Selected Product Group (Towels)*, n.d.)

Here it is important to note that with sluggish growth in world towel industry one exporting country can only increase their market share at other country's loss. Top 9 countries in 2011 covered 81% of global exports while in 2019 it increased to 83%, which leads to the conclusion that the towel export market is getting concentrated[6] with time, where major players getting increased share and others are being phased out. Reason behind this development could be (including but not limited to) economy of scales with improved technology, input price reduction, increase in high value export products, investment in R&D and government subsidies.

Like towel export market, towel import market is also very concentrated, with USA as top importer of towels with market share of 32.17% (in 2019), followed by Japan, Germany,

[6] OECD defines Market Concentration as "Market concentration measures the extent to which market shares are concentrated between a small number of firms [and exporting/importing countries]"

France, United Kingdom etc. **Table 3** gives details of top-9 towel importer and change in their market share overtime.

Table 3:
Countries Share in Global Towel Import Over Time

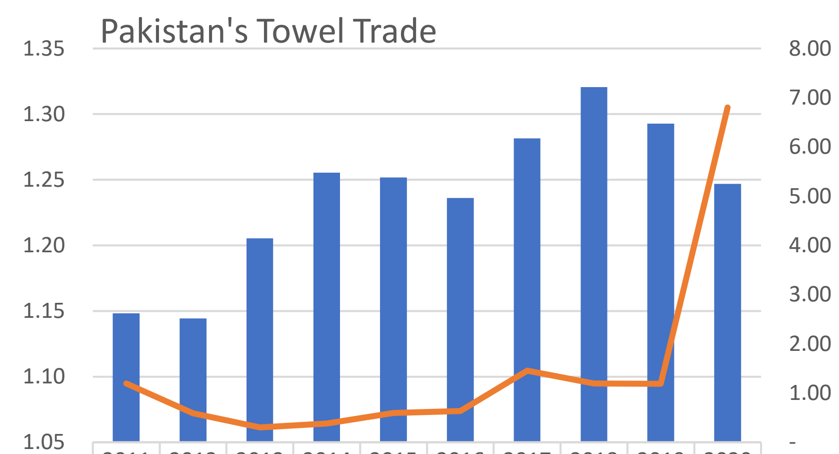
Country	**Share in World Total Import 2011 (a)**	**Share in World Total Import 2019 (b)**	**Change in Market Share (b-a)**
United States of America	28.29%	32.17%	3.88%
Japan	11.05%	8.01%	-3.03%
Germany	7.44%	6.10%	-1.33%
France	5.26%	4.68%	-0.58%
United Kingdom	4.85%	4.56%	-0.29%
Italy	3.14%	2.54%	-0.61%
Netherlands	2.66%	2.66%	0.00%
Belgium	2.60%	1.77%	-0.83%
Spain	2.45%	2.40%	-0.05%
Others	32.26%	35.11%	2.84%

Source: Author's calculation based on ITC Trademap data(*Trade Map - List of Importers for the Selected Product Group (Towels)*, n.d.)

4. Towel Industry in Pakistan

For year 2019 Pakistan's towel export amounted to USD 1.29 billion, down by USD 0.03 billion compared to 2018 and registering share of 5.44 % in Pakistan total exports[7] for the year. For 5-years (2015-19) Pakistan's towel export averages at USD 1.28 billion whereas towel import averages at USD 1.01 million. In year 2017, 228 % surge in towel imports in observed. Another surge is observed in towel imports in 2020, which is largely attributed to increased demand in medical sector due to COVID related protocols.

Figure 2:
Pakistan's Towel Trade



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pakistan's Export (USD billion)	1.15	1.14	1.21	1.26	1.25	1.24	1.28	1.32	1.29	1.25
Pakistan's Import (USD million)	1.19	0.59	0.30	0.38	0.59	0.64	1.46	1.20	1.19	6.80

Data Source: UN Comtrade (*Download Trade Data | UN Comtrade: International Trade Statistics*, n.d.)

