

Trends in Production and Trade



Cotton, Textiles and Garments from Pakistan

Arisa

The Netherlands

September 2024

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1 Introduction

With an estimated total value of USD 2 trillion, textiles and garment production is one of the largest manufacturing industries in the world, as it employs an estimated 430 million people or 12.6 per cent of the global workforce.¹ Due to the sizeable export revenues the industry generates, it is a crucial component of the economic development strategy of many low- and middle-income countries around the world. Its complex global value chain consists of myriad components and actors, ranging from cotton farms to textile mills and clothing factories, which produce many different kinds of products, ranging from raw cotton and textiles to ready-made clothing, footwear and accessories.

South Asia is a particularly prominent apparel production region for the international market. After Bangladesh and India, Pakistan is the region's third largest exporter of cotton, textiles and garments, and the eighth largest in Asia.² Due to its unique geography, climate and demography, Pakistan has a largely vertically integrated supply chain, in which production activities, ranging from cotton farming to yarn spinning, textile production, sewing and recycling are present domestically.³ Accounting for more than half of Pakistan's total export revenue, with the European Union (EU) and United States of America (USA) as its main markets, this sector is a pillar of the national economy and an important source of industrial employment.

As Pakistan's ailing economy faces a multitude of crises including inflation, political unrest and environmental catastrophe, its cotton, textile and garment exports will remain indispensable to the country's prosperity for the foreseeable future.⁴ This report provides an overview of recent trends in export destinations and prominent product categories, as well as a mapping of key Pakistani manufacturing firms and foreign buyers. As such, it aims to establish an overview of recent developments in Pakistan's cotton, textile and garment industry.

1 Solidarity Center, "GLOBAL GARMENT AND TEXTILE INDUSTRIES Workers, Rights and Working Conditions", April 2023. <<https://www.solidaritycenter.org/wp-content/uploads/2023/04/Garment-Textile-Industry-Fact-Sheet-4-12-23.pdf>>

2 Pakistan Textile Council, 2023. <<https://ptc.org.pk/pakistans-textile-exports/>>

3 CNV Internationaal, "Pakistan country study 2016: labour standards in the garment supply chain", 2016. <<https://www.socialdialogue.org/wp-content/uploads/2018/04/CNVI-0105-Country-study-2016-Pakistan-extern-FINAL.pdf>>

4 Fair Wear, "Pakistan country study", 2021. <<https://api.fairwear.org/wp-content/uploads/2021/06/2021-CS-PAKISTAN.pdf>>

2 Methodology

This report on recent trends in cotton, textile and garment industry exports from Pakistan is based primarily on desk research and secondary data analysis. To track recent developments in key export product categories and destinations, we analysed the most recent United Nations (UN) Comtrade data, available from January 2012 to July 2023. Further, we used the latest Panjiva data, for the period from 1 March 2022 to 29 February 2024, to identify key Pakistani manufacturing firms and foreign buyers. We also consulted relevant civil society organisations in Pakistan for their input for this report.

Box 1 Product groups featured

For this report we analysed the export trends of the following product categories and (sub)groups, as classified by the internationally recognised Harmonized System (HS) codes:

HS Section XI: Textiles and Textile Products (HS 52–63), specifically:

HS 52 – Cotton:

- **HS 52.1–52.3:** (Raw) cotton
- **HS 52.4–52.7:** Cotton yarn and sewing thread
- **HS 52.8–52.12:** Woven fabrics of cotton

HS 61 – Apparel and clothing accessories, **knitted or crocheted**

HS 62 – Apparel and clothing accessories, not knitted or crocheted

- **HS 62.3:** Men’s and boys’ clothing (including **denim**)

HS 63 – Other made-up textile articles; sets; worn clothing and worn textile articles; rags; including home textiles

- **HS 63.2: Bed linen, table linen, toilet linen, and kitchen linen**

See: <https://www.foreign-trade.com/reference/hscod.htm>

For the purposes of this report, the entire cotton, textile and garment export industry is defined by exports classified under HS Section XI: Textiles and Textile Products (HS 52–63). Cotton exports under HS 52 include cotton as a raw material (HS 52.1–3), cotton-based yarn and thread (HS 52.4–7) and woven fabrics of cotton (HS 52.8–12). Of all garment exports under product codes HS 61 and 62, knitwear (HS 61) and denim (included under HS 62.3) are Pakistan’s most important export products. Textile exports under HS 63 predominantly entail ready-made home textiles (HS 63.2) such as towels and bed linen. With this coverage, this report outlines the most important developments in Pakistan’s cotton, textile and garment exports.⁵

⁵ World Customs Organization, HS Nomenclature 2022 edition. <<https://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2022-edition/hs-nomenclature-2022-edition.aspx>>

3 Pakistan's cotton, textile and garment industry

With a gross domestic product (GDP) of USD 1,407 per capita in 2023, the World Bank has classified Pakistan as a lower-middle-income country.⁶ Its relatively young population of over 245 million people makes Pakistan the fifth most populous country in the world, boasting a large and active labour force.⁷ After agriculture, the textile and garment industry is the largest national economic sector.⁸

While Pakistan's economy is not highly export driven, with exports accounting for only 10.4 per cent of total GDP (in 2023), the cotton, textile and garment industry, annually worth more than USD 18 billion, makes up roughly 60 per cent of that.⁹ As Pakistan ran a total trade deficit of more than USD 27 billion in fiscal year 2023, the country is extremely dependent on the industry as its primary source of export revenue and foreign currency.¹⁰

Although Pakistan's government has outlined plans for export diversification in its Strategic Trade Policy Framework 2020–2025, cotton, textile and garment exports continue to be the country's primary driver of economic growth.¹¹ The sector has, furthermore, been crucial in the country's recovery from disruptions of the global economy by Covid-19 lockdown policies in 2020–21. Yet Pakistan's economy faces a multitude of crises including rampant inflation, rising energy prices, dwindling foreign currency reserves and the plummeting exchange rate of the Pakistan rupee, which has nearly halved to the US dollar in the past two years.¹²

