

Globalisation and the Apparel Industry of Pakistan



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EXECUTIVE SUMMARY

This document is the outcome of a research project sponsored by the International Labour Organisation (ILO) with the objective to determine the effect of globalisation on the apparel sector of Pakistan. The methodology adopted to conduct this research involved both analysis of secondary data sources and primary research. To determine the existing structure of the apparel industry and develop an understanding about the export performance in vital apparel markets, trade statistics were analysed in detail. On the basis of which a profile of the apparel imports in the world, USA and EU was developed. Similarly comparisons of Pakistan's exports were drawn with regards to its Asian competitors.

To figure out the competitive advantage of Pakistan in the global apparel markets and also to determine the product positioning, a comparative analysis of the unit price realisation in various product categories has also been conducted. A detailed analysis of the previous quota policies of Pakistan and the quota utilisation of the apparel sector in both the EU and the USA form an integral part of the research work.

With the intention of getting first hand information key stakeholders were also contacted including exporters of woven and knit garments from Pakistan, apparel industry association and the related Government departments.

At a broader level the fundamental problem of the apparel industry in Pakistan is that of a narrow product base coupled with high dependence on markets that have imposed quota restrictions. The prevailing quota policy of the Government also encourages the industry to concentrate on a limited number of product categories. As a result of which the past decade of apparel industry development in Pakistan reflects strong presence in the global knitwear markets. The industry with a myopic vision has focussed to build its capacities in men garments area, while completely ignoring the larger market segment i.e. women wear.

The stagnant growth in the woven garment segment is the result of limited availability of blended and finished fabric. The up-stream textile industry in Pakistan including spinning and weaving is highly dependent upon cotton. Its consumption of manmade fibres is not in line with the global trends, consequently a similar trend prevails in the apparel segment of the textile value chain.

The MFA phase out in the year 2005 will put overbearing pressures on the apparel industry of Pakistan unless strategies aimed at diversification of the existing product portfolio and enhanced reach and penetration in non-traditional markets are developed and implemented.

1. INTRODUCTION

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.

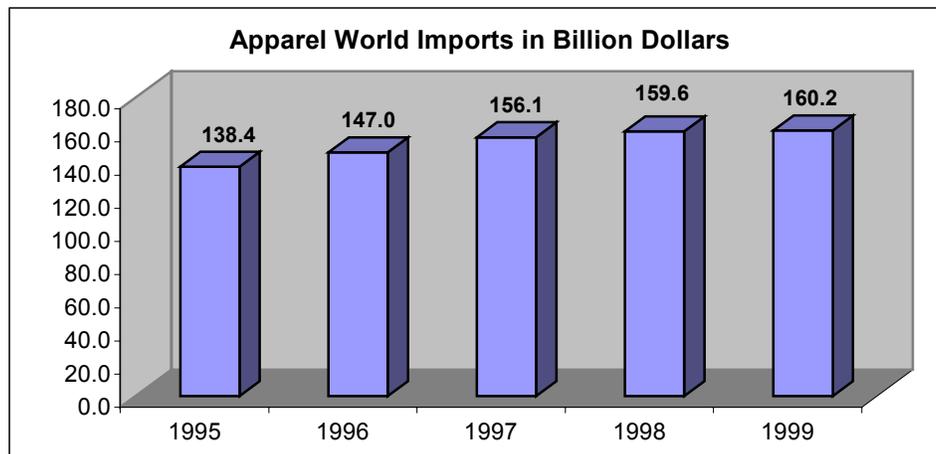
The South Asian economies have established themselves as an important global player in the apparel trade. Predominantly the reasons lie in the very nature of the industry that is labour intensive. Increasing wage rates in the developed countries resulted in the relocation of the industry to developing countries. Global exports markets, the USA and EU, in order to protect their domestic industry regulate the imports from developing countries by imposing quantitative import restrictions, these are managed under a formal agreement known as the Multi Fibre Arrangement (MFA). The Uruguay round, a major milestone in liberalisation of international trade paved the way for extinction of non-tariff restrictions on trade including textiles. The new arrangement, Agreement on Textiles and Clothing (ATC) governs the global textile trade regime, which aims at removal of quantitative barriers by 2005.

MFA phase-out is likely to open new vistas of opportunities for developing countries that have developed a strong and a diversified product base, particularly in the product segments at the top of the textile value chain. At the same time it would adversely effect the growth of exports from developing countries dependant on a limited product range and competing in the global markets on price rather than quality.

The eradication of trade barriers will start an era of increased competition and countries having the advantage of low labour costs will only be able to survive through development of strategies aimed at enhancing the productivity of the work force, broadening of the product as well as market base and process improvements leading to high cost efficiencies.

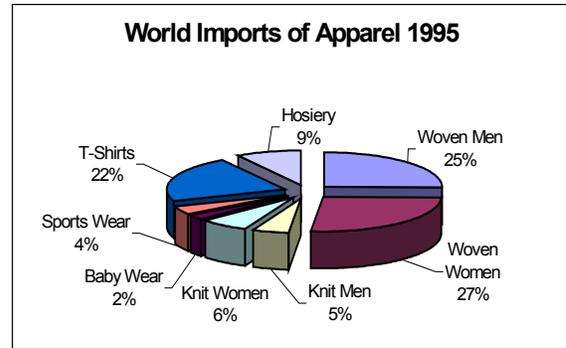
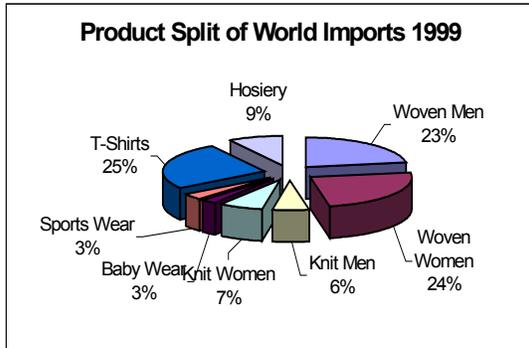
2. GLOBAL MARKET

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 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. Currently the split of textile and clothing trade is 47% and 53% respectively. The estimated import market of the apparel products is approximately US \$ 160 billion. The import market for the selected product categories (table given in annexure I) has increased at an annual growth rate of 4%. Imports have increased from US \$ 133 billion to US \$ 160 billion over a period of five years (1995-99).



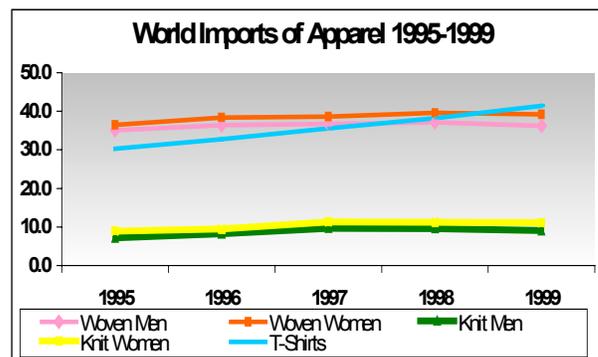
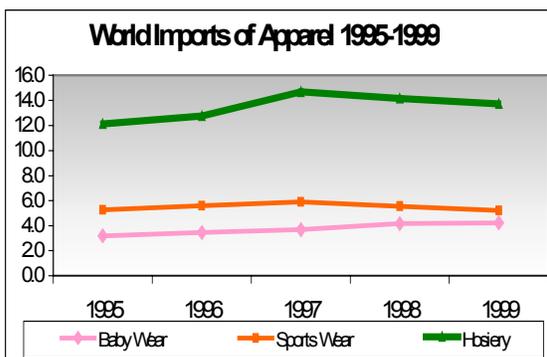
2.1. Product Mix of Imports

In terms of values of the global imports the share of both the knit and woven garments at a broader level is almost equal. At a product level the woven garments for men and women apparel categories enjoy a 50% share in the global imports it also includes a major part of the Hosiery category because mostly imports are in the women under garments and night wear are in the form of woven garments. The knit garments segment comprising mainly t-shirts and knitwear has a share of 38% in the total world imports. Due to unavailability of disaggregated data of knit garment in men and women categories it is not possible to come up with exact market size. Over a period of five years the knit garments have grown at faster pace than the woven garments, the share of woven garments has been reduced by almost 5% during this period.



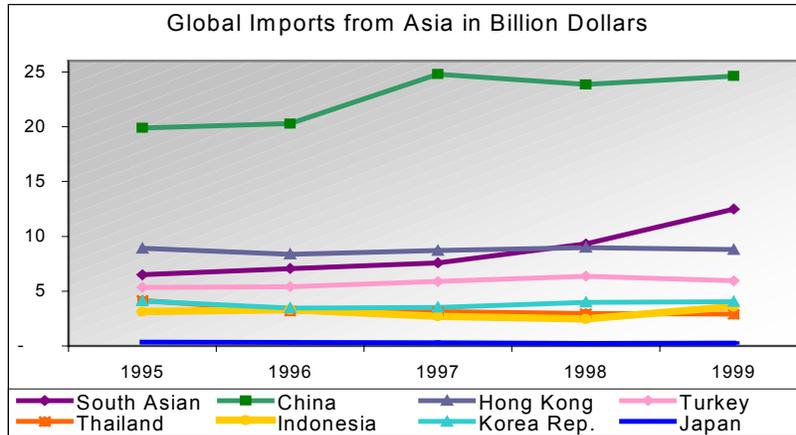
Analysis of gender split of the apparel import market shows that the women garment (knit and woven) segment is the single largest product category with a share of 31% in the import markets. Products such as sports-wear and baby-wear have a very small share of 3% each respectively in the total imports.

The large categories like woven and knit garments realised at an average annual growth rate of 1% and 6% respectively from 1995-1999. Imports of woven garments in men's category increased from US \$ 34.99 billion to US \$ 36.18 billion in 1995-99 representing an average annual growth rate of 0.8%. Whereas imports of the woven garment in women category increased at an average annual growth rate of 1.9%, the imports increased from US \$ 36.42 billion in 1995 to US \$ 39.23 billion in 1999. In the knit garments category imports for men's wear increased from US \$ 7.18 billion to US \$ 9.12 billion during the same period, showing an average annual growth rate of 6.1%. The imports of knitted garments for women had an average annual growth rate of 5.5% and it raised from US \$ 8.96 billion in 1995 to US \$ 11.11 billion in 1999. The figures depict the growth and performance of various categories comprising the global imports.

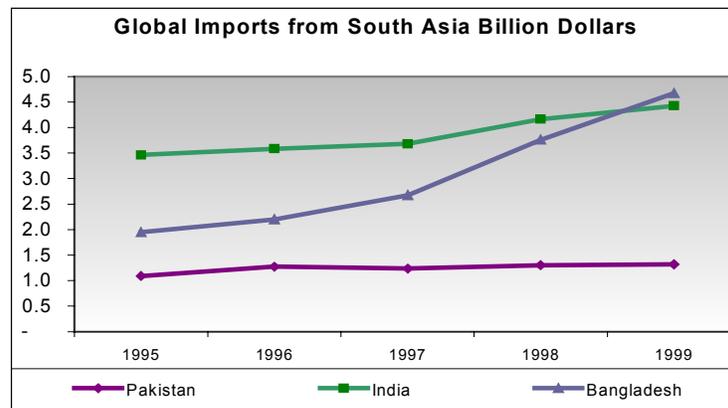


2.2. ASIAN COUNTRIES AND GLOBAL MARKET

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. Their total contribution in apparel markets increased at an annual average growth rate of 5% over a period of five years from 1995-99. In absolute terms the exports from Asia increased from US \$ 52 billion to US \$ 63 billion.



China holds the lions share in the overall exports of the apparel from Asia, its exports constitute almost 40% of the total exports of Asian region. Other important contributors include Hong Kong with a share of 14%, Turkey with a share of 10%, Thailand with a share of 5%, and Indonesia, and Korea with a share 6%, and 4% respectively.



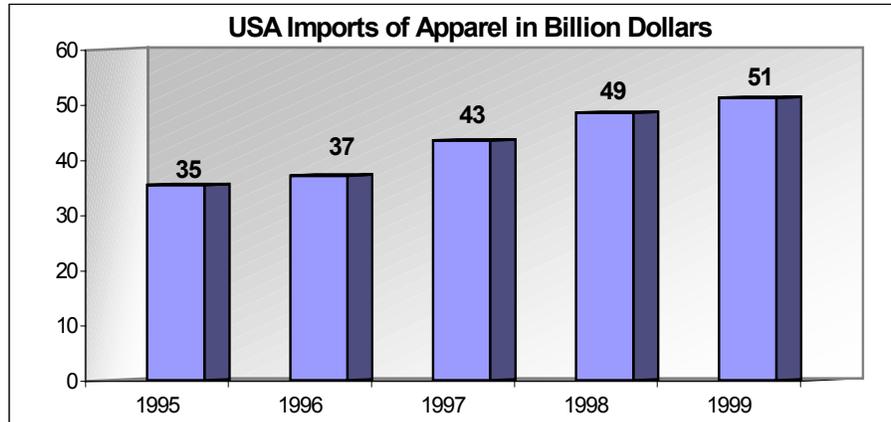
2.2.1. South Asia and Apparel Exports

The South Asian Countries exported apparel products worth US \$ 12.5 billion and have a combined share of 20% in Asian exports. Within the South Asian region Bangladesh dominates the exports by constituting almost 8% towards the net exports of Asia. India follows Bangladesh with a 7% share and Pakistan has a meagre share of 2% in the total

Asian exports. The apparel sector of Bangladesh has experienced tremendous growth, its exports were limited to less than US \$ 2 billion in 1995 and increased to almost US \$ 5 billion in 1999, that translates into an overall increase of 140% in exports. The growth in apparel exports from Pakistan during a similar period has been stagnant.

3. THE USA MARKET

The American market is the second largest import market for apparel products. The current size of the American market is around US \$ 51 billion. The USA has a 32% share of the global imports of apparel products. Due to high consumption patterns in the American markets, the imports of apparel products have increased at an annual average rate of 10% during the period of five years from 1995 through 1999.



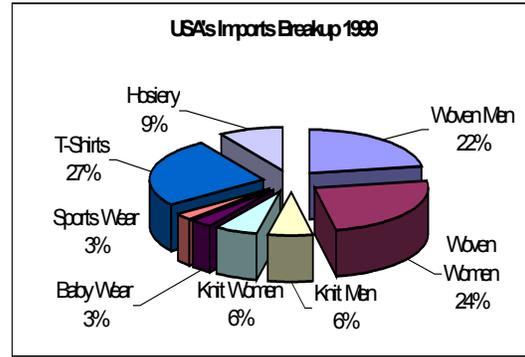
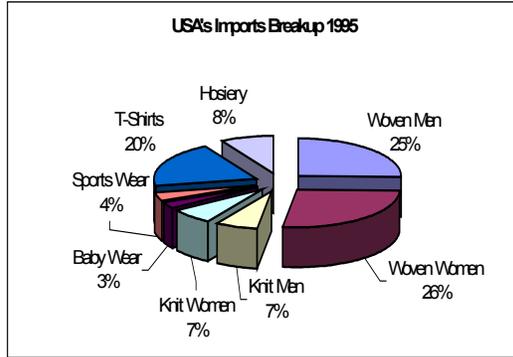
3.1. PRODUCT MIX OF IMPORTS

The market composition of imports in apparel products is almost the same as that of the world. The woven garment segment both for men and women has a total share of 46% in the overall apparel imports. The knit garments including t-shirts and knitwear constitute another 39% of the imports. A major chunk of imports in the hosiery category constitutes woven under-garments and nightwear with high presence of women garments. On the basis of this the share of woven garments in the total imports can be safely estimate to be more than 50%.

As mentioned earlier the trends in the American market are similar to the Global market, a closer look at the USA's import shows that the share of the women's garment is more than the men's garment. The women's garment represent 30% of the total imports of USA while the men's garments have a share of 28%. It becomes virtually impossible to comment on the share of men and women garments in the t-shirts category as these are only reported as knit shirts.