5. Top 5-Export Markets for Pakistan

Table-4 below lists top 5 exports markets for Pakistani towel products at 6-digit level. Except for Toilet linen and kitchen linen of cotton (HS Code 630291) all other products have high concentration of markets. High market concentration means the buyer takes overpowers from producer and hence has ability to dictate price and quality of product. This is perspective

[7] Pakistan's export to the world for year 2019 is USD 22.09 billion. Data Source: UNComtrade

was resounded by exporters during consultation, as majority of Pakistan's towel export is to USA, who demands disposable and cotton terry towels, Pakistan produces the same.

Table 4:
Top 5-Export Markets for Pakistan

Country	Share in Exports
630260- Toilet linen and kitchen linen, of terry toweling or similar terry fabrics of cotton (excluding floorcloths, polishing cloths, dishcloths and dusters)	
USA	42.45%
United Kingdom	9.93%
Netherlands	6.93%
Germany	4.85%
Italy	4.70%
630291- Toilet linen and kitchen linen of cotton (excluding of terry fabrics, floorcloths, polishing cloths, dishcloths and dusters)	
United Kingdom	25.7%
Germany	22.1%
Netherlands	17.0%
USA	6.2%
Belgium	5.2%
630293-Toilet linen and kitchen linen of man-made fibers (excluding floor cloths, polishing cloths, dishcloths and dusters)	
Australia	93.1%
New Zealand	6.9%
United Kingdom	0.0%
Germany	0.0%
Netherlands	0.0%
630299-Toilet linen and kitchen linen of textile materials (excluding of cotton or man-made fibers, floor cloths, polishing cloths, dishcloths and dusters)	
USA	85.70%
Denmark	3.16%
Netherlands	2.21%
Germany	1.76%
Norway	1.30%
630710- Floorcloths, dishcloths, dusters and similar cleaning cloths, of all types of textile materials	
USA	78.38%
Denmark	5.22%
Netherlands	2.30%
Germany	2.14%
Malaysia	1.81%
Source: UN comtrade (Download Trade Data | UN Comtrade: International Trade Statistics, n.d.)	

6. Towel Production Process

As Pakistan grows its own cotton, its textile (in our case towel) value chain stretches from fields to user end. The flow chart below gives a summary of steps involved in towel production. The process begins when cotton is harvested from fields, packed and sent for ginning, where seed is removed from lint.

This combed cotton, locally called *phutti* is then processed in spinners where raw cotton is turned into workable yarn. From here further processing depends upon type of desired final product. When final product is desired to have mix of fibers (natural and synthetic) then the fibers are combined during warping and doubling stage. The resulting yarn is then weaved to make towels. Dyeing can be done at two stages in towel production i.e., at yarn stage (differently colored yarns can be used to make multicolor towel) and at fabric stage (for monochrome and bleached towels).

Finally, the woven fabric is cut, and seams are stitched. At every stage of dyeing, weaving, and stitching, processed items are inspected for quality. Figure below depicts production flows for towel manufacturing and table 5 lists down raw materials and machinery used in these steps.