Pakistan's economy is estimated to have contracted in real terms in fiscal year 2023, and there has been widespread political unrest surrounding the national elections, as well as a multi-billion-dollar bail-out

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- 6 World Bank, GDP per capita (current US\$) – Pakistan. <<https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=PK>>
 - 7 Associated Press of Pakistan, Pakistan population to hit over 400 million mark in 2092; to surpass Indonesia in 2048: UN report. <<https://www.app.com.pk/global/pakistan-population-to-hit-over-400-million-mark-in-2092-to-surpass-indonesia-in-2048-un-report/>>
 - 8 World Bank, "Pakistan Development Update, Fiscal Impact of State-Owned Enterprises", April 2024. <<https://thedocs.worldbank.org/en/doc/140b30353b40dbb294cca42bcb86529a-0310062024/original/Pakistan-Development-Update-April-2024.pdf>>
 - 9 World Bank, Exports of goods and services (% of GDP) – Pakistan. <Exports of goods and services (% of GDP) - Pakistan | Data (worldbank.org)>; and UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 52–63.
 - 10 Asia&Pacific, Pakistan's exports rise over 10 percent in FY 2023-24, July 2024. <<https://english.news.cn/asiapacific/20240704/a1a053eb9d7e4d2285c228ebe4e8540b/c.html>>
 - 11 Pakistan Ministry of Commerce, Strategic Trade Policy Framework (STPF) 2020–25. <<https://tdap.gov.pk/wp-content/uploads/2022/01/STPF-2020-25-1.pdf>>
 - 12 Government of Pakistan, Pakistan Economic Survey 2021–22. <https://www.finance.gov.pk/survey/chapter_22/Overview.pdf>

by the International Monetary Fund (IMF).¹³ Therefore, the country remains heavily dependent on the garment industry for economic growth, for which the country's Textiles and Apparel Policy set an export target of USD 25 billion for 2023–24.¹⁴

Although Pakistan has a relatively small industrial sector compared to many other countries in the region, it is the world's second largest exporter of home textiles and the third largest exporter of cotton yarn and fabrics.¹⁵ Unlike most other garment-producing countries, in Pakistan all different stages in the production process, from cotton growing to the manufacture of end-products and recycling of post-consumer textiles, are present domestically.¹⁶ The entire cotton, textile and garment supply chain, which predominantly produces for the international market, is estimated to employ as many as 15 million people, 2.2 million of whom work in garment production and 1.8 million in textile manufacturing.¹⁷

The complex textile and garment value chain includes cotton farming and ginning, yarn spinning, textile weaving and knitting, cloth dyeing and garment design and manufacture, as well as export and retail functions, before the final product reaches the consumer. The value chain also includes the import of post-consumer textiles and recycling.¹⁸ See Figure 1 for an overview of the cotton, textile and garment value chain in Pakistan.

3.1 Cotton

Cotton is Pakistan's most important industrial crop and is the primary resource of the textile and garment industry. As the world's fifth largest cotton producer – after China, India, the USA and Brazil – Pakistan relies heavily on textile and garment manufacturing to add value to its exports.¹⁹ There are an estimated 1.5 million cotton farmers in Pakistan, 90 per cent of whom are smallholders²⁰ cultivating less than 5 hectares.²¹

Pakistan's cotton production is mostly concentrated in the fertile Indus valley, where the land is most suitable for cotton. The province of Punjab produces nearly 65 per cent of Pakistan's total output, while the rest is

13 International Monetary Fund (IMF). <<https://www.imf.org/en/News/Articles/2024/03/19/pr2491-pakistan-imf-reaches-staff-level-agreement-second-final-review-9-month-sba>>

14 Pakistan Ministry of Commerce, Textiles and Apparel Policy 2020–25. <<https://www.commerce.gov.pk/wp-content/uploads/2022/02/Textiles-and-Apparel-Policy-2020-25.pdf>>

15 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 52, 61, 62, and 63.

16 Fair Wear, "Pakistan country study", 2021. <<https://api.fairwear.org/wp-content/uploads/2021/06/2021-CS-PAKISTAN.pdf>>

17 European Centre for Constitutional and Human Rights (ECCHR), "No Contracts, No Rights: How the Fashion Industry Avoids Paying Minimum Wages in Pakistan", 2023. <https://www.ecchr.eu/fileadmin/user_upload/No_Contracts_No_Rights_ECCHR_FEMNET_study_final_EN.pdf>; and Clean Clothes Campaign, A decade after deadly Ali Enterprises fire, Pakistan's garment workers report shocking lack of fire exits, 2022. <<https://cleanclothes.org/news/2022/report-a-decade-after-deadly-ali-enterprises-fire-pakistans-garment-workers-report-shocking-lack-of-fire-exits>>