The imports of the woven garments have increased from US \$ 19 billion to US \$ 30 billion in 1995-99 and showing an average growth rate of 6.7%. In the woven garments category, imports for the women's garments stand at US \$ 12.5 billion with share of 24% and for men's garments it is US \$ 11.5 billion having a share of 22% in 1999. The contributing factor in increasing the share of this category is the women's wear which

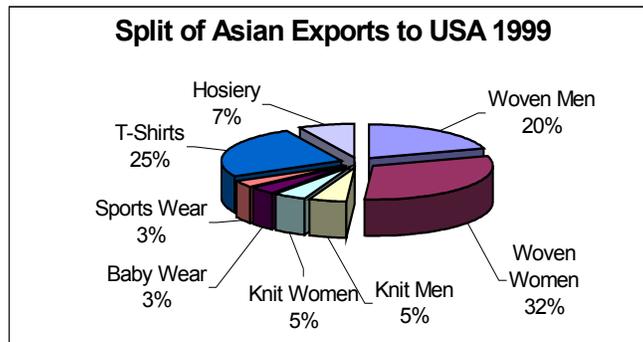
increased at an average annual growth rate of 7% whereas, the men's wear showed an annual growth rate of 6.3% during 1995-99.



The Knit garments segment including t-shirts and men and women knitwear in absolute terms contribute almost US \$ 20 billion. The high growth segment in the knit garments is the t-shirts category which has increased at an annual average growth rate of 17% from 1995 through 1999. Currently it holds 27% share in the total imports with total imports of US\$ 13 billion. The other product segments including baby-wear and sports-wear show a consistent growth trend by maintaining their overall shares. In value terms these markets constitute US\$ 3 billion in the total apparel imports.

3.2. ASIAN COUNTRIES AND USA MARKET

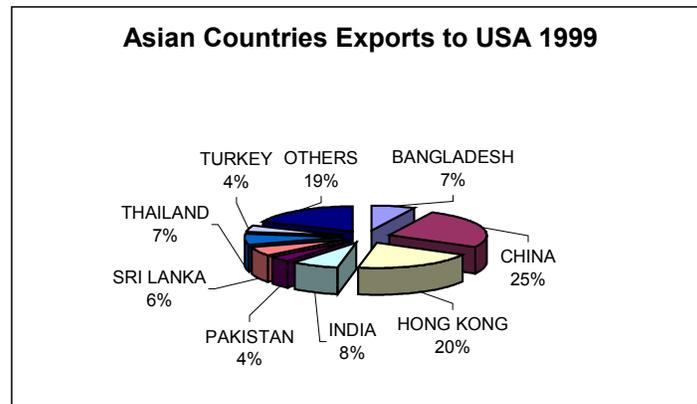
The Asian countries are exporting apparel products worth US \$ 21 billion to the USA market and with a share of almost 41% of USA's apparel imports. The women's garments, having a share of 37% dominates the exports from the Asian countries. The share of men garments that currently stands at 25%, is fairly small as compared to the women garments exports by Asian countries.



The woven garments including tops and bottoms of all types of woven fabrics dominate the American market with a share of 52% in the overall imports followed by the t-shirts category which has acquired a share of 25% in the total exports of the Asian countries. These exporting countries have consistently maintained pace with the growth in apparel demand of the woven and knit garments in the USA. The exports of Asian countries of the woven garments increased from US \$ 9.6 billion to US \$ 11 billion through 1995-99.

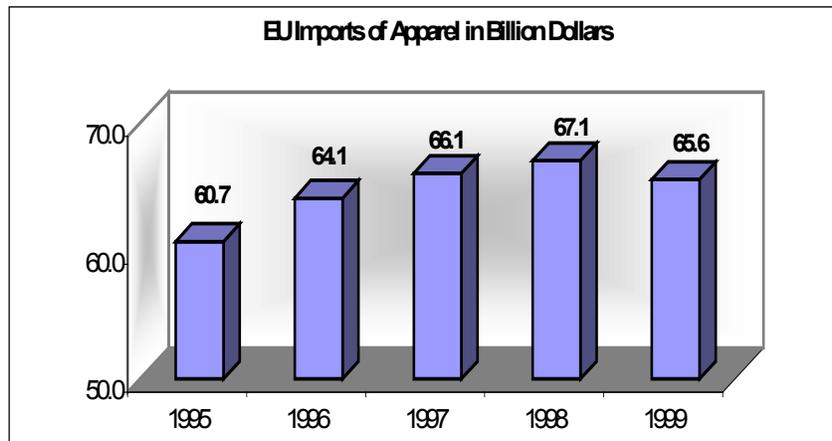
In this category the share of the women's wear is almost 60%. Although the difference between the volume of imports in the woven women-wear and men-wear is not very high but the high share of women-wear in overall imports is the result of high unit value of the women garment in the American market. This phenomenon is not only limited to American market alone but generally the average unit price realisation of women-wear is significantly high as compared to the men-wear.

As is the case with world apparel markets, China has the largest share of 25% of the overall Asian countries exports to the USA, which gives it a share of almost 10% in the American market. Within the selected Asian countries Hong Kong is the second largest exporter to the USA with a total exports of over US\$ 4 billion. Pakistan enjoys a 4% share in the Asian exports to the USA but the size of exports is half the size of Bangladesh's exports. Bangladesh has consistently strengthened its position in the American market by developing a strong woven garments manufacturing base. The importance of South Asian countries in the American market is quite obvious as they constitute almost 10% of the total apparel exports in the USA.



4. THE EUROPEAN UNION MARKET

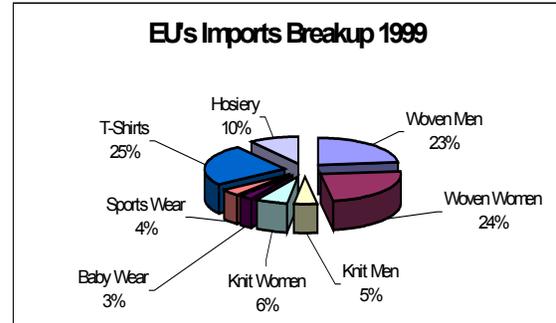
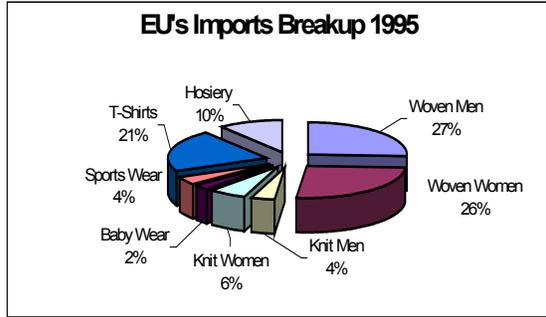
The European Union market comprises of fourteen countries namely Germany, United Kingdom, Netherlands, Austria, Belgium, Denmark, Finland, France, Greece, Italy, Portugal, Spain, Ireland and Sweden. The European market is the world largest market for the imports of apparel products. The size of the European market is US \$ 66 billion. The imports of EU are around 41% of the global imports of the apparel products. The imports of apparel products have increased from here of US \$ 61 billion to US \$ 66 billion in 1995-99 representing an average annual growth rate of 2%.



4.1. PRODUCT MIX OF IMPORTS

The imports of EU have a prominent bias towards the woven garments, the estimated share of which is around 55%. Although the woven men and women garments combined together constitute 47% of EU's import, but due to the fact that the hosiery segment comprises mainly of women garments including under-garments and nightwear, etc. manufactured from woven fabric, the estimated share of woven garments is high.

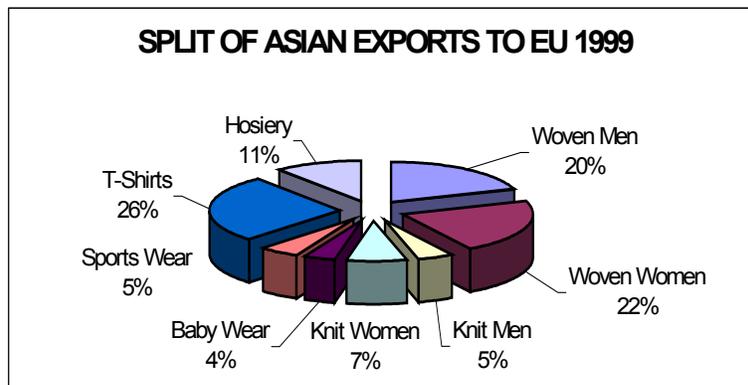
In the woven garment category the women's wear imports were US \$ 16 billion and the imports of the men's wear were US \$ 15 billion. The women's wear showed an average annual growth rate of 0.5% whereas, the imports of men's wear declined at annual average rate of 0.6% during 1995-99. This basically is reflecting that the market for the women's wear is very well developed in EU as compared to men's wear. In the T-shirts category, the imports raised from US \$ 13 billion to US \$ 16 billion with an average annual growth rate of 6 %. The T-shirts category, which can be considered as a sub-category of knit garments, showed the highest level of growth in the EU market. The level of imports of other knit garment segment representing both the men and women products is to the tune of US \$ 7 billion with a share of 11% in the EU apparel imports.



The smaller categories include Baby wear, Sports wear and Hosiery. Among these three categories Hosiery has the highest share of 10% and in value terms the imports of Hosiery increased from US \$ 6 billion to US \$ 7 billion showing an average annual growth rate of 1.1%. The Baby wear category showed an average annual growth rate of 5% and it increased from US \$ 1.4 billion to US \$ 1.8 billion. The imports in the Sports wear category have declined at an annual average rate of 1% from US \$ 2.6 billion to US \$ 2.5 billion.

4.2. ASIAN COUNTRIES AND EU MARKET

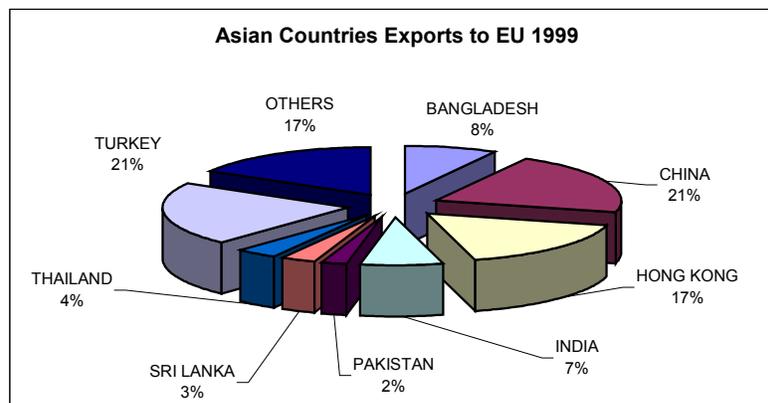
The Asian countries are exporting apparel products worth of US \$ 22 billion to the EU market and this represents 34% of EU's apparel imports. The Asian countries exports to the EU market have increased at an average annual growth rate of 4.3% from US \$ 19 billion to US \$ 22 billion. The women's garments, having a share of 29% dominates the exports of the Asian countries. Followed by men's garment with a share of 25%. The combined share of these two is 54%.



The analysis of the product mix of Asian exports to EU reveal that the trends in exports are very balanced and compatible to the import trends in the EU market. The woven garments are the biggest category with a share of 42% and the second largest category is T-shirts with a share of 26% in the EU's imports. The imports of the woven garments increased from US \$ 9.15 billion to US \$ 9.18 billion through 1995-99. In the woven

category the share of the women's wear and men's wear is US \$ 4.81 billion and US \$ 4.37 billion respectively. The overall share of women wear is high as compared to men-wear.

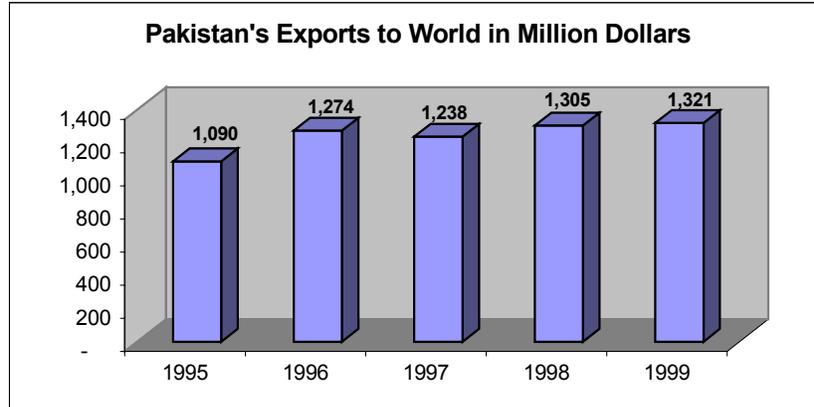
In the T-shirts category Asian exports increased from US \$ 3.9 billion to US \$ 6.0 billion in the same period representing an average annual growth rate of 11.%. The Knit garment category involves exports of US \$ 2.65 billion and the share is 12%. The imports of the knit garments increased at an average annual growth rate of 6.6%. In the knit garment category the imports of women wear are around US \$ 1.62 billion and in the men's wear it is US \$ 1.03 billion. The share of knit garments is obtained by adding the exports of both t-shirts and the knitwear, which combined together constitute almost 41% of the total EU apparel exports.



Key players in the EU apparel market includes China with a share of 21% in the total Asian exports to the EU, China also has the benefit of having a very well balanced and diverse product portfolio that enables it to maintain its share in the EU market. Whereas its South Asian rival including Pakistan and India try to retain their market share through a fixed number of products mainly the knitted garments. Similarly Bangladesh relies on the strength of woven garment industry to maintain and even increase its penetration in the EU market. Another advantage that Bangladesh enjoys in the EU is the preferential treatment, Bangladesh is allowed to export duty products to EU as a part of the Generalised system of Preferences (GSP), which allows its products to be on an average 12% competitive than its other South Asian rivals.

5. PAKISTAN AND APPAREL EXPORTS

The Apparel exports of Pakistan were US \$ 1,321 million in 1999. This represents that the share of Pakistan's apparel exports in the global market is only 0.82%. The apparel products exports have increased at an average annual growth rate of 4.92% from US \$ 1,090 million to US \$ 1,321 million during 1994-99. Although the growth in the exports of Pakistan matches with the growth in the global import markets but the in case of Pakistan it is being driven by a limited product categories.

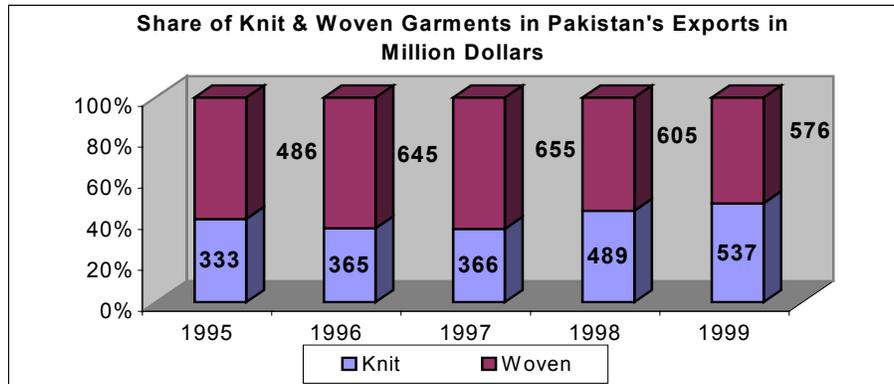


The main focus of the Pakistan's exports have been on two major markets USA and EU. In 1999 the exports of apparel product to USA were US \$ 751 million and exports to EU were US \$ 463 million. This reflects that around 92% of the Pakistan's exports are directed towards EU and USA. USA and EU being the two major countries which have placed quotas on apparel imports. The rest of the exports are made to other countries including Canada, Middle East, Australia and other Asian countries. Over the past five years the apparel exporters seem to have adopted an exit strategy in the non-quota countries as more and more exports are now towards quota markets. During 1995, the total exports to non-quota market had a share of 14%, whereas the exports to the USA and EU constituted 49% and 37%. A greater tendency of exports to quota markets is obvious from the figure. This situation makes Pakistan highly dependent on the quota-restricted markets.



5.1. PRODUCT MIX OF EXPORTS

Pakistan operates in the global apparel markets with a few product categories having a strong bias in favour of men's wear which constitutes 69% of the total exports. Whereas, globally the market share of the women's wear is higher than the men's wear. Traditionally Pakistan has tried to focus and increase its penetration in a smaller global market i.e. men-wear by ignoring a larger market. For this reason only 15% of Pakistan exports comprise women garments.