Figure 3:
Towel Production Process

Source: Author's illustration

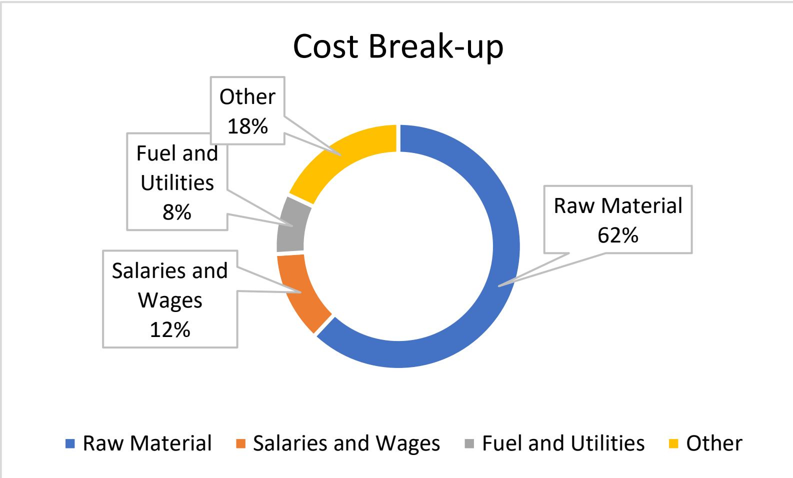
<table>
<tr><th colspan="3">Table 5:
Towel Manufacturing Processes and Materials Used</th></tr>
<tr><th>Processing Stage</th><th>Machinery Used</th><th>Chemical Used</th></tr>
<tr><td>Warping/Doubling</td><td>Machines for preparing textile fibers; spinning, doubling or twisting machines and other machinery for producing textile yarns (HS code: 8445)</td><td>None</td></tr>
<tr><td>Yarn Preparation (Sizing)</td><td rowspan="3">Machinery for washing, cleaning, wringing, drying, ironing, pressing incl. fusing presses, bleaching, dyeing, dressing, finishing, coating or impregnating textile yarns, fabrics or made-up textile articles and for applying paste to the base fabric or other support used in the manufacture of floor coverings like linoleum; machines for reeling, unreeling, folding, cutting or pinking textile fabrics; parts thereof (HS Code 8451)</td><td>Poly-Vinyl Alcohol, De-sizing enzyme (e.g., amylase enzyme),</td></tr>
<tr><td>Wet Processing (Bleaching)</td><td>-hydrogen peroxide, peroxide stabilizer (e.g., Neorate PLC),
-wetting agent (e.g., soap and sulphonic acid),
-acetic acid,
-Fluorescent Brightening Agents (anionic diamino stilbene (DAS) or distyryl biphenyl (DSBP) derivatives)</td></tr>
<tr><td>Wet Processing (Dyeing)</td><td>-Reactive Dye (class of dye that makes a covalent bond with the fiber and becomes an integral part of the fiber)
-Sequestering Agent (metal compounds used to decrease water hardness, e.g, Sodium tripoly phosphate)
-Dye Fixing Agent (e.g., formaldehyde, polyamide etc)
-Wetting agent (e.g., soap and sulphonic acid),
-Acetic Acid (can be substituted with other acids)
-Softener (Fatty acids and silicone oil)</td></tr>
<tr><td>Weaving</td><td>Weaving Loom (HS Code 8446)</td><td>None</td></tr>
<tr><td>Greige Fabric Inspection</td><td>Manual</td><td>None</td></tr>
<tr><td>Color Inspection</td><td>Manual</td><td>None</td></tr>
<tr><td>Cutting and Stitching</td><td>Machines for extruding, drawing, texturing or cutting man-made textile materials (HS Code 8444)</td><td>None</td></tr>
<tr><td colspan="3">Source: Table compiled based on information collected from stakeholder consultation</td></tr>
</table>

7. Cost of Production

Production cost plays an important part in demand of a certain product as it is the major factor which determines selling price of the product. With globalization of trade buyers (importers) have more markets to buy from (exporters) hence creating vicious competition.

Towel industry considered to have good profit margins in textile value chain. **Figure-4** below presents estimated cost break-up faced by towel industry in Pakistan. It is important to note here that 62% of the cost is generated by raw material. any change in cost and supply can affect production.

Figure 4:
Towel Industry Cost Break-up for Pakistan's Industry



Source: *Calculations by PACRA, using Pakistan Stock Exchange and PACRA Database* (Limited., 2021)

Observing market prices of our competitors note that with given production costs Pakistani products are doing well in international market. Table-6 below provides list of observed prices offered by suppliers.