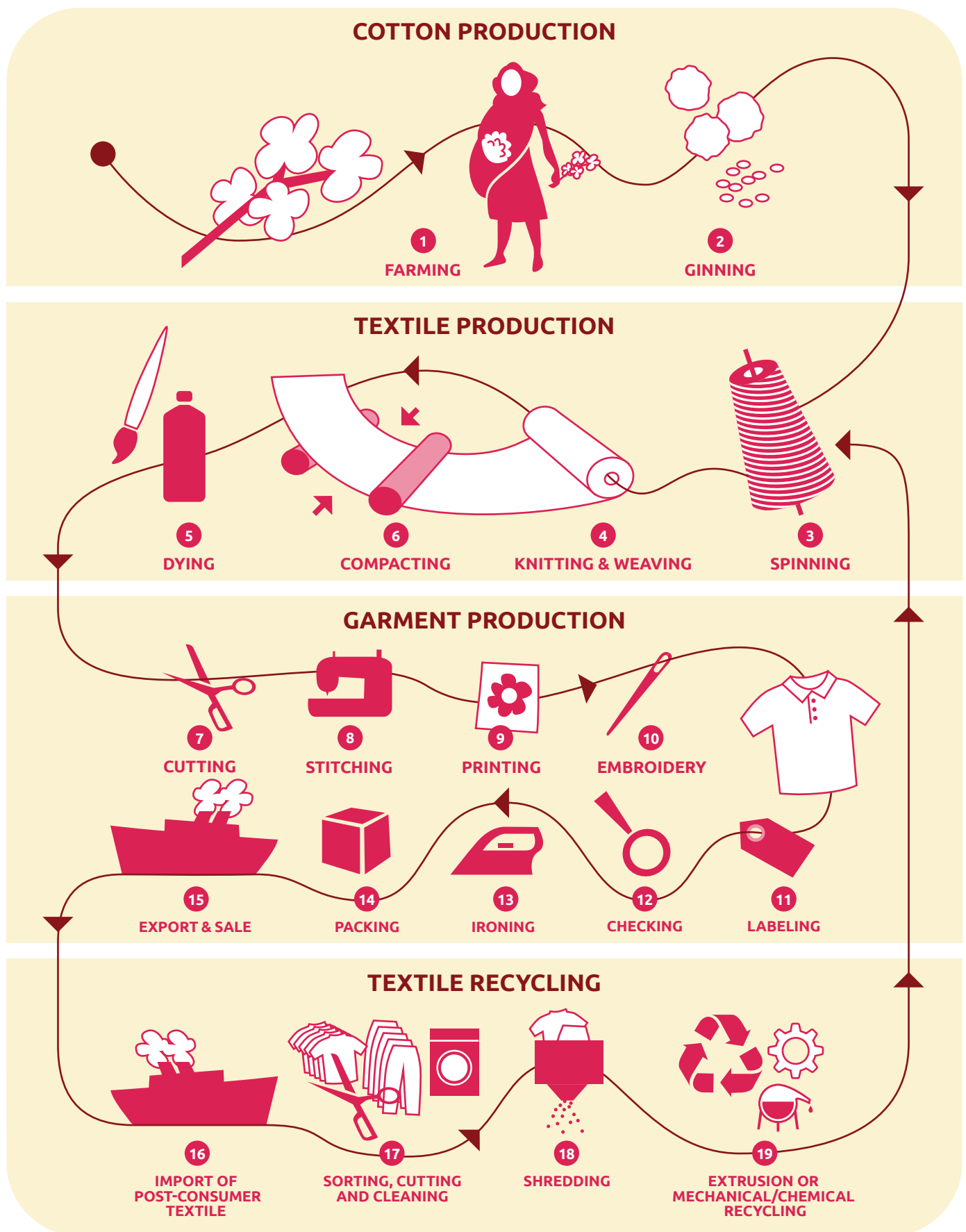
18 Garson & Shaw, June 2024. <<https://www.garsonshaw.com/2019/11/exploring-the-benefits-of-the-growing-used-textile-recycling-industry-located-in-the-karachi-export-processing-zone-in-pakistan/>>

19 Source: International Labour Organization (ILO). "Fundamental Principles and Rights at Work in the Cotton Supply Chain: RISE for Impact – A New Phase, A New Vision", February 2024. <<https://www.ilo.org/media/520606/download>>

20 Source: International Labour Organization (ILO). "Fundamental Principles and Rights at Work in the Cotton Supply Chain: RISE for Impact – A New Phase, A New Vision", February 2024. <<https://www.ilo.org/media/520606/download>>

21 United States Department of Agriculture (USDA), "Pakistan cotton and products annual", April 2021. <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Cotton%20and%20Products%20Annual_Islamabad_Pakistan_04-01-2021>

Figure 1 Pakistan's cotton, textile and garment value chain



mostly grown in Sindh (see Figure 2 for a map of Pakistan). Genetically modified crops make up 95 per cent of Pakistan's total cotton production, and the sector is heavily dependent on foreign imports of pesticide.²²

Figure 2 Map of Pakistan²³



In Pakistan, cotton is a seasonal kharif (autumn) crop, planted in the wet monsoon season (May to July) and harvested in the dry autumn season (August to December). It alternates with a rabi wheat crop, planted in winter and harvested in spring. This dependence on regular seasonal patterns makes the cotton crop particularly vulnerable to extreme weather and climate change, as evidenced by the dramatic floods that occurred during the 2022 monsoon season, which destroyed the entire cotton crop in Sindh and Baluchistan and also severely damaged crops in Punjab. In total 41 per cent of Pakistan's annual cotton crop failed in 2022.²⁴ Further, heatwaves and droughts in the hot and dry spring, from March to May, also negatively affect the cotton planting season.

22 United States Department of Agriculture (USDA), "Pakistan cotton and products annual", April 2021. <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Cotton%20and%20Products%20Annual_Islamabad_Pakistan_04-01-2021>; and CABI, "Promoting sustainable organic cotton production and supply in Pakistan", 2020. <<https://www.cabi.org/projects/promoting-sustainable-organic-cotton-production-and-supply-in-pakistan/>>