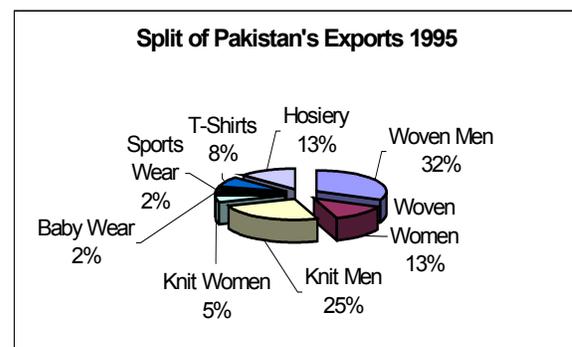
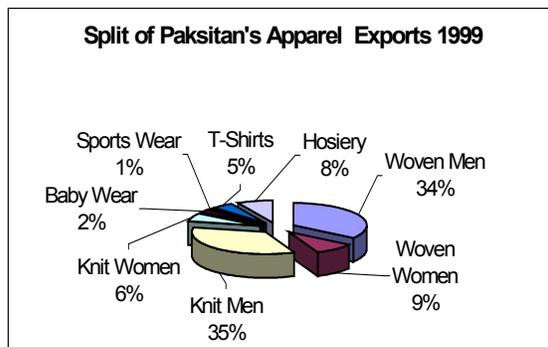


When the existing product mix of apparel exports from Pakistan is analysed both the woven and knit garments seem to have an equal split. In actuality the knit garments dominate the export product mix because of the fact that almost 100% exports in T-shirts category are also that of knitted garments. Even the hosiery segment in Pakistan is also dominated by knitted garments, on the contrary the hosiery segment in the world imports in predominantly that of woven garments. Even in the knit garments segments Pakistan's presence in the men garment category is extremely high, which is unlike the world import markets in which the share of women knit garments is higher as compared to men garments. The main reason behind the exporters pursuing production in men's wear is that over the years they have been able to accumulate the quotas in this category. Diversification to other product categories is not possible without incurring additional costs, which restricts the apparel sector capability of diversification.

5.1.1. Men and Women Garments

The major category of Woven garments for men and women have increased at an average annual growth rate of 4.34% during 1994-99. In this category, exports raised from US \$ 486 million to US \$ 576 million. The exports of the women garments in this category were US \$ 116 million and men garments were US \$ 460 million in 1999. The exports of the men's garments increased at annual growth rate of 7.49% whereas, the women's garments shrunk at an average annual rate of 4.78%. Even though the share of the woven garments is higher in Pakistan's exports, the comparison with the exports split of 1995 shows, that the share of the woven garments has slightly declined from 45% to 43%. But the split of the men and woven wear has completely changed. The share of

women wear has fallen to only 9% which was earlier 13% reflecting that Pakistan's exports are heavily focused on men's wear because of the quotas accumulated in this category by the big manufacturers. While globally the market size of the men's wear is smaller than the women's wear.

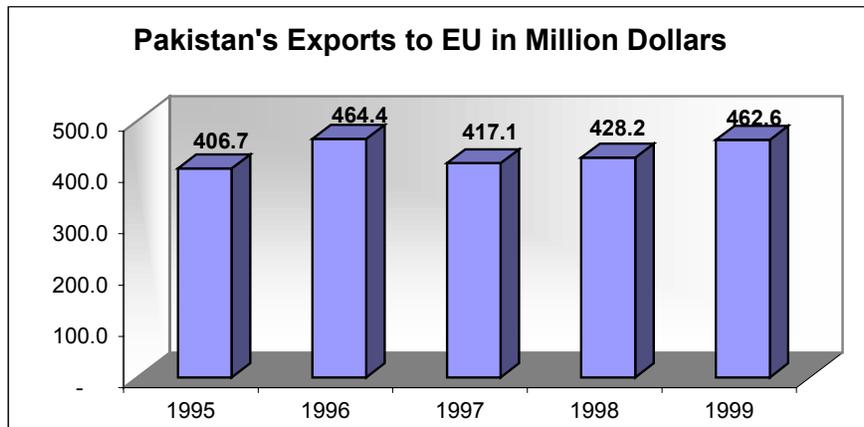


The next big category is of Knit garments taking a share of 41% and the exports of this category increased from US \$ 333 million to US \$ 537 million. Representing an average annual growth rate of 12.71%. The women's garments exports were US \$ 80 million and that of men's garments were 457 million. In this category the exports of men's garments increased at an average annual growth rate of 13.63%. Yet again showing that the exports of Pakistan are in favour of men's wear. When the exports of 1999 are compared with 1995 it is evident that the share of Knit garments in the Pakistan's exports have increased from 30% to 41% over 1995-99. Also the increase is mainly in the men's wear. The reason for the exports being biased towards men's wear is that the exporters have the benefit of mass production and the stable profits in this category. While in the global trade the market for the knit garments has not increased to that extend as the increase realised in Pakistan's knit garments category.

In smaller categories, the exports of the baby wear increased at an average annual growth rate of 13.81% from US \$ 16 million to US \$ 27 million. The exports of other categories like Sports wear, Hosiery and T-shirts have shrunk at an average an annual rate of 11.55%, 8.47% and 7.19% respectively. The main reason being that the exports are becoming more in favour of Men's wear. Where as globally the export market for women's wear is much larger than men's wear and the imports of T-shirts is increasing but in case of Pakistan the exports of T-shirts has shrunk. The Pakistani exporters are not exporting the smaller categories such as baby wear and others because market size is not large due to which the size of the orders in quantity terms is very small. And exporters do not like to pursue these niche markets as these are considered as specialised garments.

5.2. PAKISTAN and EUROPEAN UNION

The European market is the major target for Pakistan's exports of apparel products even though the quotas are placed in the EU market. The exports of apparel product to EU were US \$ 462.6 million in 1999. This represents that the share of Pakistan's apparel exports in the European market is 0.71% and this share has increased from 0.67%. This mainly reflects that more and more of Pakistan's exporters are venturing into the European market. The apparel product exports to EU have increased at an average annual growth rate of 3.27% from US \$ 406.7 million to US \$ 462.6 million during 1994-99.



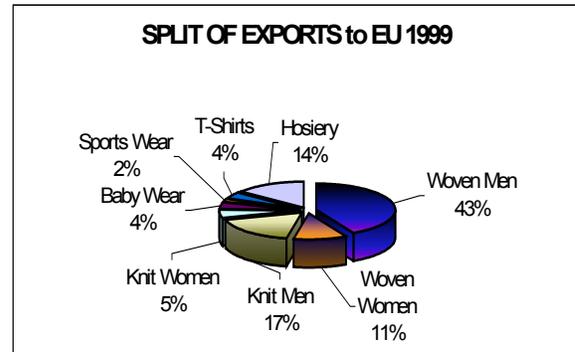
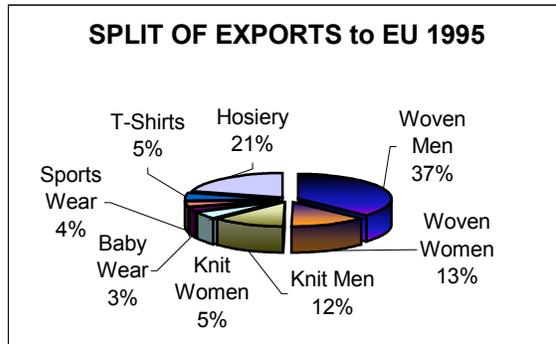
5.2.1. PRODUCT MIX OF EXPORTS

In the European market, 60% of the Pakistan's exports are of men's wear whereas women wear exports total up to 16% of the exports. The market size of the women wear is larger than the men's wear in EU and the exports of Pakistan are in favour of men's wear. The reason for not increasing the share of women garments is that the women garments require sophisticated processing procedures and fine fabric due to which the conversion cost of the garments is higher than the men's wear.

Pakistan's exports in the woven category are the highest with a share of 54%. The exports raised in this category from US \$ 204.7 million to US \$ 245.7 million with an annual average growth rate of 4.67%. The men's garments and women's garment exports were US \$ 194.7 million and US \$ 50.99 million respectively in 1999. The average annual growth rate of 6.67% was realised in the men's garments and the women's garments shrunk at the rate of 1.58% from 1994 to 1999. This also shows that the percentage decline in the women garments is taken up by the more reliance on the men's garment exports to EU market.

The exports of Knit garments have a share of 22% and the exports of this category increased from US \$ 70 million to US \$ 104 million. Representing an average annual

growth rate of 10.29%. The women's garments exports were US \$ 23 million and that of men's garments were US \$ 81 million. In this category the exports of men's garments increased at an average annual growth rate of 12.40%.



The exports of Pakistan in smaller categories show a similar pattern to the exports to world. It was in the baby wear category that there was some increased in exports while the exports of Sports wear, T-shirts and Hosiery have realised a negative growth rate. This basically reflects that the Pakistan's exports are being concentrated on men's garments and thus shrinking the share of other categories. While the trend should have been focused on adding up on new product categories in the product mix or catering the women garments market and moving towards higher value added products.

The comparison of Pakistan exports to EU during 1995-99 shows that the product mix of Pakistan exports is mostly in favour of woven garments and knit garments in the EU market. The same trend is seen in the overall exports of Pakistan in the apparel sector. The woven garments exports to EU had a share of 50% in 1995 and it increased to 54% in 1999. Similarly the share of the knit garments have increased from 17% to 22%. The share of the T-shirts which is globally increasing has decreased in Pakistan's case. The reason being that majority of Pakistan's exports are in the men's wear.

5.3. PAKISTAN and AMERICA

American market being the largest in the World for the apparel products is the dominant importing country. Pakistan exported upto 57% of its apparel to the USA market in 1999 that is exports totalling to US \$ 750.9 million. Pakistan's apparel products take up a share of 0.92% of the USA market. This shows that the Pakistan's exports are highly dependent on the USA market trends and demands. The exports of Pakistan have increased from US \$ 529 million to US \$ 751 million reflecting that the average annual growth rate is 9.16% during 1995-99.



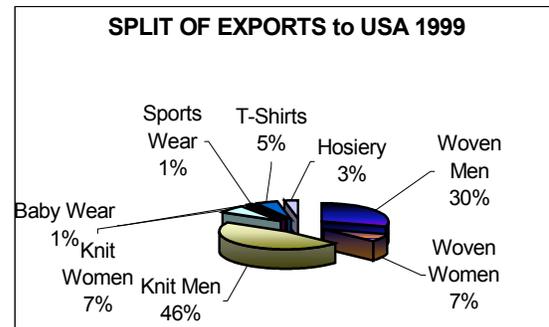
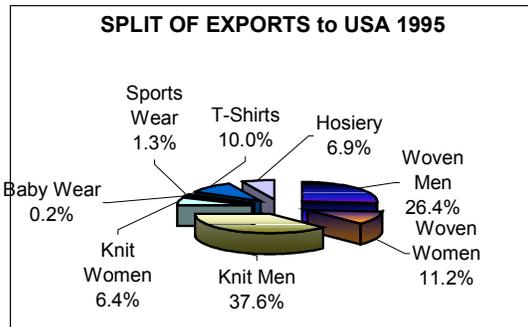
5.3.1. PRODUCT MIX OF EXPORTS

In the American market the share of the Men's Wear is 76% and a small share of 14 % is of women wear. The main reason for the exports inclined towards men's wear is that the volume of exports is higher for men's wear and the benefits of mass production are more attractive than going for higher value. In the USA market too the size of the women wear is larger than the men's wear but the exports of Pakistan are in favour of men's wear.

Pakistan's exports in the knit garments category are the highest for USA with a share of 53%. The exports raised in this category from US \$ 232.4 million to US \$ 400.7 million with an annual average growth rate of 14.59%. The men's garments and women's garment exports were US \$ 347.9 million and US \$ 52.8 million respectively in 1999. The average annual growth rates for men's garments and women's garments were 15.04% and 11.82% respectively. Thus reflecting that the consumers prefer the knit garments as its softer and durable.

The Woven garments category has a share of 37% and the exports of this category increased from US \$ 198.8 million to US \$ 275.4 million. Representing an average annual growth rate of 8.49%. The women's garments exports were US \$ 53 million and

that of men's garments were US \$ 222 million. In this category the exports of men's garments increased at an average annual growth rate of 12.32%.



The share of Knit and Woven garments together is 90% in the exports of Pakistan to USA and the rest of 10% are shared amongst the baby wear, Sports wear, T-shirts and Hosiery categories. The baby wear category increased at an average annual growth rate of 52.85% and its exports were US \$ 6.2 million in 1999. Besides baby wear category, Sports wear, Hosiery and T-shirts category declined at an average annual rates of 8.56%, 8.10% & 8.19%. This clearly shows that the Pakistan's exports are concentrating on two major garments exports namely men's wear and women's wear and all other categories are being ignored and not significantly developed.

The comparison of the share of the exports to USA during 1995-999 shows that the share of the woven garments exports have shrunk and it has shifted towards the exports of knit garments. While USA market is very large for the Woven garments. This shows that the exports of Pakistan are becoming more and more vulnerable by focusing on only smaller market rather than focusing on the market which is very big. In both of these categories the share of the men's garment exports of Pakistan are very high and the share of women's wear is very small. This also shows that the Pakistan's exporters are overlooking the fact that the market for the Women's wear is larger than market of Men's wear. The reasons for focusing on men's wear are the same that the quotas are expensive to buy and the conversion costs are slightly higher due to complexity in women garment manufacturing. Other reasons include limited domestic availability of wide range of fine and blended fabrics that often need to be imported. Due to these reasons the industry continues to maintain a strong bias in favour of the men garments production.

6. PAKISTAN AND UNIT PRICE REALISATION

The unit price realisation of product categories is an excellent indicator to determine the sustainability of the export growth and to develop an understanding about the competitiveness in various product segments. It also gives a fair idea about the positioning of the apparel products in different tiers of the market, i.e. high-end and low-end product segments.

6.1. MEN'S WEAR UNIT PRICE REALISATION

6.1.1. Woven Garments:

In woven men's wear, the major categories exported by Pakistan are trousers and shirts. On the per piece basis trousers are exported at US \$ 3.67, while the cotton shirts and shirts of other textile material are exported at the rate of US \$ 3.74 and US \$ 2.89 respectively. These prices are the lowest in comparison to all other countries under review. Sri Lanka has been able to get the highest price per piece of US \$ 6.44 for trousers, Thailand in cotton shirts for US \$ 7.51 and India in shirts of other textile material for US \$ 6.16. This gives a decent idea that Pakistan's presence in the woven garment segment is limited to the low-end market comprising discount stores.

COMPARATIVE UNIT PRICE REALIZATION OF EXPORTS OF WOVEN MEN'S WEAR							
UNIT PRICE REALIZATION \$/Piece							
SITC	Product Description	Pakistan	Bangladesh	India	Sri Lanka	China	Thailand
8414	Trousers, etc.	3.67	4.21	3.91	6.44	5.74	6.35
84151	Cotton shirts	3.74	4.82	5.59	6.15	4.02	7.51
84159	Shirts of other textile material	2.89	4.17	6.16	5.72	5.28	4.85

6.1.2. Knit Garments:

In the knit men's wear exports, the major categories of Pakistan exports are trousers and shirts. On the per piece basis trousers are exported at US \$ 3.21, while the cotton shirts and shirts of other textile material are exported at the rate of US \$ 4.06 and US \$ 3.81. These prices are better than prices of Bangladesh. Also in the trousers category Pakistan is able to fetch higher prices than India and China reflecting that the Pakistan's exports are much more competitive in the Knit men's wear. Sri Lanka in has been able to get the highest price per piece for trousers i.e., US \$ 3.90, Thailand in cotton shirts for US \$ 7.48 and China in shirts of other textile material for US \$ 8.14 on per piece basis.