Table 6:
Competitors' Market Price

Country	Offered Price
China	0.25 USD / Pieces
Bangladesh	3.75 USD /Pieces.
Vietnam	3-7 USD / Pieces
India	4 USD / Pieces
Pakistan	2.15 USD / Pieces

Source: *Author's Compilation from fibre2fashion.com*[8]

[8] List compiled from (*Pakistan Towels Suppliers - Buy Towels from Manufacturers and Suppliers in Pakistan - Fibre2Fashion*, n.d.), (*Towels Suppliers - Wholesale Manufacturers and Suppliers For Towels - Fibre2Fashion*, n.d.)(*Towels : Woven, Quick-Dry Suppliers - Wholesale Manufacturers and Suppliers For Towels : Woven,*

8. Towel Production – Raw Materials and Duty Structure

With respect to Income Tax, the textile industry, including towel segment is under the Normal Tax Regime (NTR). Further, the sector is also subject to Minimum Tax @ 1.5% of turnover if tax liability under NTR is lower than minimum tax (Limited., 2021).

However, the additional tax paid under minimum tax is adjustable against future tax liabilities for the next 5 years. The duty structure implemented by the government provides protection to local towel manufacturers. In addition, sales tax of 17% is also applicable on the industry(Limited., 2021).

The government recently removed regulatory duty of 5% on the import of yarn till 30th June 2021 through SRO 1352(I)/2020 issued by the Federal Board of Revenue.

To produce a towel various raw materials are used, the table below lists down custom duty, sales tax, income tax, additional custom duty and regulatory duty if applicable. Textile machinery is exempted from custom duty in Pakistan given that the commodity is not manufactured locally, therefore we see many machines at 0% rate[9], where machines are produced locally, like power looms, and high tariff rates are applied to protect industry. Similarly, in case of chemicals high duty rates are enforced. Table 7 below lists down raw materials and machinery used in towel sector and their tariff structure.

In conclusion it is important to explain the impact of protective tariff regime with various growth perspectives like assessing impact of growth in protected industry and growth in other sectors if the said product is imported.

Quick-Dry - Fibre2Fashion, n.d.)(*Bath Towels Suppliers - Wholesale Manufacturers and Suppliers For Bath Towels - Fibre2Fashion*, n.d.)(*Towels : 100% Cotton, Woven, Soft,Shrink Resitant,Quick Dry Suppliers - Wholesale Manufacturers and Suppliers For Towels : 100% Cotton, Woven, Soft,Shrink Resitant,Quick Dry - Fibre2Fashion*, n.d.)

[9] See *Part- IV Imports of Machinery and Equipment for Textile Sector, 5th Schedule, Customs Ac, 1969* for full list. https://download1.fbr.gov.pk/Docs/2021711171234418SecondScheduleofFA(5thScheduleofCA).pdf

Table 7:
Duty Structure for Towel Raw Materials

Commodity	PCT Code	Custom Duty (%)	Sales Tax (%)	Income Tax (%)	Additional Custom Duty (%)	Regulatory Duty (%)
Cotton	52.05 to 52.07	11	17	11	2	
Machinery						
Doubling and Twisting Machines	8445	0	17	11	2	
For weaving fabrics of a width not exceeding 30cm	8446.1000	16	17	11	4	
Power Looms	8446.2100	20	17	11	6	
Hand looms, weaving	8446.2900	0	17	11	2	
For weaving fabrics of a width exceeding 30cm, shuttleles type	8446.3000	0	17	11	2	
Knitting Machines	8447	0	17	11	2	
Dobbies and Jacquards; card reducing, punching or assembling machines for use therewith	8448.1100	0	17	11	2	
Pearl Fixing Machine	8448.1900	0	17	11	2	
Tops and Flats	8448.3110	16	17	11	4	
Cotton Cylinder wire	8448.3190	11	17	11	2	
Spinning Rings	8448.3330	20	17	11	6	
Machines for washing and dyeing	8451	0	17	11	2	
Texturing and Cutting Machines	8444	0	17	11	2	
Chemcials						
P.V. Alcohol	3905.3000	0	17	11	2	
Desizing Enzyme	3507.9000	3	17	11	2	
Solvent Emulsion	3402.1190	20	17	11	6	
Hydrogen Peroxide	2847.0000	11	17	11	2	5
Peroxide Stabilizer	3809.9190	16	17	11	4	
Wetting Agent	3403.9190	16	17	11	4	
Acetic Acid	2915.2100	0	17	11	2	
Fluorescent Brightening Agent	3204.2000	20	17	11	6	
Softner	3809.9190	16	17	11	4	
Reactive Dye	3204.1600	16	17	11	4	
Sequestering Agent	3809.9190	16	17	11	4	
Dye Fixing Agent	3809.9190	16	17	11	4	