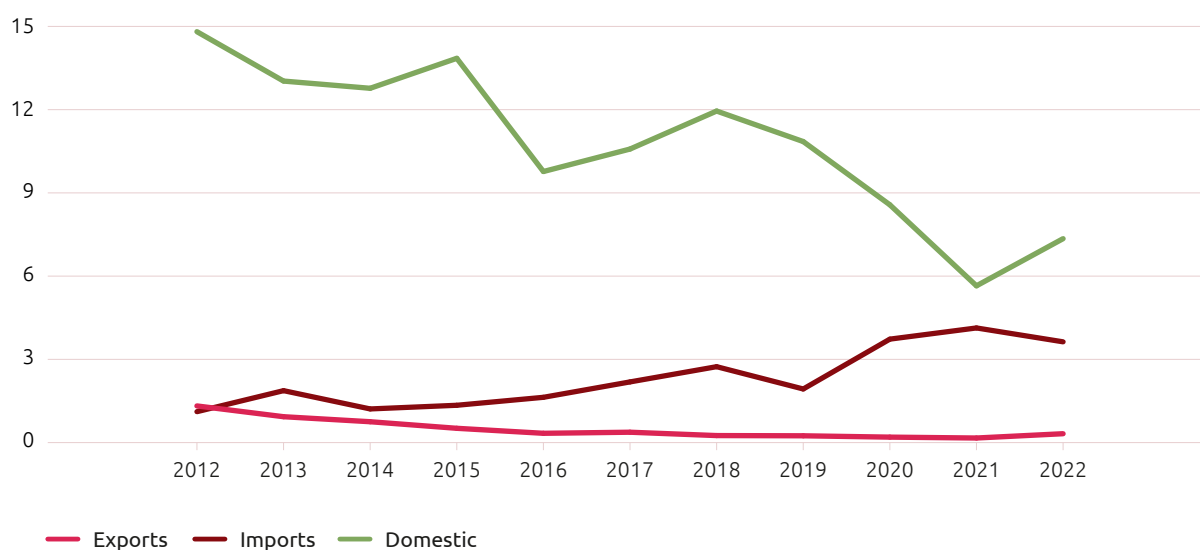
23 BBB wise giving alliance, Wise Giving Wednesday: Devastating Flooding Impacts Millions in Pakistan. <<https://give.org/news/wise-giving-wednesday-devastating-flooding-impacts-millions-in-pakistan>>

24 United States Department of Agriculture (USDA), "Pakistan cotton and products annual", April 2023. <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Cotton+and+Products+Annual_Islamabad_Pakistan_PK2023-0006.pdf>

Other than climate change, problems with cotton seeds and pesticides, as well as farmers shifting to other crops, have also played a role in Pakistan’s declining cotton production. This decline has had profound negative effects, as nearly 40 per cent of the rural population is dependent on the crop, including seasonal harvesting workers, 90 per cent of whom are women.²⁵

As domestic cotton production has more than halved in volume over the last decade, (raw cotton exports have dwindled, and the country has become a net importer of cotton. While Pakistan remains the world’s fifth largest cotton producer, it has also become the fifth largest importer, buying large quantities from the USA and Brazil. Imports also include long-staple cotton, which is of a different variety than the short- and medium-staple cotton grown domestically. Figure 3 shows the last decade’s changes in domestic cotton production and in imports.

Figure 3 Pakistan’s domestic production, imports and exports of cotton (in billion bales)²⁶



While Pakistan’s textile and garment industry is largely cotton based, other important imports for the industry include artificial fibres and filaments (HS 55 and 54), at USD 659 million and USD 778 million annually respectively, with China the most important supplier. Yet another major related import category is worn clothing (HS 63.9), at USD 441 per year, with nearly 50 per cent coming from the USA, supplying Pakistan’s garment recycling industry.²⁷

25 Business Recorder, “Climate change: Women cotton workers demand safety”, May 2024. <<https://www.brecorder.com/news/40301291/climate-change-women-cotton-workers-demand-safety>>

26 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS code 52; and US Department of Agriculture (USDA), “Pakistan cotton and products annual”, April 2023. <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Cotton+and+Products+Annual_Islamabad_Pakistan_PK2023-0006.pdf>

27 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 54, 55, and 63.

3.2 Yarn, textiles and garments

After harvest, domestically produced cotton is processed by an estimated 1,050 ginneries, spun at 521 spinners, and manufactured into textiles at 430 mills.²⁸ There are an estimated 10,000 garment manufacturers.²⁹ These range from large vertically integrated conglomerates, on the one hand, that make everything from yarn to garments, to small informal home-based production units, on the other.

Roughly one-third of the total value of the country's textile and garment manufactured goods are produced by a handful of large firms, one-third by a few dozen medium-sized firms and the rest by a few hundred smaller firms and thousands of small-scale production units.³⁰ Workers are employed in many different ways, ranging from formal employment to contract labour and piece-rate or daily wage labour. The International Labour Organization (ILO) estimates that nearly 84 per cent of these workers are employed in firms with fewer than six workers, making the textile and garment industry much smaller scale, and more fractured and informal than in most other garment-producing countries.³¹ What also sets Pakistan's garment industry apart is that almost all factories are domestically owned, with a foreign ownership rate of only 5 per cent.³²

Like cotton farming, textile and garment production is also concentrated in the most densely populated and urbanised eastern provinces of Punjab and Sindh. In Punjab the industry is clustered in Lahore, Faisalabad and Multan, while in Sindh most garment production takes place in the country's economic capital, Karachi.³³ These clusters are home to a number of export processing zones (EPZs) and special economic zones (SEZs) where nearly a million workers are employed in textile and garment factories, producing an estimated USD 8 billion of annual revenue.³⁴ The most prominent of these zones is the Karachi EPZ, which is home to 37 garment-producing companies.³⁵ Older sources show that these companies were mostly owned by non-resident Pakistanis in collaboration with local partners.³⁶

Unlike most other garment-producing nations, where the majority of workers are female, only an estimated 28 per cent of Pakistan's garment workers are women. This reflects the generally low female employment rate in the country and the highly patriarchal nature of Pakistani society overall.³⁷ Although the industry is largely dominated by men, it is still the country's second largest employer of women, after agriculture. Female workers are mostly concentrated in specific segments and make up the majority of employees in certain departments of factories, such as stitching departments,

28 United States Department of Agriculture (USDA), "Pakistan cotton and products annual", April 2021. <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Cotton%20and%20Products%20Annual_Islamabad_Pakistan_04-01-2021>

29 Asia Garment Hub, Pakistan. <<https://asiagarmenthub.net/agh-countries/pakistan>>

30 Fair Wear, "Pakistan country study", 2021. <<https://api.fairwear.org/wp-content/uploads/2021/06/2021-CS-PAKISTAN.pdf>>