COMPARATIVE UNIT PRICE REALIZATION OF EXPORTS OF KNIT MEN'S WEAR							
UNIT PRICE REALIZATION \$/Piece							
SITC	Product Description	Pakistan	Bangladesh	India	Sri Lanka	China	Thailand
84324	Trousers etc.	3.21	3.17	2.80	3.90	2.04	3.29
84371	Cotton shirts	4.06	2.97	4.53	7.44	5.49	7.48
84379	Shirts, other textile material	3.81	3.45	4.62	6.08	8.14	3.34

The trend may be seen that Sri Lanka is able to get higher prices in the trousers category be it a woven garment or a knit garment. While Thailand has specialised in producing cotton shirts be it a woven or knit garment.

Pakistan seems to be competing in the International market on the basis of providing the international buyers with garments in large volumes and at cheaper prices and this also shows that Pakistan is exporting products of lower quality. Another contributing factor here is that Pakistan over the years has established itself as a mass producer of garments, and internationally competes on prices only, while the factor of quality is completely absent which is also reflected in low unit price realisations in the USA market. As far as brand development is concerned, currently no domestic apparel exporter has his presence with an exclusive brand name in the international market. The industry relies heavily on the buying houses that are the major providers to mass markets and discount stores. A very limited number of buyers are able to deal with high-end labels such as Levi's, Ralph Lauren and Nike, etc.

6.2. WOMEN'S WEAR UNIT PRICE REALISATION

6.2.1. Woven Garments:

The market perception of Pakistan even in this category is that of a low quality, high volume supplier. The price level in the skirt category is US \$ 4.04 per piece, which is better than Bangladesh's price of US \$ 3.47. As far as trousers and blouses are concerned Pakistan's prices are the lowest among the Asian countries at US 3.67 and US \$ 3.14 per pieces. China has a very high unit price realisation in skirts followed by Thailand. The basic reason is the indigenous availability of numerous fabric blends. China and its neighbouring countries are the largest producer of man-made fibres and filaments which gives them competitive edge over other countries particularly in the global women garments market.

COMPARATIVE UNIT PRICE REALIZATION OF EXPORTS OF WOVEN WOMEN'S WEAR							
UNIT PRICE REALIZATION \$/Piece							
SITC	Product Description	Pakistan	Bangladesh	India	Sri Lanka	China	Thailand
8425	Skirts & divided skirts	4.04	3.47	4.77	5.39	7.53	6.05
8426	Trousers, breeches etc.	3.67	4.55	4.22	5.87	5.85	7.13
8427	Blouses, shirt-blouse, etc	3.14	3.28	3.94	5.69	6.77	7.04

6.2.2. Knit Garments:

In the knit wear category for women, Pakistan has been able to fetch the highest price for the skirts category among the Asian countries and in the trousers category the price realised was US \$ 2.90 per piece. China and Sri Lanka and Thailand are price leaders in the knit trousers category. Although the unit price realisation of Pakistan is very high in the knitted skirts segment but the volumes of export in this category are very low and it is unable to make a significant impact on the overall export performance of Pakistan.

COMPARATIVE UNIT PRICE REALIZATION OF EXPORTS OF KNIT WOMEN'S WEAR							
UNIT PRICE REALIZATION \$/Piece							
SITC	Product Description	Pakistan	Bangladesh	India	Sri Lanka	China	Thailand
8425	Skirts & divided skirts	5.68	0.00	2.92	4.85	3.13	4.41
8426	Trousers, breeches etc.	2.90	2.59	3.74	4.82	6.78	4.54

6.3. T-SHIRTS & PULLOVERS UNIT PRICE REALISATION

T-shirts are imported in large volumes in the USA. In Pakistan's apparel export portfolio, the t-shirts category has a pivotal position, as it is the third largest apparel product exported from the country.

The unit price realisation comparison among the selected Asian countries shows that the Pakistani exporters are not able to attain the higher price for their product. The exporters are relying on mass production and gain the profits in this manner. This clearly indicates that Pakistan's exports are directed mainly towards the bottom tier of apparel market and the exporters mainly deal with buyers like discount chain stores, with the exception of few exporters that deal with established brand names and labels. Again the volume of

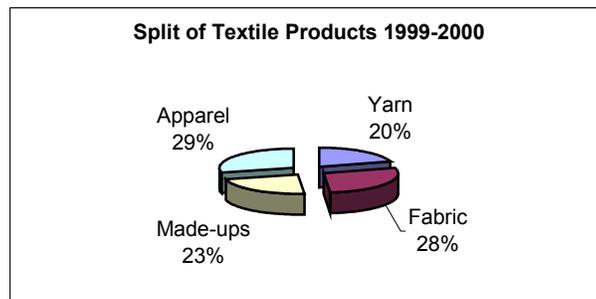
exports is not very high as a result the average unit price realisation of the overall apparel industry is very low.

COMPARATIVE UNIT PRICE REALIZATION OF EXPORTS OF T-SHIRTS & PULLOVERS							
UNIT PRICE REALIZATION \$/Piece							
SITC	Product Description	Pakistan	Bangladesh	India	Sri Lanka	China	Thailand
8453	Jerseys, pullovers, etc. knit	3.45	3.06	5.36	6.19	4.57	7.06
8454	T-shirts, other vests knit	2.83	1.69	4.26	4.21	2.93	3.68

Other factors contributing towards low unit price realisation of Pakistan, as mentioned above, include limited availability and production of blended garments as well as finishing techniques that are used to add value in garments.

7. PAKISTAN'S APPAREL INDUSTRY STRUCTURE

The textile exports of Pakistan are US \$ 5.615 million whereas the apparel exports constitute a total of US \$ 1.658 million. This represents only 29% of the total textile exports. Whereas globally the trend is that the share of the exports of the apparel products is nearly 70%. This reveals that the Pakistan's exports are basically concentrated on the low value added products like exports of cotton/textile fabric, cotton yarn/thread and other items. Apparel products being the highest value added category in the textile exports does not have a large share.



7.1. Apparel Industry Structure

If the secondary data sources are consulted in order to determine the size of the apparel sector in Pakistan, these sources are highly under-reported. The Census of Manufacturing Industries (CMI 1995-96) gives the total number of registered apparel manufacturing units as one hundred and 30 only (130) and the number of persons engaged in these units is around fourteen thousand (14,000). Similarly, according to the Survey of Household and Manufacturing Industries (SHMI 1996-97) the number of total apparel stitching units in the informal sector is around four thousand (3,839 precisely). The total number of persons engaged is highly underestimated at seven thousand.

As far as the secondary data sources are concerned particularly the numbers of total employees are highly under-estimated. High tendency of under-reporting the number of employees exists in the business community to circumvent the labour levy contributions on behalf of employees. Also the numbers represent direct employment, whereas contract employees and piece rate employees are not captured by the secondary data sources.

7.2. Imports of Stitching Machines and Size of Apparel Sector

Mostly for industrial purposes only imported stitching (sewing) machines are used, whereas for household purposes domestically manufactured machines are used. The

volume of imports of sewing machines in Pakistan gives a fair idea of the total size of the apparel sector.

YEAR	7.2.1.1. MACHINES INSTALLED
1991 - 1992	62,400
1992 - 1993	61,599
1993 - 1994	44,948
1994 - 1995	28,402
1995 - 1996	18,513
1996 - 1997	25,408
1997 - 1998	47,435
1998 - 1999	37,709
1999 - 2000	20,377
TOTAL	346,791
Stitching Machines Imports (Machines imported prior to 1990 can be considered as scrapped)	

The table reveals that the total sewing machine population in the country is around 400,000. Considering the fact that stitching units either of knit garments or woven garments require other human resource as well such as helpers, cutters and trimmers, etc the total employment in the sector is more than 700,000 individuals. Out of this the total number of skilled workers is probably half the size of total employment.

7.3. Knit and Woven Apparel Segment

At a broader level the industry can further be classified in two broad categories i.e. the knit garments segment and the woven garments segment. The knitting industry in Pakistan has traditionally focussed on integrated units. An estimated number of 700 vertically integrated units constitute the knitwear sector of Pakistan. These units perform in-house knitting, dyeing and processing and stitching of garments. An estimated number of 15,000 knitting machines are installed in this segment, mostly these units cater to the export markets with limited presence in the domestic markets, almost 80% of the production is exported.

In the woven garments segments although the number of manufacturing units is much high but these are dedicated stitching units which only convert fabric into garments. The segment is dominated by SMEs which operate with small number of stitching machines ranging from 30 to 40 machines per unit. A large number of the woven garments stitching units also cater to the demands of the domestic apparel market.

7.4. Gender Split in Employment

The apparel manufacturing industry in Pakistan is the single largest industrial employment provider in the country. The male workers who comprise almost 90% of the total labour force dominate the employment in the sector.

The industry prefers to hire male workers as stitchers whereas, female workers are only hired as helpers in the trimming and packing sections. Key factors given by the industry includes the following:

Labour laws in the country impose restriction on women employment after 7 P.M. Due to the cyclic nature of the apparel industry and depending upon orders obtained by a specific unit, it becomes difficult for female workers to work extra time.

- The entrepreneurs also avoid hiring female workers because of the maternity benefits that are to be provided to a female employee. The maternity benefits include paid leave for fixed period of time.
- The apparel industry heavily relies on Ustaad-Shagird (apprenticeship on the job training) and mostly the stitching masters are male and they tend to have a gender bias against training of women workers.

However, generally the women workers are considered to be more productive by the apparel industry as compared to male workers, still on the basis of above mentioned factors, male workers are given a preferential treatment by the apparel sector.

7.5. Production Efficiency and Losses

An important factor that undermines the productivity of the apparel sector in Pakistan is the high production losses. These losses are to the extent of 30 to 40% in the knitwear sector. An important element is the lack of specialisation and presence of integrated units within the knitwear sector. These losses are significantly reduced in the woven garments segment due to specialisation in production processes.

Extent of Losses in the Knitwear Industry	
Cut to Shipment Rejection	2-3%
Knitting losses	2%
Dyeing & Finishing Losses	4-7%
Cutting & Stitching Losses	15-18%
Total	23-28%
Source: Textile Vision 2005	

The level of wastage at various stages in knitwear industry by no standards can be compared to international benchmarks that consider any process to be commercially unviable if the extent of losses is more than 4%.

7.6. Skill Development in Apparel Sector

There are a very limited number of training institutes that provide stitching training in the country. The output of these institutes is not sufficient to meet the requirements of the apparel sector. The apparel industry develops its human resource through Ustaad-Shagird system. The stitching masters induct young apprentices and impart stitching training. Due to this particular aspect the modern production techniques and process improvements rarely happen within the system.

This aspect also limits the capability of the apparel sector to bring about improvements in the existing product lines and develop new products. The industry in Pakistan is highly production oriented and lacks innovation in both the processes and product.

7.7. Competitiveness of Apparel Manufacturing in Pakistan

Even with increasing labour costs and the costs of other inputs, Pakistan is still highly competitive in apparel manufacturing. The total cost of garments is below the average unit price realisation of different competitors.

The table below represents the cost structures of the apparel sector in the three selected product categories. The highest cost content, almost 80%, in any garment is that of the inputs including fabric, trimming and accessories. The labour cost per garment is within the range of 7% to 11%, depending upon the type of garment produced.

Competitiveness of Apparel Manufacturing in Pakistan						
Cost of goods /garment (Rs)	Denim Jeans	% of Total Cost	PK Polo T-shirt	% of Total Cost	Woven Pants Cotton	% of Total Cost
Fabric (RS)	132.61	70.92%	72.12	65.64%	141.40	71.67%
Pocket Lining fabric (RS)	6.50	3.48%	0.00	0.00%	6.50	3.29%
Accessories (Rs)	21.15	11.31%	11.76	10.70%	18.70	9.48%
Packing cost/garment (Rs)	5.00	2.67%	5.00	4.55%	5.00	2.53%
Electricity charges per garment (Rs)	1.81	0.97%	1.66	1.51%	1.91	0.97%
Maintenance Costs (Rs)	0.30	0.16%	0.47	0.43%	0.65	0.33%
Labor (Rs)	14.00	7.49%	12.00	10.92%	16.00	8.11%
Total CGS Rs	181.37		103.01		190.16	
Total CGS \$	2.83		1.61		2.97	
Financial Charges	2.80	1.50%	2.16	1.97%	2.50	1.27%
Admin/Overheads	2.82	1.51%	4.70	4.28%	4.64	2.35%
Cost/garment including Admin & Financial Charges	186.99		109.87		197.30	
Total Cost including admin &	2.92		1.72		3.08	

Financial Charges \$

* One US \$ equal to PKR 65

7.8. Labour Wages and Productivity

Pakistan despite consistent inflationary pressures is still highly competitive in labour costs as compared to developed countries. The average hourly wage in the apparel industry is within the range of US \$ 0.22 to 0.30. This makes it competitive with the developed countries even if the productivity of the labour force is only 50% to that of the USA. In developing countries like India and Bangladesh the average wages are even lower than that of Pakistan, the competition with these economies is only possible through enhancing productivity and curtailing process wastage.

Apparel Industry Average Hourly Wages	
Countries	US \$ / hour
USA	8.00
Dominican Republic	1.15
Malaysia	1.15
Mexico	0.85
Thailand	0.65
Indonesia	0.15
India	0.20
Bangladesh	0.18
Pakistan	0.22

Source: Kart Salmon Associates

7.9. Impediments in Diversification

Despite the fact that the production process of stitching is fairly flexible to switch between different product categories. The major constraint is the quota policy that favours the production of a specific product category without having any negative implications on the cost structures. The cost structure of garments given above does include quota costs. If an enterprise wishes to enter in a new product category it has to buy quota from the open market. Consequently the cost incurred only to acquire quotas would inflate the cost of one garment by almost US\$ 2.5, thus leaving the enterprise uncompetitive in the international markets. Without any provision of quota allocation for potential investors and new entrants, the quota policy serves as a major deterrent towards widening of the apparel industry's product base.

7.10. Availability of Inputs

The fabric and other accessories constitute almost 80% to 85% of the total garment cost. The knitting industry due to its structure is capable of meeting its fabric requirements indigenously. The woven garments segment due to its dependency on domestic weaving

industry has a limited capability to produce a wider product range. The production of weaving industry in Pakistan is concentrated in coarse fabric (low density cotton fabrics) which makes it feasible for the apparel sector to produce cotton based trousers and bottoms. Due to this the availability of fine fabrics used for producing tops (woven shirts) is very limited. This forces the domestic garments segment to increase its existing share in menswear this neglecting a large global product segment of women wear.

The Government in order to facilitate the apparel manufacturing has made some systems for temporary imports of inputs. These include the No Duty No Drawback schemes (NDND) but due to procedural requirements the small sized apparel manufacturers are unable to import fabric through these schemes. However the large ones import fabric from numerous sources to meet the requirements of buyers of woven garments.

7.11. Marketing of Products

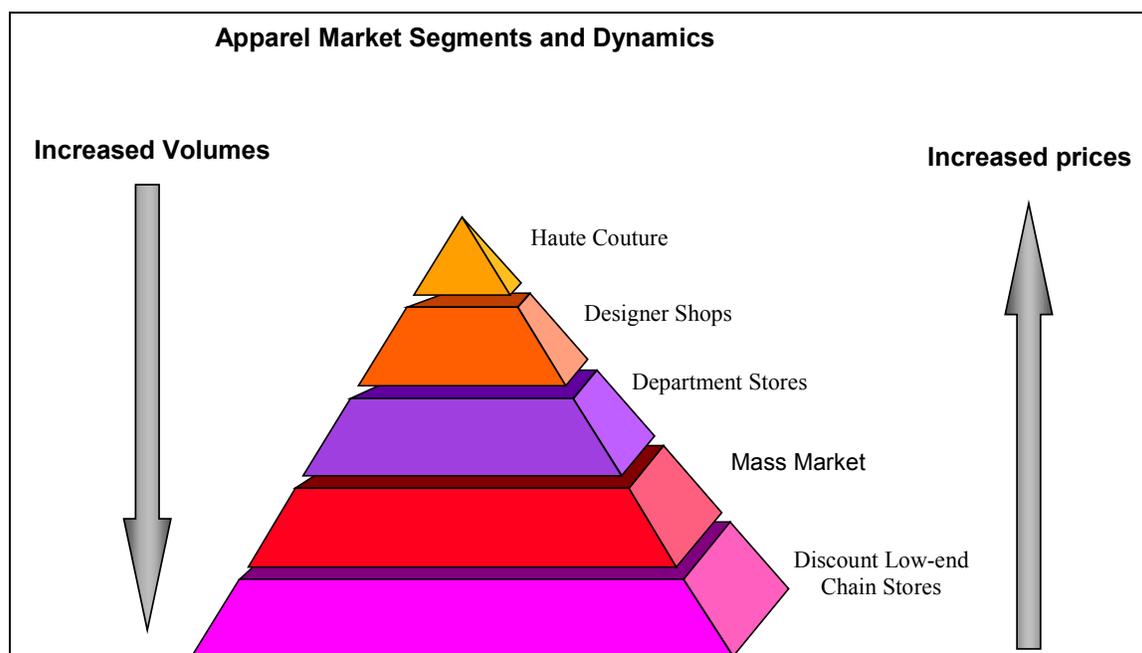
Marketing in the apparel segment is driven by three main elements. Firstly it's the capability of an enterprise to produce a particular product, secondly it's the buyer that requires the product and thirdly it's the capability of the manufacture/exporter to meet the orders and deliver on time. Unfortunately due to quota restrictions, the first consideration even for buyers is the availability of a specific product quota with the supplier, as only this can ensure timely delivery of the product. This attribute of the industry has constrained the ability of the apparel manufacturers to market their products and even diversify.