Source: *Duty Calculator-FBR*
https://www.weboc.gov.pk/(S(ie2cqay2py5tzibsef30z12g))/Shared/ItemGeneralDutyCalculator.aspx

9. Conclusion & Recommendation

Raw materials used in towel manufacturing are cotton yarn, dyes and machinery. Most of which are locally available. However, there are situations which push industrialists to import, like cotton is imported when local supply is low, dye because of low production quality of local dyes and machinery to have more efficiency. Knowing the reasons of import we can work to solve issues. At broader levels below measures can help textile industry.

1- Support agriculture research and plan cotton crop production considering economic cost-benefit analysis. When local cotton production decreases, along with textile industry (biggest consumer of cotton) other allied industries also suffer. Economic cost should account for loss of profits in allied industry and cost incurred from further imports.

2- Support and advocate local dye manufacturers to improve their product quality while minimizing burden on textile manufacturers. Current levels of import duties (sum of custom duty, additional and regulatory duties) though protect local dye manufacturers but at same time increases cost for textile manufacturers. It will be beneficial for both the industries if import duties on dyes are lowered, so that local dye manufacturers are supported and textile manufacturers can maintain their cost competitiveness.

3- Support textile engineers with investment to help improve efficiencies of local machinery.

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Trade Map - List of exporters for the selected product group (Towels). (n.d.). Retrieved November 24, 2021, from https://www.trademap.org/Country_SelProduct_TS.aspx?nvpm=1%7C%7C%7C%7C%7C%7C189252%7C%7C6%7C1%7C1%7C2%7C2%7C1%7C2%7C1%7C1%7C1

Trade Map - List of importers for the selected product group (Towels). (n.d.). Retrieved

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https://www.trademap.org/Country_SelProduct_TS.aspx?nvpm=1%7C%7C%7C%7C%7C%7C189252%7C%7C6%7C1%7C1%7C1%7C2%7C1%7C2%7C1%7C1%7C1