31 International Labour Organization (ILO), Asia-Pacific Garment and Footwear Sector Research Note, February 2017. <<https://www.ilo.org/media/426476/download>>

32 World Bank, "Pakistan in the Apparel Global Value Chain", 2019. <<https://documents1.worldbank.org/curated/pt/933691570165490189/pdf/Pakistan-in-the-Apparel-Global-Value-Chain.pdf>>

33 Fair Wear, "Pakistan country study", 2021. <<https://api.fairwear.org/wp-content/uploads/2021/06/2021-CS-PAKISTAN.pdf>>

34 CNV Internationaal, "Pakistan country study 2016: labour standards in the garment supply chain", 2016. <<https://www.socialdialogue.org/wp-content/uploads/2018/04/CNVI-0105-Country-study-2016-Pakistan-extern-FINAL.pdf>>

35 Investors Directory. Pakistan Export Processing Zones Authority. <<https://epza.gov.pk/investors-directory/>>

36 European Parliament, Directorate General for External Policies, Policy Department, "Labour rights in export processing zones with a focus on GSP+ beneficiary countries", 2017. <[https://www.europarl.europa.eu/RegData/etudes/STUD/2017/603839/EXPO_STU\(2017\)603839_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2017/603839/EXPO_STU(2017)603839_EN.pdf)>

37 Fair Wear, "Pakistan country study", 2021. <<https://api.fairwear.org/wp-content/uploads/2021/06/2021-CS-PAKISTAN.pdf>>

and a large part of the workforce in SEZs. Women also comprise the vast majority of informal home-based workers.³⁸

Although there are numerous garment industry trade unions in Pakistan, the union movement estimates overall unionisation of garment workers as less than 1 per cent.³⁹ This reflects the generally low trade union density of 4.7 per cent across all industries in the country.⁴⁰ Workers' trade unions and employers' trade associations are listed in Table 1.

Table 1 Textile and garment workers' trade unions and employers' trade associations in Pakistan

Trade Unions	Trade Associations
<ul style="list-style-type: none"> • All Pakistan Federation of United Trade Unions (APFUTU) • Home Based Women Workers Federation (HBWWF) • National Trade Union Federation (NTUF) • Pakistan National Textile, Leather, Garments & General Workers Federation (PNTLGGF) • Pakistan Textile, Garments and Leather Workers Federation (PTGLWF) • Pakistan Textile Workers Federation (PTWF) • Textile Powerloom Garment Workers Federation (TPGWF) 	<ul style="list-style-type: none"> • All Pakistan Textile Mills Association (APTMA) • Employers' Federation of Pakistan (EFP) Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA) • Pakistan Textile Exporters Association (PTEA)

38 CNV Internationaal, "Pakistan country study 2016: labour standards in the garment supply chain", 2016. <<https://www.socialdialogue.org/wp-content/uploads/2018/04/CNVI-0105-Country-study-2016-Pakistan-extern-FINAL.pdf>> and <<https://www.pide.org.pk/Research/Research-Report-Special-Economic-Zones-in-Pakistan-Promises-and-Perils.pdf>>

39 Business and Human Rights Resource Centre, "The legal framework for worker representation in the garment sector, country profiles", June 2024. <https://media.business-humanrights.org/media/documents/240619_FoA_legal_profiles.pdf>

40 International Labour Organization (ILO) country profile Pakistan. <<https://ilostat.ilo.org/data/country-profiles/>>

4 Export and import trends

An analysis of UN Comtrade data confirms that Pakistan’s cotton, textile and garment industry is by far the country’s largest export sector, valued at USD 18.6 billion in 2022. It accounts for roughly 60 per cent of the country’s total exports and nearly all recent growth in total exports. See Figure 4 .

Figure 4 Pakistan’s annual exports in USD billion⁴¹



Monthly export data reveals that the impact of the Covid-19 crisis on the sector’s exports was very marginal, as only March and April of 2020 saw a significant downturn in export value, given that Pakistan’s lockdowns were relatively lax compared to neighbouring India, with a total lockdown only from March to May 2020.⁴² In fact, Pakistan’s garment exports experienced a significant upturn after this period, reaching record numbers in 2021 and 2022.⁴³ See Figure 5.

41 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 52–63.

42 The Economist, “Is Pakistan really handling the pandemic better than India?”, September 2020. <<https://www.economist.com/asia/2020/09/30/is-pakistan-really-handling-the-pandemic-better-than-india>>; and Pakistan Ministry of Commerce, Textiles and Apparel Policy 2020–25. <<https://www.commerce.gov.pk/wp-content/uploads/2022/02/Textiles-and-Apparel-Policy-2020-25.pdf>>

43 Pakistan Ministry of Commerce, Textiles and Apparel Policy 2020–25. <<https://www.commerce.gov.pk/wp-content/uploads/2022/02/Textiles-and-Apparel-Policy-2020-25.pdf>>