The apparel industry of Pakistan has positioned itself as a mass producer of garments, particularly in the knitted garments segment. Due to which majority of the industry exports to the low end markets whereas high-end markets are rarely targeted by the industry. This also results in low unit price realisation in the international markets.

7.12. Global Apparel Market Segmentation

The pyramid shows the structure of the apparel market. The tip of the pyramid although very small in size but is a high price segment primarily dominated by the apparel designers such as Giorgio Armani and Versace, etc. These products can be classified as high value-added products. The base of the pyramid depicts the low-end discount stores such as K-mart and Wall-mart, etc, where the need of the international buyers is quantity with limited consideration given to quality of the product. These buyers in the apparel market segment can be classified as commodity buyers. The movement from top to bottom of the pyramid results in increased volumes and decrease in unit price realisation.

Apparel Market Segments



The table below represents buyers preference in different apparel market segments. The low-end buyers, as represented by the base of the pyramid, give top priority to price while negotiating with the suppliers and apparel manufacturers. The second most important factors considered by this segment is delivery according to commitment, whereas the element of quality of products and flexibility to produce diverse range of products comes at the end of the pecking order. On the contrary the high-end market gives high consideration to quality of a product and diversity in product line.

Buyers Preference in Apparel Market Segments

Commodity Products	High Value Added Products
Price	Quality
Delivery	Flexibility
Quality	Delivery
Flexibility	Price

Majority of the Pakistani apparel exporters are geared towards catering to the market needs of the last three market segments, i.e department stores, mass market and discount stores. The size of this market in terms of volumes is very high but there is ceiling in price realisations. The other high-end market currently seems to be out of the reach of the apparel sector due to narrow product base and comparatively low product quality as these factors constitute important elements of buyers preference in this segment.

8. QUOTAS IN TEXTILE TRADE

The textile trade is governed by quota restrictions imposed by the developed countries including the USA, EU and Canada. The basic objective was to protect the domestic industry from competitive imports from the developing countries. All the quota restrictions in numerous sub-sectors of textiles were governed by the Multi Fiber Arrangement (MFA). With the completion of the final round of WTO in 1994, the quota restrictions on textiles were found to be in conflict with the basic principles of WTO which stressed upon removal of any non-tariff barriers. As a consequence a new regime called the Agreement on Textiles and Clothing (ATC) replaced MFA. The key objective of the ATC is to phase out the quota restrictions over a period of ten years. The MFA will cease to exist after December 31, 2004. The process in which the developed countries are phasing out quotas according to their commitments with WTO is very interesting to evaluate, as the current level of liberalisation is not in accordance with the committed volumes as well as categories of products which need to be integrated in the non-quota trade regime. This raises serious concerns about the future of ATC. A question that still needs to be answered is the complete implementation of ATC in 2005.

8.1. Quota for Textiles and Apparel in Pakistan

The USA and the EU comprise vital textile markets particularly for the apparel products. More than 90% of the Pakistan's exports of garments are directed towards these two regions of the world. Trade in both these markets is governed by quantitative restrictions. Every year Pakistan is allowed to export a fixed number of garments based on the quota allocated by the countries/region. In this particular section the performance of the domestic apparel industry will be evaluated based on its utilisations of quota in various garments categories. This will be helpful in developing an understanding about the level of preparedness that the country has so far achieved in order to meet the challenges of the post MFA scenario.

8.1.1. Quota Utilisations of Pakistan in the USA

The USA is Pakistan's largest export market for textile apparel. Almost 50% of the apparel trade is directed towards the USA. The overall average quota utilisation of Pakistan in the American market is slightly above 75%. This is not a very encouraging figure as other competitors like China and India have overall average quota utilisations of more than 90% in the American market. The main reason is limited product base of Pakistan textile apparel.

HTS Codes*	Pakistan's Quota Utilisations in the USA (Apparel %)			
		1997	1998	1999
	9. PRODUCT			
331/631	Gloves and Mittens	77.5	81.9	67.8
334/634	Men and Boy Coats	88.1	58.2	78.0
335/635	Women and Girl Coats	67.7	56.4	38.3
336/636	Dresses	61.7	73.1	51.6
338	Men and Boy Knit Shirts	93.5	77.1	88.0
339	Women and Girl Knit Shirts and Blouses	77.4	72.9	83.9
340/640	Men and Boy Shirts (not knitted)	90.0	61.0	69.8
341/641	Women and Girl Shirts and Blouses (not knitted)	27.3	77.9	24.6
342/642	Skirts	18.4	55.7	38.0
347/348	Men and Boy Trousers, Breaches and Shorts	81.9	73.2	92.7
351/651	Nightwear and Pyjamas	85.1	84.3	74.9
352/652	Underwear	69.2	76.4	52.0
359/659	Other Cotton Apparel	89.5	74.2	84.7
638/639	Men and Boy Knit Shirts	36.0	19.9	75.4
647/648	Women and Girl Trousers, Breaches and Shorts	73.8	69.8	65.7

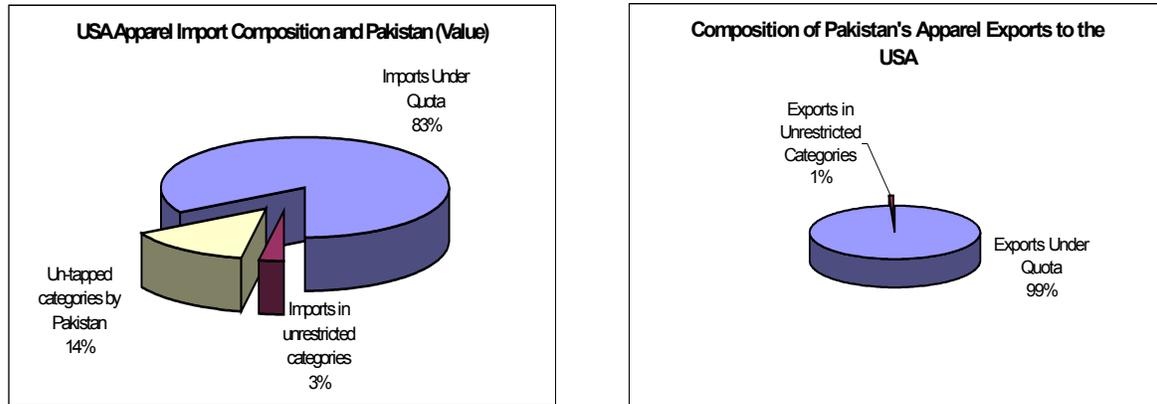
One thing is evident from the quota utilisation figures of Pakistan in various apparel categories i.e. Pakistan's presence in the American market is dominated by the Male garment segment and that too heavily dependent upon the cotton knit segment. High quota utilisations in knitted product categories speak volumes of the inclination of the domestic apparel industry towards men and knit garments.

The female garment segment in the USA driven by the quickly changing fashion scenarios makes it difficult for the apparel sector of Pakistan to cope with the changing trends. Limited use of man-made fibres in the spinning and weaving sector also hampers the domestic availability of fashion fabrics to meet the requirements of this dynamic market. Another important linkage within the whole textile value chain is the processing and finishing industry for the woven fabric. This is a highly capital intensive sector which in Pakistan is at the initial stages of development and does not facilitate the downstream industry with the availability of different fabric textures and finishes, which are critical to the development of a solid woven apparel segment.

9.1.1.1. Export Product Mix and Apparel Quotas in the USA

Despite a highly regulated apparel sector imports in the USA, a significantly high proportion of products is free from the quota regime. These products are referred to as

non-quota items. There are a total of 78 MFA categories (quota categories) that constitute the apparel segment out of which the exports of Pakistan to the US are restricted in 30 categories. The value of exports in this segment was US\$ 714 million out of which US\$ 708 million came from the quota-restricted categories and only US\$ 6 million came from the unrestricted categories. The division of the apparel market of US according to the previously mentioned three-segment criterion is shown in the following chart.



Due to the concentration and dependence of Pakistan's apparel sector on quota products, 99% of Pakistan's exports to the USA comprise quota products. This particular phenomenon leaves a high proportion of American market untapped by the Pakistani apparel manufacturers and exporter. The categories in which Pakistan has been completely unable to penetrate comprise almost 15% of the total USA apparel market (in US \$ terms it is around 7 billion).

An important reason which restricts diversification of apparel exporters is the quota policy of Pakistan that favours concentration in few categories thus limiting the entrepreneur's capability to have a broader product line, the issues of quota policy in Pakistan will be discussed later.

9.1.2. Quota Utilisations of Pakistan in the European Union (EU)

The EU constitutes an important market for Pakistan's textile products, the total textile exports of Pakistan including yarn, fabric and textile made-ups and apparel are to the tune of US \$ 1.5 billion. Imports in textile apparel are also restricted by quantitative restrictions by the EU countries. The mechanism of limiting imports by quota is that EU announces specific quota limits for the coming calendar year. This quantitative limit is adjusted in each year in accordance with the flexibility provisions contained in the ATC. The EU has an integrated system of licenses (SIGL), which is linked with computerised network connecting the European Commission with the departments in various countries that issue import licenses. When the licenses issued reach the designated quota, European Commission orders the issuing departments to cease the issue of licenses.

Quota Utilisation in EU (Apparel Categories %)				
SIGL	Description	Pakistan		
		1997	1998	1999
4	Shirts, T-shirts	91.0	91.0	90.8
5	Jerseys, pullovers, waistcoats	91.3	89.5	92.1
6	Woven trousers, shorts of wool, cotton	90.9	90.4	88.9
7	Women's blouses, shirts	66.4	69.4	25.5
8	Men's shirts of wool, cotton, MMF	55.2	46.9	31.3
18	Briefs, nightshirts, pyjamas & similar	40.1	39.8	40.7
26	Women's dresses of wool, MMF	37.0	19.3	16.0

9.1.2.1. Apparel Quota Utilisation of Pakistan in EU

The categorisation of products within the EU to allocate quotas is fairly simple as compared to that of the USA. A large majority of products are lumped for simplification purposes. If the quota utilisations of Pakistan are observed closely it becomes evident that Pakistan's utilisation is very high in cotton based knit and woven garments segments. In product categories like t-shirts, pullovers and jerseys and woven trousers and shorts the utilisation is to the extent of 90% and in certain cases exceeds 90%.

Due to focus of the industry on cotton textile products the utilisations in man-made fiber and blended fabric based apparel is very limited. This can also be viewed in the table where the quota utilisations in products such shirts of MMF and blended fabric for men is as low as 30%. It is for the same reason that Pakistan's utilisation in other products like lingerie and undergarments is also very low.

Similarly for women apparel categories, the utilisations of quota are very low. A major reason is the high dependence of the industry on the silver fiber. Due to limited usage of the man-made fiber in the upstream industry the production of blended fabrics is very limited which makes it convenient for the apparel industry to compete in international markets with a limited range of apparel products, primarily based on cotton.

In both the USA and EU markets the quota utilisations reveal that the Pakistan apparel sector is highly dependent upon firstly on cotton products and secondly on male garments. Another attribute relates to the presence in the knit garments segment and a

weak woven garment segment. In the woven garments Pakistan's exports are predominantly in low count fabrics (twills) where as fine count high density and blended fabrics are used in a very small proportion. This significantly restricts the capability to develop a niche in high value garment segments such as women tops and blouses, undergarments (bras and pantyhose) and nightwear.

The quota markets (EU and USA) are of vital importance to the apparel sector of Pakistan for the very reason that more than 90% of apparel exports are targeted towards these markets. This makes Pakistan highly vulnerable in the post MFA trade scenario. The emerging exporters particularly countries like Mexico and other south American states will offer stiff competition in products like knit garments where they are developing strong industrial presence.

9.2. Quota Policy of Pakistan

A large number of products ranging from cotton yarn to ready-made garments are under quota restraint. Pakistan has bilateral textile trade agreements with USA, EU and Canada regarding its exports of textiles. The USA has imposed quotas on 39 items (Cotton and MMF). In EU, there are 15 categories of cotton and MMF products, which fall under quota restraints whereas a large number of categories falling under apparel group are still outside quota restraint. The Canadian market has 10 textile categories under quantitative restrictions.

In Pakistan Textile Quota Management was handed over to the private sector in 1997. For this purpose a Quota Supervisory Council (QSC) and Product Group Committees were set up. All the Quota Management matters are defined by the Quota Policy, announced by the Government of Pakistan. The Government has announced different quota policies over the last many years in order to make quota utilisation and management more effective.

9.2.1. Salient Features of Existing Quota Policy

- ◆ The basic criteria for allocation of quotas is on the basis of performance i.e. the performance holders receive allocation of quotas equal to the actual quantity exported by them under each category during the preceding year to a specific quota country. It makes the quota allocation 100% on the past performance
- ◆ Unit price realisation is not accorded any consideration in quota allocations
- ◆ The growth quotas and the residual quotas available to the Government under bilateral arrangements with the quota countries are auctioned in the market to earn revenue for the Government
- ◆ Quotas can also be transferred from one firm to another by selling
- ◆ There are no provisions for allocation in the existing quota policy for the potential investors and new entrants in the apparel business

Key Features of Textile Quota Policy in Pakistan – I

Attributes	1992-93	1994	1995	1996	1997-98	1999-2000
Defined Time Period	Jan.92-Dec.96	1994-Dec.96	1995-Dec.96	Jan.96-Dec.96	Jan.97-Dec.99	For the year 1999 & Year 2000 separately.
Newcomer	No provision	-10% of growth quota for new units -25% of growth quota for rural areas and transferable	-10% of growth quota for new units -25% of growth quota for rural areas and transferable	-10% of growth quota for new units -25% of growth quota for rural areas and transferable	All discretionary quotas abolished including new units and rural areas.	No Provision
Allocation Basis	Performance Holders: 50% Q:50% V	Only on Quantity based	Only on Quantity based	Only on Quantity based	1 st Year: 75%Q:25%V 2 nd Year:65%Q:35%V 3 rd Year onward: 50%Q:50%V	Based on Quantity
“Q” represent Quantity and “V “represents Value						

Key Features of Textile Quota Policy in Pakistan – II

Attributes	1992-93	1994	1995	1996	1997-98	1999-2000
Defined Time Period	Jan.92-Dec.96	1994-Dec.96	1995-Dec.96	Jan.96-Dec.96	Jan.97-Dec.99	For the year 1999 & Year 2000 separately.
Residual Quota	Through auction	Through auction and non-transferable	Through auction and transferable	Through auction and non-transferable	Growth and residual quota both through auction and non-transferable	Growth and residual quota both through auction and non-transferable
Quota Transfer	Transferable	-For performance holders transferable -non performance holders, not transferable	-For performance holders transferable	-performance and open market transfer able -auction quota non-transferable	-performance and open market transfer able -auction quota non-transferable	-performance and open market transfer able -auction quota non-transferable -New passbook holders have to ship 90% of quota allocated.