Annexure-A

Textile Trade (in USD million)											
HS Code ---Commodity Description		**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
11---Textiles and Textile Articles	**Export (X)**	13,958.38	12,944.13	13,474.33	13,727.40	13,334.85	12,464.98	13,036.50	13,772.31	13,581.86	12,651.79
	Import (M)	2,479.54	2,143.01	2,526.48	2,461.91	2,772.09	3,132.52	3,846.45	4,331.66	3,505.14	3,976.96
	Net Trade (X-M)	11,478.84	10,801.12	10,947.84	11,265.48	10,562.76	9,332.47	9,190.05	9,440.65	10,076.73	8,674.82
50---Silk	**Export (X)**	42.62	39.49	37.96	9.40	5.19	4.34	4.71	3.09	3.66	2.18
	Import (M)	17.30	19.57	25.47	31.28	66.92	57.38	41.30	30.48	15.02	5.54
	Net Trade (X-M)	25.32	19.91	12.49	-21.88	-61.73	-53.04	-36.59	-27.39	-11.37	-3.36
51---Wool, Fine or Coarse Animal Hair, Horsehair Yarn	**Export (X)**	24.51	17.20	20.77	17.62	12.57	9.80	6.11	5.99	3.95	2.43
	Import (M)	12.60	11.37	9.42	12.23	10.68	19.64	9.76	9.86	6.16	7.35
	Net Trade (X-M)	11.91	5.83	11.35	5.40	1.89	-9.84	-3.66	-3.87	-2.21	-4.93
52---Cotton	**Export (X)**	5,132.85	5,028.74	5,293.58	4,702.29	4,301.58	3,479.11	3,463.98	3,703.21	3,292.32	2,717.71
	Import (M)	932.16	694.43	1,023.50	707.46	923.74	1,206.31	1,481.38	1,899.73	1,513.72	2,190.27
	Net Trade (X-M)	4,200.68	4,334.31	4,270.09	3,994.83	3,377.84	2,272.81	1,982.61	1,803.48	1,778.60	527.43
53---Other Vegetable Textile Fibres; Paper Yarn etc.	**Export (X)**	27.11	21.39	7.10	2.21	3.63	3.15	3.57	4.69	6.01	7.67
	Import (M)	77.92	62.04	71.63	57.38	44.26	40.99	51.61	57.20	33.04	52.98
	Net Trade (X-M)	-50.81	-40.66	-64.53	-55.17	-40.63	-37.84	-48.03	-52.51	-27.03	-45.30
54---Man-Made Filaments	**Export (X)**	79.98	40.99	45.00	51.02	25.70	16.66	20.07	25.88	41.31	41.25
	Import (M)	569.43	520.41	533.98	589.64	577.10	623.76	702.63	727.72	682.52	586.06
	Net Trade (X-M)	-489.45	-479.42	-488.98	-538.61	-551.40	-607.09	-682.57	-701.84	-641.21	-544.81
55---Man-Made Staple Fibers	**Export (X)**	688.91	513.80	410.38	383.83	313.03	274.18	282.37	301.85	301.54	291.44
	Import (M)	634.27	557.91	545.27	654.15	667.70	605.78	712.85	759.16	653.97	603.47
	Net Trade (X-M)	54.64	-44.11	-134.89	-270.32	-354.67	-331.60	-430.48	-457.31	-352.44	-312.03
56---Wadding, Felt and Nonwovens, Special Yarn, Twine	**Export (X)**	30.55	7.39	22.33	95.33	110.03	89.89	131.57	92.42	32.48	23.42
	Import (M)	22.81	26.94	35.34	52.85	69.55	102.46	142.73	115.65	136.04	112.73
	Net Trade (X-M)	7.74	-19.56	-13.01	42.48	40.47	-12.57	-11.17	-23.23	-103.56	-89.31

Textile Trade (in USD million)