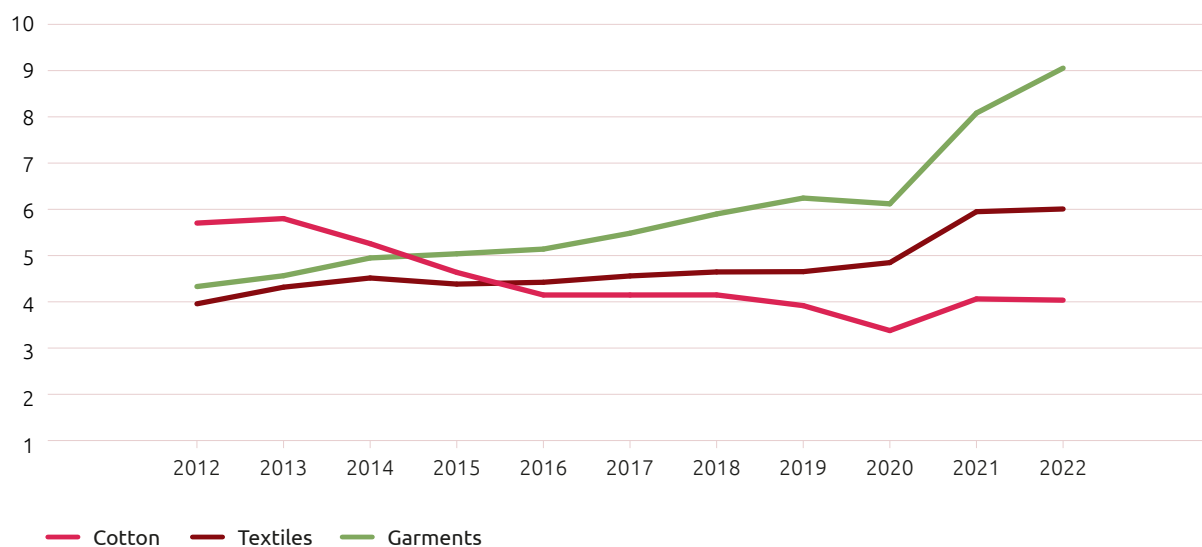
Figure 5 Pakistan's monthly exports in USD billion⁴⁴



Over the past decade, garments and home textiles have overtaken cotton yarn and fabrics as Pakistan's main export sector. The garment industry has become Pakistan's largest export sector, as it has more than doubled from USD 3.7 billion in 2012 to USD 8.9 billion in 2022. Textile exports have also grown, from USD 3.2 billion in 2012 to USD 5.6 billion in 2022, making Pakistan the world's third largest exporter of textiles after China and India.

On the other hand, cotton exports (including yarn, thread and fabrics) from Pakistan have fallen over the last decade. While this was the largest export category of Pakistan in 2012 at USD 5.2 billion, it declined to USD 3.4 billion in 2022. Yet Pakistan remains the world's fifth largest exporter of products categorised under HS 52. See Figure 6.

Figure 6 Pakistan's main export sectors in USD billion⁴⁵



44 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 52–63.

45 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 52, 61, 62, and 63.

An analysis of disaggregated product codes reveals that Pakistan’s most important garment export product categories are knitwear (HS 61), with a value of USD 5.1 billion annually, and denim (included under HS 62.3), with a value of nearly USD 3 billion. The vast majority of textiles (HS 63) exported from Pakistan are home textiles (HS 63.2) with a total value of USD 4.3 billion in 2022, making Pakistan the world’s second largest exporter of home textiles after China.⁴⁶

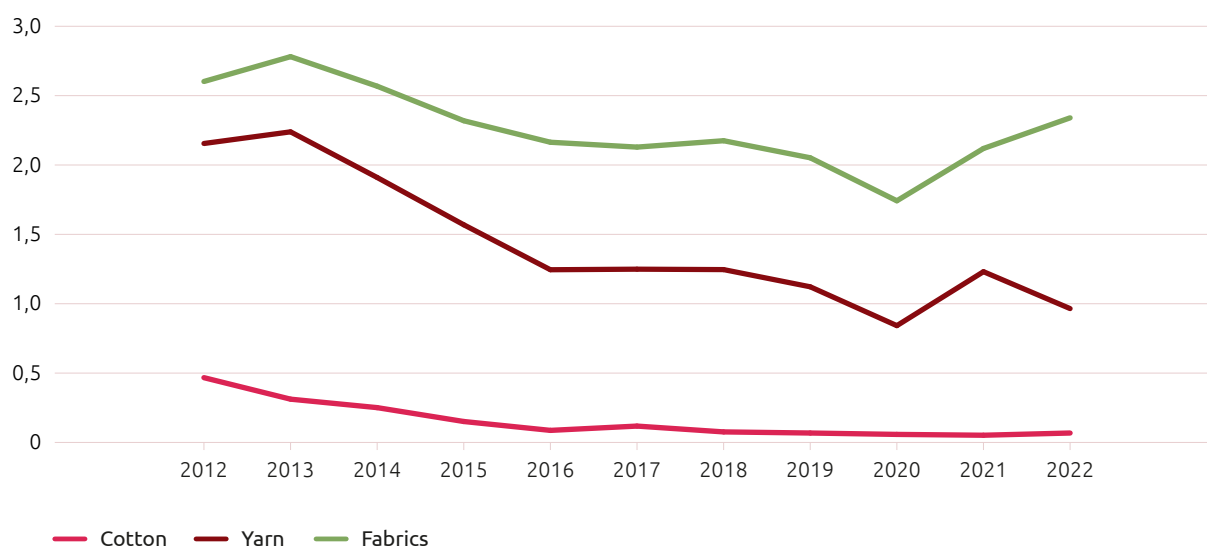
4.1 Cotton imports and exports

While cotton, yarn and fabric exports from Pakistan have declined over the last decade, the country has also become increasingly dependent on cotton imports for its domestic textile and garment industry. Next to declining domestic yield, the most important factors are increasing domestic demand and increasing export valorisation through the relative growth of the use of domestic cotton in the local garment industry.

Figures 7a and 7b show that exports and imports classified under HS 52 have a very different make-up. While exports of cotton as a raw material (HS 5201–3) have declined in value from USD 467 million in 2012 to only USD 68 million in 2022, imports have increased from USD 565 million to nearly USD 2 billion in that same period.

On the other hand, yarn and thread (HS 5204–7) and cotton fabrics (HS 5208–12) remain large export categories for Pakistan, although both have steadily declined in value. Over the last decade, yarn exports have more than halved, from USD 2.2 billion in 2012 to USD 965 million in 2022, while fabrics have seen renewed growth since 2020 to USD 2.3 billion in 2022.

Figure 7a Pakistan 2022 HS 52 exports in USD billion



⁴⁶ UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 52, 61, 62, and 63.