9.2.2. Previous Quota Policies of the Government

The Government of Pakistan has tried time and again varied strategies to implement a quota policy that ensures sustainability in textile sector growth but to no avail. This is reflected in the review of the past quota policies.

9.2.2.1. Inconsistency in quota policies

During the past decade the Government has revised the quota policy a number of times. An interesting feature of these policies is that no quota policy was able to complete its tenure. This phenomenon of radical changes in quota policies overlaps with the changes in the Government itself. The new Government used to scrap previous Government's policy on account of corruption and nepotism.

9.2.2.2. Lack of long term strategy

The sudden revision in quota policies both at the macro level as well as the micro level raises apprehensions amongst the stakeholders about the future of prevalent quota regimes and the exporters face a difficult time in planning and devising future strategies.

9.2.2.3. Competitiveness of Firms

The changes in quota policy play havoc with the cost structures of the exporting firms. In case quota is allocated on past performance the entrepreneurs are provided an incentive to accumulate stocks in terms of greater exports, making them eligible for greater quota allocation in the coming years. In case of a sudden switch in quota policy from past performance to value additions, exporters having invested heavily in quota suffer humungous monetary losses. The inconsistency in policy ultimately results in erratic export performance of the apparel sector, leading to negative effect on the overall exports of the country.

9.2.2.4. Quality Vs Quantity

As mentioned earlier that the existing quota allocation is entirely on the basis of past performance. The greater the volumes of exports, the greater are the chances of increasing exports in the future. The particular aspect of the quota policy encourages to invest heavily in quotas and undermines the diversification capability of the industry.

An example in this regard makes it more easy to understand. Category 338 in the USA is for knitted shirts. Pakistan has a very high quota allocation in this category due to the strength of local cotton. The exporters of knit garment try to focus on this particular product while exporting and tend to build high volumes in order to get additional quota in future. It is for this reason that occasionally the cost per dozen of quota in this particular category rises to Rs 2200 (US \$ 2.5/piece), if the quota is purchased from open market.

For a firm not having past performance it becomes difficult to export in 338 category. This specific feature of the quota policy makes it convenient for firms to concentrate on simply one apparel product category, resulting in an overall narrow product line in international export markets.

The benefits of having a mix of value and volume in quota allocation are much higher than simply having the quota allocation on past performance. It not only enables the exporters to maintain their export performance in existing product categories but also provides an incentive for further value addition. The feature of value addition also enables the exporting firms to diversify their product lines as well as markets, as they no longer enjoy the benefit of allocation primarily based on mass production.

9.2.3. Importance of Quota Policies in Post MFA Scenario

Quota policy in any country can serve the purpose of an effective tool to prepare the apparel sector so as to make it globally competitive in the post MFA scenario. A well designed policy can determine the future direction of the apparel sector exports by balancing different variables, i.e. through encouragement of value addition and diversification, otherwise it is likely to play a catalytic role in the deterioration of future export earnings by focussing only on limited products. In Pakistan the existing quota policy not only discourages diversification but also hampers the entry of new exporters through imposition of high entry barriers in the shape huge investments in quota procurement.

10. ISSUES, CONCERNS AND SUGGESTED STRATEGY THRUST FOR APPAREL SECTOR DEVELOPMENT IN PAKISTAN

10.1. Limited Market Exposure

The foremost problem confronted by the apparel sector of Pakistan is the limited market exposure of the products. The exports are only targeted towards two major markets i.e the USA and EU. Both of these markets comprise quota countries where imports are restricted by quantity. In non-quota markets Pakistan is merely present, these include large markets like Japan, middle-eastern countries and Australia. The market mix of Pakistan's apparel products gives the impression that mostly the manufacturing base has been established due to quota restriction where a fixed basket of goods to be imported by the developed countries were allocated to Pakistan. High dependence on quota countries can offer stiffer competition to Pakistan's apparel sector after 2004. The solution lies in market diversification, a broader market exposure can only ensure sustainable development even beyond 2004.

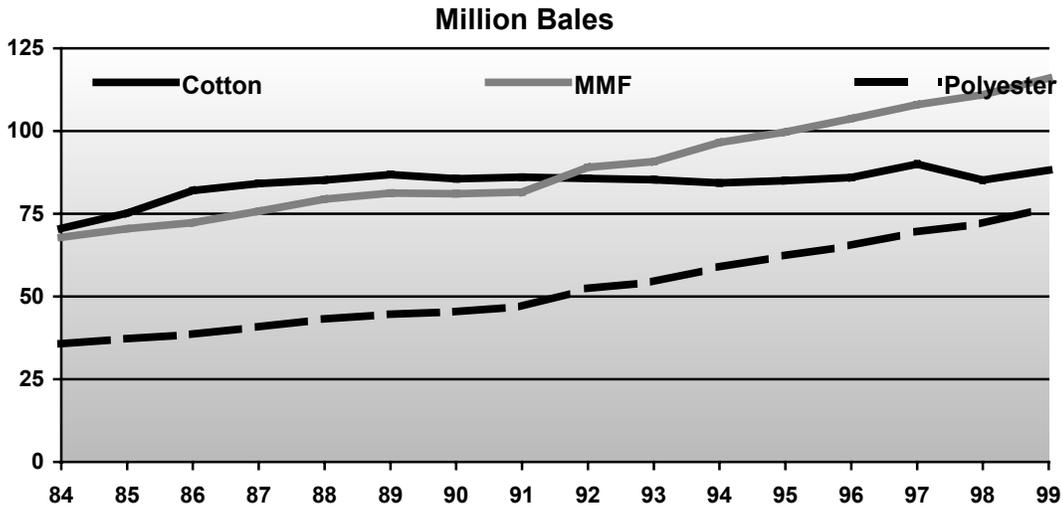
10.2. Limited Product Base

Besides the disadvantage of having a limited market mix the apparel industry of Pakistan also faces another problem of a limited product base. Unfortunately due to quota policy the industry has positioned itself as a mass producer of garments in a few product categories. Predominantly the industry has developed itself into a hub of menswear, whereas the market for womenwear offer greater opportunities due to the size of the global market. An important reason cited by the industry in this regard was that the range of men garment offers high degree of flexibility in mass production and leads to greater commercial viability. Although this limited product base of the apparel sector negatively effects the growth in the post MFA scenario where the international buyers would have a greater choice in sourcing. An exporter with a diversified and balanced product portfolio will be in a better position to catering to a wider apparel market.

10.3. High Dependence on Cotton

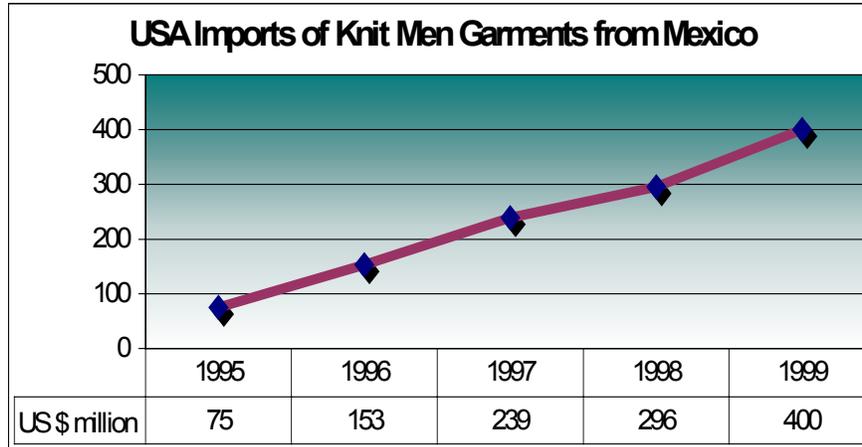
The apparel industry in Pakistan relies heavily on cotton based garments. Being an indigenous input cotton provides greater competitive advantage to the domestic industry. At the same time the industry has to realign and reposition according to the international demand patterns. When the international trends in consumption of manmade fibres are observed they clearly indicate that the global consumption as well as production of manmade fibers and filaments is greater than that of cotton, the international production of which is stagnant at the same level for the past ten years. This can also be observed in the figure. On the contrary the mill consumption of manmade fibres is very limited in Pakistan, the spinning and weaving segments of the textile value chain have also contributed to this end by not realising the importance of realignment in accordance with

the global patterns. Due to lack of availability of inputs the apparel industry has not been able to develop its capacities in switching or atleast balancing the ratio of cotton and manmade fibres in the product mix. This particular feature also impedes the industry's access in the women garment segment, where the market is highly dynamic and demands a variety of fabric textures and blends.



10.4. Regional Trade Blocs

The regional trade blocs are likely to play an important role in the post MFA scenario. During the transition period of quota liberalisation the developed countries have successfully formed effective trade blocs. More than 60% of the total trade within the EU is intra-regional. In North American Free Trade Area (NAFTA) a similar situation prevails and this will certainly increase with the complete implementation of WTO. Mexico being a member of NAFTA has over the past ten years successfully developed a diverse and a well balanced apparel manufacturing base. An ideal example is the knitwear sector where the exports of Mexico to the US have experienced an unprecedented increase. (Exports of knit garments to USA of Mexico graph).



These emerging exporters besides having the geographical advantage also have the competitive advantage of low labour wages. The south Asian countries are not the only ones having this cost advantage in this labour intensive sector. Such economies have all the ingredients to provide tough competition to countries like Pakistan. Pakistan on the other hand does not enjoy the advantage of being a member of any trade bloc. The South Asian Association for Regional Cooperation (SAARC) of which Pakistan is a member, has no comparison with big economic blocs as mentioned above. The intra regional trade between SAARC countries is only 3% of the total trade.

10.5. Preferential Treatments

A few regional blocs also offer preferential treatments to their trading partners based on the economic conditions of a particular country. The European Union provides such an incentive for textile products to Bangladesh under its Generalised System of Preferences (GSP). Under GSP Bangladeshi products enjoy an average 12% duty exemption in EU countries. This particular incentive has turned Bangladesh into a massive converter of fabrics into garments. All of this has happened without any investments in the upstream industries like spinning, weaving and knitting. The exporters are free to import fabrics from any part of the world and then export after adding value.

In Pakistan the import of woven fabrics is firstly not permitted and is also protected by tariff. For exports purposes, there exist a number of temporary import schemes which allow duty free imports of fabrics and other inputs. All this is complicated through a wide array of compliance requirements. That is the main reason, due to limited access to inputs the industry relies on domestically produced fabrics and is unable to diversify.

10.6. Upstream Industry and Linkages

The upstream industry in case of woven garments is heavily dependant upon the weaving and spinning sector. The major portion of fabric, almost 65% is still produced on power looms in Pakistan. The use of this obsolete technology only permits the sector to

weave low-density fabrics of coarse cotton yarn. These machines are not equipped to manufacture high-density fabrics of finer yarn counts. If the production of spinning industry is evaluated, almost 50% of the total yarn produced in the country falls in the coarse count categories. Similarly the spinning industry's production of blended yarns is also not inline with the global production trends. The polyester-cotton (PC) and polyester-viscose (PV) yarns comprise only 25% of the total yarn production.

On the other hand the knitting industry, although not dependent on other sub-sectors due to large presence of integrated units, but due to huge investments in specific quota categories has been unable to diversify its product base.

Such factors prevalent in the upstream industry do not provide the apparel sector with the requisite inputs necessary to meet the diverse needs of a global apparel markets. If similar conditions and trends continue to prevail in the country then it would become very difficult for the small apparel sector of Pakistan to compete in the value added products internationally.

10.7. Reactive Vs Proactive Selling

The apparel exporters in Pakistan do not pursue any proactive marketing techniques, with the exception of few progressive exporters. Mostly the exporters produce according to buyers specification. It is very rare that exporters develop and design garments in-house and then try to market them. This specific feature has resulted in the lopsided development of the apparel sector which is restricted to a limited number of products.

Participation of exporters in international trade events and fairs is also not very encouraging. Although a large majority of exporters have developed their web-sites but do not consider it to be a very reliable source of marketing. Mostly believe that their long-term relationship with the buyers will ensure their success even after the year 2004. This situation is alarming for the apparel industry of Pakistan, as lifting of quota barriers will make it convenient for the buyers to source from any part of the world that offers a better bargain.

10.8. New Product Development

Reliance on the foreign buyers in production of garments has not allowed the industry to develop itself as an innovative sector of the economy. There are very rare cases in Pakistan apparel sector where an exclusive designing facility exists. Due to lack of demand of such skills in the industry the human resource development in this critical area has also not taken place. With the liberalisation of quantitative restrictions the requirement for this skill is likely to enhance. However, currently the industry is not geared up to meet the requirements of international markets based on indigenous designing and product development.

10.9. Mobility of Inputs

A strong apparel manufacturing base guarantees the development of a solid up-stream textile industry. In order to make the apparel manufacturing the engine of exports growth a liberal import regime needs to put in place. This would ensure the availability of inputs such as diverse range of fabrics required by the woven garments sector and accessories including zippers, buttons, etc. The current facilitating mechanisms including temporary import schemes have failed to achieve the results of growth in the apparel segment. The apparel industry in Pakistan mainly comprises small and medium sized units which due to capacity constraints are unable to utilise these facilitating mechanisms. These facilitating mechanism need to be revised and simplified, wherever possible, to bring about an increase in their usage.

10.10. Technical Barriers to Trade and Apparel Industry

The complete implementation of the Agreement on Textiles and Clothing (ATC) will result in strict enforcement of quality standards by importing countries particularly the developed countries. These include standards like ISO 9002, SA 8000 (social accountability), Eco labels and environment standards (ISO 1400), etc. These standards are not likely to effect the existing direct exporters/manufacturers. Underlying factors include the implementation of Standards of Engagement (SOEs) imposed by foreign buyers. Most of the integrated knit garment manufacturers in Pakistan are already ISO certified and also comply with SOEs of buyers. The integration within the knitwear sector will keep it protected from the technical barriers to trade due to their inherent compliance capacity.

In the woven garment segment the specialised garment manufacturing dominates the industry structure. Sub-contracting and out-sourcing is a key feature within this segment. The sub-contractors in the woven garment segment (manufacturers of labels, small washing units, embroidery units, etc) due to lack of capacity to implement standards, will accentuate the problems faced by the woven garment exporters. Most of the standards require that the garment should be produced through a homogenous and standardised process, meaning thereby that the entrepreneur has to ensure the implementation of SOEs at all the stages of production, even if the production of a particular process is sub-contracted. Ensuring implementation of SOEs and other standards at the stage of process vendors and sub-contractors seems to be a far-fetched idea at this stage.

This factor of ensuring compliance through all the production stages will also negatively effect the overall growth in the apparel industry. The MFA phase out will start another era of non-tariff barriers for the developing countries leading to high compliance costs thus undermining the competitive advantage of the industry. Currently the Government of Pakistan through the Ministry of Science and Technology (MOST) provides a fixed subsidy to firms which acquire ISO 9000 certification. In order to even maintain the

existing level of exports the Government would have to broaden the sphere of this particular incentive by bringing in other quality systems.

10.11. Quota Policy and Diversification

Quota policy of Pakistan has been discussed at length in the quota section of the report. The existing quota policy does not provide any incentive for diversification. However it can be used effectively to achieve the desired level of both market and product diversification. The ideal strategy in this regard would be to allocate a certain portion of quotas to new and potential investors in categories where the quota utilisation of Pakistan is low. Similarly an incentive can also be provided to exporters in non-quota countries through allocation of quotas in selected product categories. Such measures would lower the barriers to entry in the apparel export markets and would also be helpful in enhancing the exports to non-quota countries, where the current level of exports is minimal.

10.12. Effect on Employment in the Post MFA Scenario

The analysis of the exporting firms of Pakistan clearly indicates that the development of the apparel industry, particularly the knitwear sector was triggered by high quota allocation to Pakistan. Even in the woven garments segment, Pakistan relies on the quota markets. The phasing out of quotas in the year 2004 will make the environment highly competitive for the domestic apparel industry. Such a stiff competition will play a catalytic role in stagnating the exports growth if timely requisite measures such as market and product diversification are not adopted. A narrow product base can also lead to significant decline in overall exports level, both in terms of value and volume which would in turn negatively effect the employment within the apparel sector. Estimation of exact labour force reduction is beyond the scope of the paper but if the industry maintains its existing product portfolio, it would negatively effect the employment in the sector.