HS Code ---Commodity Description		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
57---Carpets and other Textile Floor Coverings	**Export (X)**	159.95	139.07	126.77	138.34	112.47	97.98	88.51	84.39	78.10	64.78
	Import (M)	10.68	12.90	9.85	6.98	12.17	13.62	16.23	13.31	8.64	6.18
	Net Trade (X-M)	149.27	126.16	116.92	131.36	100.29	84.36	72.28	71.07	69.46	58.60
58---Special Woven Fabrics, Tufted Textiles Fabrics, Lace	**Export (X)**	264.39	179.01	152.58	94.70	80.83	116.82	71.03	35.69	38.94	63.86
	Import (M)	21.69	18.75	23.62	30.56	34.68	44.68	60.34	76.10	75.05	66.45
	Net Trade (X-M)	242.70	160.26	128.96	64.14	46.15	72.13	10.69	-40.41	-36.10	-2.60
59---Impregnated, Coated, Covered or Lamented Tex. Fab.	**Export (X)**	47.01	44.28	49.14	52.94	28.81	14.93	18.26	8.10	13.08	18.21
	Import (M)	43.97	49.21	51.90	61.22	63.49	79.23	118.41	107.71	100.40	78.80
	Net Trade (X-M)	3.04	-4.93	-2.76	-8.28	-34.68	-64.30	-100.15	-99.61	-87.31	-60.59
60---Knitted or Crocheted Fabrics	**Export (X)**	94.03	52.86	47.85	45.05	48.08	43.80	38.68	31.33	32.73	32.30
	Import (M)	27.34	28.81	27.74	31.74	45.56	85.93	198.06	168.43	110.29	110.71
	Net Trade (X-M)	66.68	24.05	20.11	13.31	2.53	-42.14	-159.39	-137.10	-77.56	-78.40
61---Articles of Apparel & Clothing Accessories Knit/Cr	**Export (X)**	2,720.51	2,088.66	2,123.75	2,334.98	2,353.08	2,354.95	2,554.64	2,907.65	3,037.88	2,943.36
	Import (M)	9.55	18.24	20.52	26.34	46.97	42.61	69.88	129.19	55.80	29.06
	Net Trade (X-M)	2,710.97	2,070.42	2,103.23	2,308.64	2,306.12	2,312.34	2,484.76	2,778.46	2,982.08	2,914.30
62---Articles of Apparel/Clothing Acces not Knited /Cro	**Export (X)**	1,276.80	1,525.04	1,695.26	1,949.57	2,090.69	2,201.11	2,394.87	2,474.06	2,670.62	2,494.82
	Import (M)	19.24	18.37	22.32	27.44	32.58	39.16	42.28	30.78	16.32	12.29
	Net Trade (X-M)	1,257.57	1,506.67	1,672.94	1,922.13	2,058.10	2,161.95	2,352.59	2,443.28	2,654.31	2,482.53
63---Other Made-up Textile Articles; Sets, Worn Clothin	**Export (X)**	3,369.16	3,246.22	3,441.86	3,850.10	3,849.17	3,758.27	3,958.14	4,093.97	4,029.23	3,948.36
	Import (M)	80.58	104.05	125.92	172.65	176.69	170.98	198.99	206.33	98.17	115.07
	Net Trade (X-M)	3,288.58	3,142.17	3,315.94	3,677.45	3,672.48	3,587.29	3,759.15	3,887.64	3,931.06	3,833.29

Annexure B

Export Values in billion USD	World	China	Pakistan	India	Turkey	Germany	Bangladesh	Portugal	Belgium	Viet Nam	Netherlands
2011	9.57	3.84	1.15	0.91	0.60	0.32	0.27	0.26	0.23	0.20	0.16
2012	9.52	4.02	1.14	0.88	0.57	0.28	0.28	0.22	0.20	0.18	0.14
2013	10.24	4.43	1.21	1.08	0.68	0.28	0.11	0.25	0.18	0.19	0.15
2014	10.55	4.35	1.26	1.14	0.69	0.28	0.00	0.26	0.20	0.22	0.18
2015	9.76	4.06	1.25	1.12	0.61	0.25	0.17	0.23	0.18	0.23	0.16
2016	10.21	4.39	1.24	1.14	0.65	0.25	0.23	0.23	0.17	0.24	0.15
2017	10.35	4.40	1.28	1.11	0.67	0.25	0.27	0.24	0.16	0.26	0.16
2018	10.90	4.65	1.33	1.14	0.66	0.30	0.28	0.28	0.18	0.31	0.16
2019	10.42	4.32	1.30	1.17	0.63	0.30	0.25	0.23	0.14	0.33	0.17
2020	9.95	4.14	1.25	1.08	0.59	0.34	0.22	0.21	0.15	0.30	0.18
CAGR (2011-2019)	1.0%	1.3%	1.4%	2.8%	0.5%	-0.8%	-1.2%	-1.4%	-5.2%	6.1%	0.4%