Figure 7b Pakistan HS 52 imports in USD billion⁴⁷

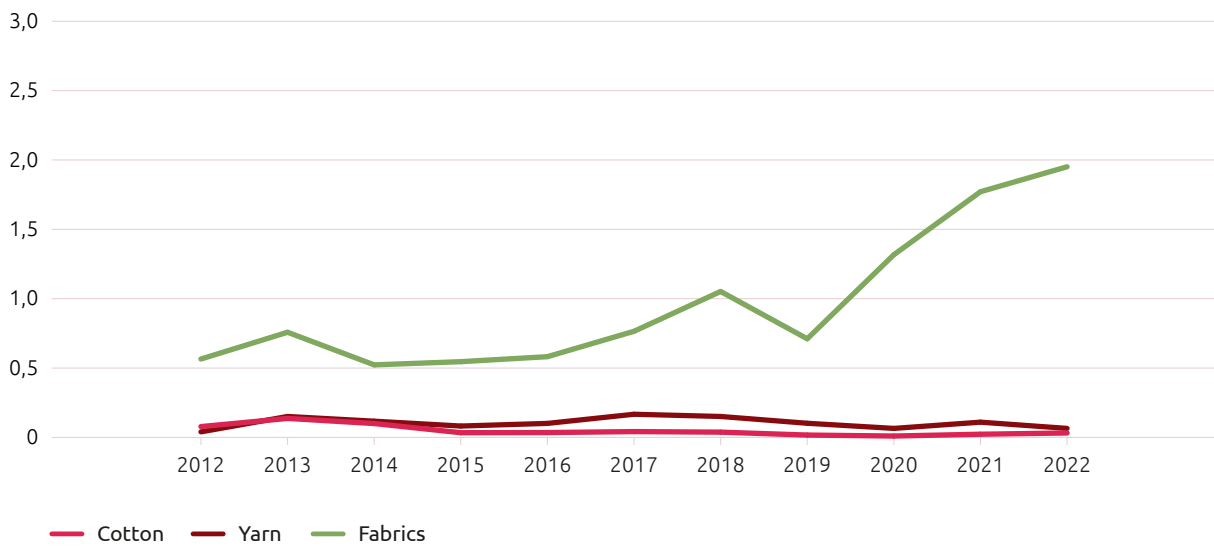
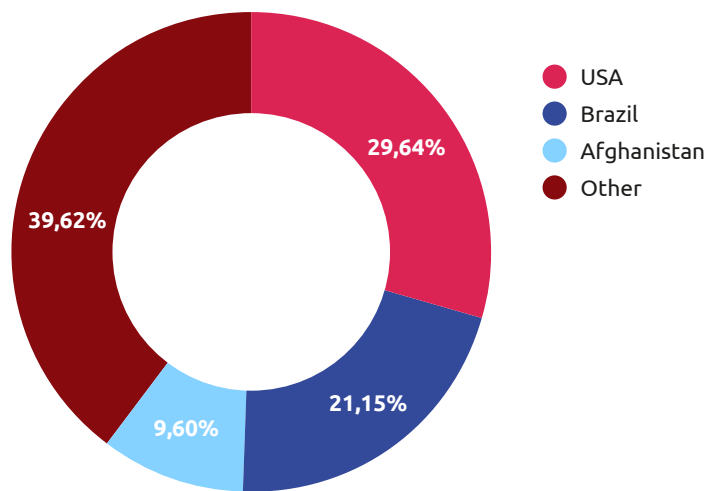


Figure 8 and Table 2 show that the USA is the largest exporter of cotton to Pakistan.

Figure 8 Pakistan's cotton import origins in 2022⁴⁸



47 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS code 52.

48 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS code 52.

Table 2 Top 10 countries exporting cotton to Pakistan in 2022⁴⁹

Rank	Country	Value (USD)
1	USA	607,377,584
2	Brazil	433,368,651
3	Afghanistan	196,706,128
4	Côte d'Ivoire	151,071,349
5	China	83,139,210
6	Australia	71,181,678
7	Turkey	64,974,298
8	Sudan	55,910,244
9	Tanzania	51,055,139
10	Mexico	46,135,486

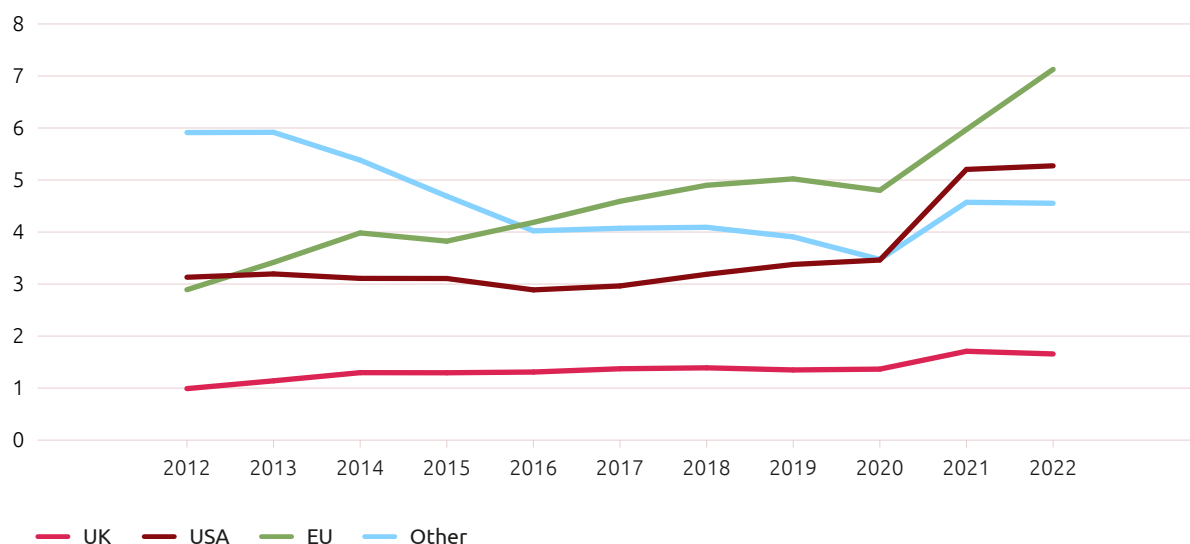
49 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS code 52.