ANNEXURE I

WORLD IMPORTS IN THE APPAREL CATEGORIES in Million US \$

SITC	Product Description	1995	1996	1997	1998	1999	Average Annual Growth
MEN'S WEAR							
WOVEN		34,992.2	36,347.2	36,706.5	37,091.2	36,183.6	0.84%
84111	Overcoats etc.wool,hair	375.2	374.4	418.9	443.9	423.7	3.08%
84112	Overcoats etc.oth.textls	1,203.8	1,235.8	1,230.2	1,115.5	1,057.8	-3.18%
84119	Oth.mens outerwear etc.	4,631.1	5,049.6	5,230.8	4,863.4	4,357.3	-1.51%
84122	Suits,textile materials	532.5	584.2	454.3	625.5	563.5	1.43%
84123	Ensembles	337.1	302.1	229.3	298.9	251.6	-7.05%
8413	Jackets and blazers	3,132.0	3,190.7	3,178.9	3,018.0	2,747.7	-3.22%
8414	Trousers,breeches,etc.	13,209.2	14,633.5	15,339.3	16,013.3	16,505.3	5.73%
84151	Cotton shirts	7,280.8	7,049.6	6,788.1	7,070.5	6,557.5	-2.58%
84159	Shirts,oth.textile matrl	2,412.7	2,044.7	1,912.5	2,036.7	2,176.9	-2.54%
84587	Men's,boy's apparel nes	1,877.9	1,882.7	1,924.3	1,605.3	1,542.3	-4.80%
KNIT		7,182.2	8,251.2	9,713.2	9,585.2	9,115.9	6.14%
84121	Suits of wool,fine hair	1,485.3	1,730.4	1,857.5	1,963.8	1,989.7	7.58%
8431	Overcoats,outerwear etc.	361.6	370.7	530.1	497.6	617.7	14.33%
84321	Suits,mens boys,knit	55.9	61.8	104.3	69.0	58.0	0.93%
84322	Ensembles,mens boys knit	151.5	168.0	238.9	160.4	174.0	3.52%
84323	Jackets,blazers,m&b knit	132.5	155.2	241.4	173.1	176.9	7.49%
84324	Trousers,breeches etc.	958.3	1,167.3	1,539.1	1,403.4	1,496.4	11.79%
84371	Cotton shirts,mens boys	3,114.2	3,556.5	3,949.9	4,060.0	3,488.0	2.87%
84379	Shirts,oth.textile matrl	868.7	969.2	1,150.7	1,162.6	1,017.5	4.03%
84389	Othr.mens underwear knit	54.3	72.1	101.3	95.2	97.6	15.81%
TOTAL		42,174.5	44,598.4	46,419.8	46,676.3	45,299.4	1.80%
WOMEN'S WEAR							
WOVEN		36,419.6	38,389.0	38,589.0	39,549.6	39,230.8	1.88%
84211	Overcoats,cloaks etc.	2,561.9	2,818.5	2,831.6	2,511.8	2,512.1	-0.49%
84221	Suits	1,536.2	1,578.9	1,385.4	1,419.0	1,239.6	-5.22%
84222	Ensembles	1,017.3	925.1	720.8	817.7	731.9	-7.90%
8423	Jackets	4,225.5	4,563.4	4,595.9	4,641.9	3,921.3	-1.85%
8424	Dresses	4,232.4	4,473.4	4,017.6	4,121.1	3,935.9	-1.80%
8425	Skirts & divided skirts	3,741.2	3,639.5	3,227.9	3,475.4	3,587.1	-1.05%
8426	Trousers, breeches etc.	8,621.4	10,180.4	11,669.4	12,940.0	13,957.5	12.80%
8427	Blouses,shirt-blouse,etc	7,790.8	7,449.6	7,444.3	7,349.0	7,002.2	-2.63%
84589	Womens,girls apparel nes	2,692.9	2,760.2	2,696.2	2,273.7	2,343.1	-3.42%
KNIT		8,964.1	9,497.7	11,310.1	11,267.8	11,114.4	5.52%
8441	Overcoats,oth.coats etc.	362.3	417.5	667.9	677.5	756.1	20.19%
84421	Suits,womens girls,knit	115.7	122.1	183.8	100.9	84.6	-7.53%
84422	Ensembls,women girls,knt	427.8	405.6	344.2	351.7	335.8	-5.88%
84423	Jackets,women girls,knit	372.5	421.5	497.6	445.7	444.3	4.51%
84424	Dresses,women girls,knit	1,214.8	1,170.0	1,282.0	1,288.6	1,319.6	2.09%
84425	Skirts, divided skirts	650.2	598.0	595.4	624.8	747.0	3.53%
84426	Trousers,women girl,knit	2,775.8	2,935.9	3,412.3	3,387.8	3,171.8	3.39%
8447	Blouses,shirt-blouse,etc	2,557.7	2,913.4	3,664.3	3,836.1	3,704.2	9.70%
84489	Other underwear etc.knit	487.3	513.7	662.6	554.8	551.0	3.12%
TOTAL		45,383.8	47,886.7	49,899.1	50,817.5	50,345.2	2.63%

SITC	Product Description	1995	1996	1997	1998	1999	Average Annual Growth
BABIES WEAR							
WOVEN							
84511	Babies'cloths notknitted	1,117.1	1,150.0	1,133.3	1,252.7	1,174.8	1.27%
KNIT							
84512	Babies'clothes knitted	2,071.1	2,296.0	2,554.3	2,911.1	3,057.2	10.23%
TOTAL		3,188.2	3,446.0	3,687.5	4,163.8	4,232.0	7.34%
SPORTS WEAR							
WOVEN							
84219	Other womens outerwear	2,630.3	2,757.4	2,895.4	2,727.9	2,515.9	-1.11%
84561	Male swimwear notknitted	277.3	256.7	312.3	265.9	266.8	-0.97%
84563	Fem.swimwear notknitted	83.8	87.5	85.3	95.1	109.1	6.82%
84581	Ski suits,not knitted	410.0	363.2	361.2	261.0	224.6	-13.96%
KNIT							
84562	Male swimwear knitted	123.1	134.3	122.8	134.1	146.5	4.46%
84564	Fem.swimwear knitted	770.7	919.7	908.4	1,037.8	1,126.1	9.94%
84591	Track suits, knitted	954.4	1,056.9	1,201.1	1,017.3	811.1	-3.99%
84592	Ski suits, knitted	13.0	17.4	18.1	22.7	14.5	2.78%
TOTAL		5,262.7	5,593.1	5,904.7	5,561.6	5,214.7	-0.23%
T-SHIRTS & PULLOVERS							
KNIT							
8453	Jersys,pullovr,etc.knit	21,432.9	22,818.8	25,428.7	26,726.5	28,637.5	7.51%
8454	T-shirts,othr.vests knit	8,840.5	9,881.8	10,087.3	11,533.7	12,765.6	9.62%
TOTAL		30,273.4	32,700.6	35,516.1	38,260.1	41,403.1	8.14%
HOSIERY							
84161	Underpants and briefs	306.4	325.1	361.1	385.0	464.5	10.96%
84162	Nightshirts and pyjamas	316.3	331.9	361.8	373.0	329.9	1.06%
84169	Other male underwear etc	328.2	301.7	327.7	285.3	258.1	-5.82%
84281	Slips and petticoats	102.9	94.4	101.2	108.4	96.1	-1.69%
84282	Nightdresses,pyjamas	809.0	819.8	843.3	891.3	849.2	1.22%
84289	Other underwear etc.	993.4	933.0	1,180.8	1,050.3	875.0	-3.12%
84381	Underpants,briefs,mens	1,003.4	1,066.6	1,564.9	1,393.6	1,285.2	6.38%
84481	Slips and petticoats	126.1	98.1	267.5	94.3	140.7	2.77%
84483	Nightdresses & pyjamas	1,171.6	1,323.6	1,618.3	1,458.9	1,276.9	2.17%
84551	Brassieres	2,606.2	2,731.6	3,083.3	3,229.0	3,359.8	6.56%
84552	Girdle,corset,braces,etc	559.3	533.0	553.3	574.9	546.8	-0.56%
84621	Panty hose,tights,knitted	1,401.9	1,716.9	1,861.1	1,767.7	1,615.8	3.61%
84622	Women's hosiery,knitted	316.4	239.5	251.7	258.3	262.5	-4.57%
84629	Other hosiery,knitted	2,079.5	2,235.9	2,303.3	2,291.9	2,365.5	3.27%
TOTAL		12,120.6	12,751.1	14,679.2	14,162.1	13,725.9	3.16%
GRAND TOTAL		138,403.1	146,976.0	156,106.4	159,641.4	160,220.4	3.73%

ANNEXURE II

USA IMPORTS IN THE APPAREL CATEGORIES in Million US \$

SITC	Product Description	1995	1996	1997	1998	1999	Average Annual Growth
MEN'S WEAR							
WOVEN		8,998.3	8,997.0	10,357.4	11,255.4	11,476.0	6.27%
84111	Overcoats etc.wool,hair	53.6	55.8	72.0	72.9	60.9	3.25%
84112	Overcoats etc.oth.textls	99.5	83.6	100.6	90.4	73.9	-7.14%
84119	Oth.mens outerwear etc.	1,403.1	1,493.1	1,863.0	1,748.5	1,359.1	-0.79%
84122	Suits,textile materials	58.5	70.0	68.7	68.8	80.5	8.30%
84123	Ensembles	11.0	9.8	7.3	6.6	8.0	-7.78%
8413	Jackets and blazers	392.4	411.2	489.7	513.3	501.7	6.34%
8414	Trousers,breeches,etc.	3,589.8	3,840.5	4,656.9	5,398.8	6,004.1	13.72%
84151	Cotton shirts	2,480.0	2,241.6	2,349.6	2,599.6	2,482.1	0.02%
84159	Shirts,oth.textile matrl	662.4	550.0	523.8	564.5	705.9	1.60%
84587	Men's,boy's apparel nes	247.9	241.2	226.0	192.0	199.7	-5.26%
KNIT		2,327.0	2,643.4	3,071.2	3,424.1	3,288.8	9.03%
84121	Suits of wool,fine hair	419.3	460.5	511.8	589.4	589.5	8.89%
8431	Overcoats,outerwear etc.	68.3	79.1	107.6	120.8	149.3	21.57%
84321	Suits,mens boys,knit	1.8	1.9	3.1	3.5	2.7	9.68%
84322	Ensembles,mens boys knit	0.7	0.9	0.6	0.4	0.1	-38.41%
84323	Jackets,blazers,m&b knit	3.0	3.9	4.5	7.1	8.8	30.75%
84324	Trousers,breeches etc.	238.4	301.6	353.0	405.1	536.9	22.51%
84371	Cotton shirts,mens boys	1,362.9	1,542.1	1,789.6	1,933.8	1,650.7	4.91%
84379	Shirts,oth.textile matrl	222.4	238.0	273.7	323.7	314.1	9.02%
84389	Othr.mens underwear knit	10.2	15.5	27.2	40.3	36.8	37.78%
TOTAL		11,325.3	11,640.4	13,428.6	14,679.5	14,764.8	6.85%
WOMEN'S WEAR							
WOVEN		9,511.4	10,114.5	11,314.6	12,235.8	12,513.5	7.10%
84211	Overcoats,cloaks etc.	225.7	237.2	307.7	296.1	262.2	3.81%
84221	Suits	330.0	356.8	343.4	376.6	322.3	-0.59%
84222	Ensembles	33.6	34.2	26.0	40.7	41.9	5.67%
8423	Jackets	943.8	1,078.9	1,136.7	1,128.8	778.8	-4.69%
8424	Dresses	1,250.8	1,328.4	1,352.6	1,368.9	1,441.7	3.61%
8425	Skirts & divided skirts	886.6	964.2	870.6	979.4	1,047.7	4.26%
8426	Trousers, breeches etc.	2,873.7	3,209.5	4,247.8	4,989.7	5,451.1	17.36%
8427	Blouses,shirt-blouse,etc	2,078.6	2,008.3	2,219.7	2,331.5	2,405.1	3.71%
84589	Womens,girls apparel nes	888.6	897.1	810.1	724.0	762.9	-3.74%
KNIT		2,356.6	2,384.3	2,826.5	3,135.6	3,228.1	8.18%
8441	Overcoats,oth.coats etc.	90.7	110.3	154.8	179.8	208.3	23.09%
84421	Suits,womens girls,knit	5.7	4.6	4.3	4.4	7.4	6.49%
84422	Ensembls,women girls,knt	5.6	2.2	3.3	5.0	5.1	-2.37%
84423	Jackets,women girls,knit	27.7	36.9	46.4	39.3	45.2	13.03%
84424	Dresses,women girls,knit	280.7	329.2	366.4	398.7	451.9	12.64%
84425	Skirts, divided skirts	114.4	91.2	102.7	137.2	216.2	17.26%
84426	Trousers,women girl,knit	909.3	853.1	987.4	1,052.0	998.3	2.36%
8447	Blouses,shirt-blouse,etc	810.3	827.7	992.2	1,095.5	1,062.3	7.00%
84489	Other underwear etc.knit	112.3	129.1	168.9	223.7	233.6	20.10%
TOTAL		11,868.0	12,498.7	14,141.1	15,371.4	15,741.6	7.32%

SITC	Product Description	1995	1996	1997	1998	1999	Average Annual Growth
BABIES WEAR							
WOVEN							
84511	Babies'cloths notknitted	309.8	297.6	329.3	387.5	372.9	4.74%
KNIT							
84512	Babies'clothes knitted	689.4	742.9	903.7	1,108.7	1,110.7	12.66%
TOTAL		999.3	1,040.6	1,233.1	1,496.2	1,483.6	10.38%
SPORTS WEAR							
WOVEN							
		1053.8	1029.8	1207.3	1118.8	976.4	-1.89%
84219	Other womens outerwear	859.8	854.3	1030.9	946.4	794.9	-1.94%
84561	Male swimwear notknitted	162.5	147.0	147.8	146.5	150.9	-1.84%
84563	Fem.swimwear notknitted	4.2	4.7	6.3	6.1	12.9	32.26%
84581	Ski suits,not knitted	27.2	23.8	22.4	19.9	17.7	-10.23%
KNIT							
		200.1	223.5	278.5	329.1	369.0	16.53%
84562	Male swimwear knitted	3.1	2.2	3.7	4.8	4.9	12.03%
84564	Fem.swimwear knitted	157.7	184.2	231.5	269.7	328.5	20.13%
84591	Track suits,knitted	39.0	36.9	42.9	54.2	35.2	-2.54%
84592	Ski suits,knitted	0.3	0.2	0.5	0.4	0.4	10.50%
TOTAL		1253.8	1253.2	1485.8	1448.0	1345.3	1.78%
T-SHIRTS & PULLOVERS							
KNIT							
8453	Jersys,pullovr,etc.knit	5,704.6	5,932.7	7,408.1	8,695.0	9,883.1	14.73%
8454	T-shirts,othr.vests knit	1,321.6	1,711.2	2,242.5	2,820.9	3,312.5	25.83%
TOTAL		7,026.2	7,643.9	9,650.6	11,515.9	13,195.6	17.07%
HOSIERY							
84161	Underpants and briefs	149.1	174.7	191.6	213.7	282.1	17.29%
84162	Nightshirts and pyjamas	82.6	70.4	74.0	87.6	87.5	1.44%
84169	Other male underwear etc	80.4	82.5	95.8	115.8	123.7	11.37%
84281	Slips and petticoats	24.1	24.4	25.4	19.4	31.8	7.11%
84282	Nightdresses,pyjamas	359.1	378.2	370.7	409.2	400.2	2.75%
84289	Other underwear etc.	298.4	302.9	332.6	318.0	321.6	1.89%
84381	Underpants,briefs,mens	263.8	339.7	449.6	501.8	605.8	23.10%
84481	Slips and petticoats	16.3	16.3	24.6	30.0	31.3	17.79%
84483	Nightdresses & pyjamas	347.4	372.4	414.7	481.9	537.0	11.51%
84551	Brassieres	874.1	804.3	896.4	1,041.6	1,295.3	10.33%
84552	Girdle,corset,braces,etc	78.4	82.1	96.7	101.1	112.9	9.55%
84621	Panty hose,tights,knitted	213.8	230.0	292.9	318.0	349.2	13.04%
84622	Women's hosiery,knitted	11.8	11.1	14.7	12.0	23.4	18.63%
84629	Other hosiery,knitted	148.4	175.5	272.2	375.6	501.1	35.56%
TOTAL		2,947.7	3,064.5	3,551.9	4,025.6	4,702.9	12.39%
GRAND TOTAL		35,420.3	37,141.4	43,491.0	48,536.6	51,233.9	9.67%

ANNEXURE III

EUROPEAN UNION IMPORTS IN THE APPAREL CATEGORIES in Million US \$

SITC	Product Description	1995	1996	1997	1998	1999	Average Annual Growth
MEN'S WEAR							
WOVEN		15,675.0	16,076.5	15,655.3	15,935.9	15,311.4	-0.59%
84111	Overcoats etc.wool,hair	148.3	158.0	171.6	184.3	196.6	7.29%
84112	Overcoats etc.oth.textls	662.1	669.0	735.3	690.6	652.8	-0.35%
84119	Oth.mens outerwear etc.	1,877.7	1,880.1	1,987.5	2,008.8	1,842.0	-0.48%
84122	Suits,textile materials	221.7	252.4	244.4	317.0	361.1	12.96%
84123	Ensembles	155.4	129.9	130.5	128.8	138.6	-2.82%
8413	Jackets and blazers	1,679.9	1,625.0	1,574.0	1,612.6	1,442.4	-3.74%
8414	Trousers,breeches,etc.	6,025.1	6,709.5	6,430.0	6,673.4	6,608.2	2.34%
84151	Cotton shirts	3,113.7	3,034.4	2,728.5	2,750.8	2,482.4	-5.51%
84159	Shirts,oth.textile matrl	925.9	766.0	702.7	775.8	800.5	-3.57%
84587	Men's,boy's apparel nes	865.1	852.3	950.8	794.0	786.9	-2.34%
KNIT		2,487.2	2,831.4	3,601.9	3,298.5	3,089.2	5.57%
84121	Suits of wool,fine hair	619.5	718.5	687.4	744.8	763.8	5.38%
8431	Overcoats,outerwear etc.	105.9	114.4	241.2	186.9	208.0	18.39%
84321	Suits,mens boys,knit	22.6	25.7	76.3	26.0	28.3	5.81%
84322	Ensembles,mens boys knit	74.1	75.0	163.1	77.3	90.3	5.05%
84323	Jackets,blazers,m&b knit	54.2	60.4	154.3	73.4	73.9	8.08%
84324	Trousers,breeches etc.	372.7	448.7	658.3	469.3	463.8	5.62%
84371	Cotton shirts,mens boys	891.1	996.7	1,070.7	1,230.0	1,071.6	4.72%
84379	Shirts,oth.textile matrl	313.3	350.4	491.8	452.6	343.0	2.29%
84389	Othr.mens underwear knit	33.8	41.6	58.8	38.1	46.4	8.24%
TOTAL		18,162.3	18,907.9	19,257.2	19,234.4	18,400.6	0.33%
WOMEN'S WEAR							
WOVEN		15,648.6	16,077.8	15,744.7	16,431.7	15,934.8	0.45%
84211	Overcoats,cloaks etc.	1,243.0	1,289.3	1,381.7	1,357.9	1,345.1	1.99%
84221	Suits	544.2	597.1	511.5	560.8	493.2	-2.43%
84222	Ensembles	548.0	479.6	427.1	443.5	426.1	-6.10%
8423	Jackets	1,971.7	2,002.5	2,058.9	2,303.1	2,067.5	1.19%
8424	Dresses	1,771.1	1,869.7	1,517.1	1,612.7	1,481.7	-4.36%
8425	Skirts & divided skirts	1,811.4	1,634.5	1,417.4	1,559.1	1,513.2	-4.40%
8426	Trousers, breeches etc.	3,293.2	3,965.4	4,205.8	4,672.9	5,138.6	11.77%
8427	Blouses,shirt-blouse,etc	3,503.1	3,254.8	3,140.4	3,083.8	2,718.1	-6.15%
84589	Womens,girls apparel nes	962.9	985.0	1,084.7	837.9	751.4	-6.01%
KNIT		3,713.3	3,923.7	4,995.9	4,478.8	4,187.3	3.05%
8441	Overcoats,oth.coats etc.	117.3	132.7	322.1	258.2	304.5	26.93%
84421	Suits,womens girls,knit	53.9	57.8	134.2	50.7	41.1	-6.53%
84422	Ensembls,women girls,knt	252.0	238.6	208.7	210.0	194.3	-6.29%
84423	Jackets,women girls,knit	189.8	214.8	272.8	223.5	220.0	3.76%
84424	Dresses,women girls,knit	580.0	481.5	520.1	496.5	507.9	-3.26%
84425	Skirts, divided skirts	348.1	323.8	315.5	299.6	299.3	-3.70%
84426	Trousers,women girl,knit	1,208.5	1,377.5	1,701.1	1,658.7	1,504.3	5.63%
8447	Blouses,shirt-blouse,etc	705.6	840.1	1,146.7	1,068.1	920.2	6.86%
84489	Other underwear etc.knit	258.2	256.9	374.6	213.6	195.6	-6.70%
TOTAL		19,361.9	20,001.5	20,740.6	20,910.5	20,122.1	0.97%

SITC	Product Description	1995	1996	1997	1998	1999	Average Annual Growth
BABIES WEAR							
WOVEN							
84511	Babies'cloths notknitted	523.6	558.1	536.7	542.1	540.9	0.81%
KNIT							
84512	Babies'clothes knitted	915.7	1,018.6	1,056.0	1,143.2	1,220.1	7.44%
TOTAL		1,439.3	1,576.7	1,592.7	1,685.4	1,761.0	5.17%
SPORTS WEAR							
WOVEN							
84219	Other womens outerwear	1,214.7	1,247.4	1,346.1	1,315.7	1,141.3	-1.55%
84561	Male swimwear notknitted	43.8	46.6	88.6	51.4	53.7	5.22%
84563	Fem.swimwear notknitted	51.1	51.0	47.8	54.2	62.9	5.33%
84581	Ski suits,not knitted	186.8	182.0	224.4	161.5	127.3	-9.13%
KNIT							
84562	Male swimwear knitted	79.4	87.9	77.8	87.0	95.3	4.66%
84564	Fem.swimwear knitted	410.5	484.0	397.7	462.3	469.4	3.41%
84591	Track suits,knitted	594.7	696.3	856.6	683.6	536.4	-2.55%
84592	Ski suits,knitted	8.2	12.8	13.0	18.7	10.3	5.67%
TOTAL		2,589.2	2,808.0	3,052.0	2,834.6	2,496.5	-0.91%
T-SHIRTS & PULLOVERS							
KNIT							
8453	Jersys,pullovr,etc.knit	8,326.6	9,180.5	9,969.6	9,941.2	10,230.5	5.28%
8454	T-shirts,othr.vests knit	4,518.9	5,053.8	4,816.1	5,776.0	5,979.7	7.25%
TOTAL		12,845.5	14,234.3	14,785.7	15,717.1	16,210.2	5.99%
HOSIERY							
84161	Underpants and briefs	94.4	94.2	86.0	102.4	97.7	0.88%
84162	Nightshirts and pyjamas	119.8	132.4	123.9	123.7	120.3	0.11%
84169	Other male underwear etc	93.4	94.6	109.2	102.4	88.8	-1.26%
84281	Slips and petticoats	30.2	30.6	27.4	36.0	32.8	2.11%
84282	Nightdresses,pyjamas	318.6	334.9	327.8	315.8	328.9	0.80%
84289	Other underwear etc.	340.6	320.7	304.0	326.4	323.4	-1.29%
84381	Underpants,briefs,mens	669.1	676.8	739.7	753.8	748.6	2.85%
84481	Slips and petticoats	89.6	72.3	125.0	37.2	33.3	-21.94%
84483	Nightdresses & pyjamas	685.3	709.3	743.1	684.6	699.7	0.52%
84551	Brassieres	1,265.7	1,385.4	1,368.2	1,640.0	1,599.6	6.03%
84552	Girdle,corset,braces,etc	285.1	298.6	327.0	280.5	279.7	-0.48%
84621	Panty hose,tights,knitted	889.4	938.8	858.3	790.7	718.1	-5.21%
84622	Women's hosiery,knitted	117.9	125.4	135.8	156.0	154.4	6.96%
84629	Other hosiery,knitted	1,345.2	1,395.9	1,359.9	1,357.0	1,391.3	0.85%
TOTAL		6,344.3	6,610.0	6,635.1	6,706.7	6,616.6	1.06%
GRAND TOTAL		60,742.5	64,138.5	66,063.4	67,088.6	65,607.0	1.94%

ANNEXURE IV

PAKISTAN EXPORTS IN THE APPAREL CATEGORIES in Million US \$

SITC	Product Description	1995	1996	1997	1998	1999	Average Annual Growth
MEN'S WEAR							
WOVEN		344.31	444.69	519.17	467.39	459.64	7.49%
84112	Overcoats etc.oth.textils	0.01	0.09	-	0.07	0.39	183.94%
84119	Oth.mens outerwear etc.	0.97	1.24	1.00	0.93	3.45	37.34%
84122	Suits,textile materials	27.54	29.92	2.25	22.10	49.54	15.81%
84123	Ensembles	33.18	41.73	38.83	21.84	2.41	-48.08%
8413	Jackets and blazers	23.27	31.56	37.35	25.84	26.45	3.26%
8414	Trousers,breeches,etc.	123.36	159.20	199.31	216.32	232.39	17.16%
84151	Cotton shirts	116.42	158.51	179.73	130.08	104.02	-2.78%
84159	Shirts,oth.textile matrl	5.39	6.51	6.75	6.16	3.43	-10.70%
84587	Men's,boy's apparel nes	14.19	15.95	53.95	44.06	37.57	27.56%
KNIT		274.05	303.63	314.00	420.54	456.88	13.63%
84121	Suits of wool,fine hair	0.01	-	0.03	0.01	0.14	92.39%
8431	Overcoats,outerwear etc.	0.09	0.39	0.89	0.44	0.21	22.58%
84321	Suits,mens boys,knit	10.35	10.85	12.04	29.27	19.68	17.44%
84322	Ensembles,mens boys knit	0.02	0.08	0.01	0.08	0.17	63.14%
84323	Jackets,blazers,m&b knit	2.77	2.57	4.44	3.78	6.92	25.68%
84324	Trousers,breeches etc.	6.65	10.62	9.95	12.15	16.66	25.82%
84371	Cotton shirts,mens boys	248.32	271.97	277.18	367.56	405.45	13.04%
84379	Shirts,oth.textile matrl	5.55	6.89	9.32	7.03	6.95	5.78%
84389	Othr.mens underwear knit	0.29	0.27	0.12	0.23	0.71	25.33%
Total		618.36	748.32	833.17	887.93	916.52	10.34%
WOMEN'S WEAR							
WOVEN		141.70	200.38	135.86	138.03	116.47	-4.78%
84211	Overcoats,cloaks etc.	2.63	2.41	1.02	3.32	1.20	-17.87%
84221	Suits	27.46	58.32	15.44	28.82	29.79	2.05%
84222	Ensembles	0.20	0.02	0.00	0.15	0.51	26.40%
8423	Jackets	2.29	4.50	3.52	2.88	3.17	8.42%
8424	Dresses	36.80	32.14	37.66	16.18	7.48	-32.85%
8425	Skirts & divided skirts	4.54	6.25	2.83	3.31	6.47	9.27%
8426	Trousers, breeches etc.	15.66	22.26	29.65	38.78	32.19	19.74%
8427	Blouses,shirt-blouse,etc	21.20	26.96	18.95	22.33	18.20	-3.75%
84589	Womens,girls apparel nes	30.92	47.53	26.77	22.27	17.47	-13.30%
KNIT		58.78	61.38	51.62	68.22	80.18	8.07%
8441	Overcoats,oth.coats etc.	0.14	0.11	0.85	0.34	0.12	-4.29%
84421	Suits,womens girls,knit	14.95	16.79	13.41	20.86	18.64	5.66%
84422	Ensemb,ls,women girls,knt	0.37	0.14	0.06	0.22	0.39	1.65%
84423	Jackets,women girls,knit	0.69	0.57	1.03	1.39	2.37	36.15%
84424	Dresses,women girls,knit	3.64	5.17	3.58	4.76	7.72	20.64%
84425	Skirts, divided skirts	0.34	0.27	0.08	0.37	0.79	23.02%
84426	Trousers,women girl,knit	2.50	5.25	3.94	4.50	4.84	17.88%
8447	Blouses,shirt-blouse,etc	35.25	31.90	28.18	35.36	44.11	5.76%
84489	Other underwear etc.knit	0.88	1.19	0.50	0.42	1.22	8.37%
Total		200.48	261.76	187.48	206.25	196.65	-0.48%

SITC	Product Description	1995	1996	1997	1998	1999	Average Annual Growth
BABIES WEAR							
WOVEN							
84511	Babies'cloths notknitted	13.72	15.58	16.36	21.52	17.38	6.09%
KNIT							
84512	Babies'clothes knitted	2.67	2.96	3.23	3.90	10.11	39.49%
Total		16.39	18.53	19.59	25.42	27.49	13.81%
SPORTS WEAR							
WOVEN							
		0.05	0.03	0.41	0.37	0.25	50.61%
84219	Other womens outerwear	0.05	0.02	0.22	0.06	0.02	-16.80%
84561	Male swimwear notknitted	0.00	0.01	0.18	0.14	0.02	32.00%
84563	Fem.swimwear notknitted	0.00	0.00	0.00	0.17	0.20	21.08%
KNIT							
		24.63	26.07	22.13	24.93	14.86	-11.87%
84562	Male swimwear knitted	0.13	0.00	0.00	0.01	0.04	-27.69%
84591	Track suits,knitted	23.92	26.03	22.02	24.73	14.77	-11.36%
84592	Ski suits,knitted	0.58	0.04	0.11	0.19	0.06	-43.38%
Total		24.68	26.10	22.54	25.30	15.11	-11.55%
T-SHIRTS & PULLOVERS							
KNIT							
8453	Jersys,pullovrs,etc.knit	3.62	6.32	5.68	7.59	11.91	34.70%
8454	T-shirts,othr.vests knit	82.18	81.74	49.71	49.34	51.76	-10.91%
Total		85.80	88.06	55.39	56.93	63.67	-7.19%
HOSIERY							
84161	Underpants and briefs	0.27	0.11	0.43	0.50	0.41	11.05%
84162	Nightshirts and pyjamas	0.13	0.42	0.61	0.72	0.76	54.37%
84169	Other male underwear etc	44.58	38.04	42.57	36.30	45.86	0.71%
84281	Slips and petticoats	0.24	0.07	0.16	0.03	0.11	-18.65%
84282	Nightdresses,pyjamas	0.48	0.26	0.67	2.53	2.66	53.18%
84289	Other underwear etc.	1.39	0.90	0.63	2.99	4.36	33.20%
84381	Underpants,briefs,mens	1.19	0.22	0.23	0.94	1.28	2.01%
84481	Slips and petticoats	0.00	0.02	0.03	0.17	0.18	126.80%
84483	Nightdresses & pyjamas	12.26	12.52	10.63	11.71	9.34	-6.58%
84551	Brassieres	1.33	1.11	0.73	1.17	0.34	-29.04%
84621	Panty hose,tights,knitted	0.23	0.06	0.11	0.00	0.06	-28.39%
84622	Women's hosiery,knitted	15.84	19.19	20.93	23.23	24.46	11.47%
84629	Other hosiery,knitted	66.34	58.05	41.83	23.23	11.48	-35.51%
Total		144.28	130.96	119.54	103.53	101.27	-8.47%
GRAND TOTAL		1,089.99	1,273.72	1,237.71	1,305.36	1,320.71	4.92%