5 Export destinations

Over the last decade, Pakistan’s exports of cotton, textiles and garments have increasingly gone to Western markets such as the EU, USA and UK. Meanwhile, exports to non-Western markets have declined significantly from nearly USD 5.9 billion in 2012 to USD 4.5 billion in 2022. While exports to non-Western markets still accounted for 45 per cent of the industry’s total exports in 2012, they accounted for less than 25 per cent in 2022.

Figure 9 shows that exports to the EU have more than doubled over the last decade, from USD 2.9 billion in 2012 to USD 7.1 billion in 2022, overtaking the USA as Pakistan’s largest export market. The EU market, where Pakistan enjoys duty-free access under the Generalised Scheme of Preferences Plus (GSP+) provision for low-income countries, has thus become the primary buyer market, accounting for 38.8 per cent of total cotton, textile and garment exports, followed by the USA at 28.9 per cent, where very few textile and garment products qualify for the US Generalized System of Preferences (US GSP).⁵⁰

Figure 9 Pakistan HS Section XI export destinations 2022 (USD)⁵¹



50 Pakistan Business Council and United States Generalized System of Preferences. <<https://www.pbc.org.pk/research/pakistan-and-the-united-states-generalized-system-of-preferences-gsp/#:~:text=The%20United%20States%20Generalized%20System%20of%20Preferences%3A,of%20the%2019%20designated%20BDCs>>

51 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 52–63.

Box 2 What is the Generalised Scheme of Preferences Plus (GSP+)?

A key factor in the growth of Pakistan's exports to the EU has been the country's inclusion in GSP+ since 2014, which exempts a number of developing countries from EU import duties. The officially stated goal of this scheme is to help "developing countries to alleviate poverty and create jobs based on international values and principles, including labour and human rights, environment and climate protection and good governance".⁵²

Around 80 per cent of the cotton, textile and garment products the EU imports from Pakistan enter at preferential tariff rates. This makes Pakistan the largest benefactor of the EU's GSP+ agreement by far, as it accounts for more than 60 per cent of the total tariff-free imports under this scheme in terms of value.⁵³

Since Pakistan's inclusion in GSP+, its exports to the EU have more than doubled. The scheme provides Pakistan with a strategic advantage over other garment-producing nations in the region, such as India and China, although Bangladesh enjoys more generous benefits under the Everything But Arms scheme.⁵⁴

5.1 Cotton, fabric and yarn exports

Pakistan's exports of products under HS 52 consist mostly of yarn and thread (HS 5204–7), at USD 965 million annually, and cotton fabrics (HS 5208–12), at USD 2.3 billion. The EU, Bangladesh and China are the largest markets for these products from Pakistan. Disaggregation of the product categories shows that the EU and Bangladesh are the largest importers of Pakistan's fabrics, while China is the largest importer of its yarn. See Figures 10a and 10b.

52 European Commission, Generalised Scheme of Preferences. < https://policy.trade.ec.europa.eu/development-and-sustainability/generalised-scheme-preferences_en#:~:text=By%20removing%20such%20import%20duties,climate%20protection%2C%20and%20good%20governance >

53 European Commission, "EU trade relations with Pakistan: Facts, figures and latest developments". <https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/pakistan_en>

54 European Commission, "EU trade relations with Bangladesh: Facts, figures and latest developments". <https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/bangladesh_en#:~:text=Bangladesh%20has%20been%20a%20WTO,exports%2C%20except%20arms%20and%20ammunition>

Figure 10a Pakistan's cotton fabric export destinations in 2022

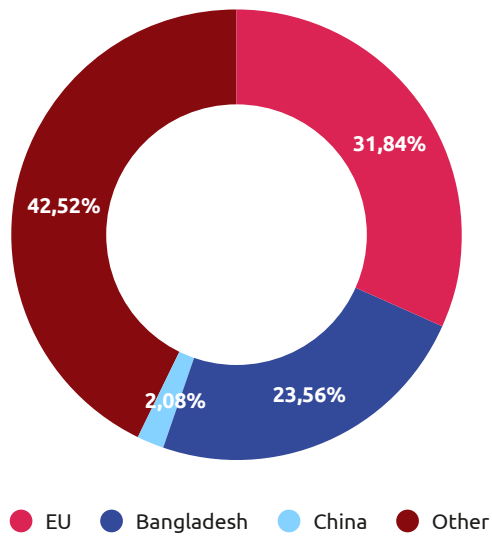


Figure 10b Pakistan's yarn export destinations in 2022⁵⁵

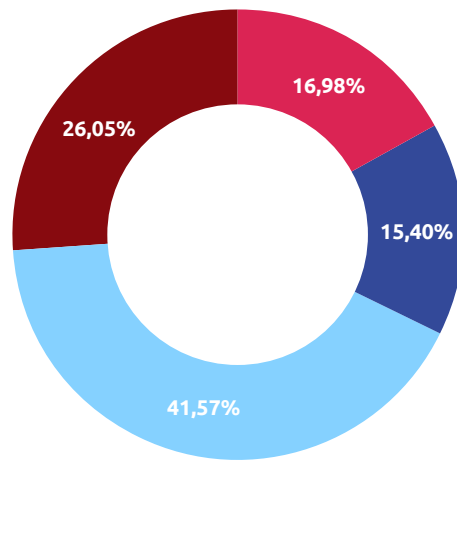


Table 3 Top 10 export destinations of products from Pakistan under HS 52 in 2022⁵⁶

Rank	Country	Value (USD)
1	Bangladesh	713,500,474
2	China	452,672,923
3	Italy	240,353,746
4	USA	192,234,838
5	Turkey	176,782,913
6	Portugal	168,258,116
7	Germany	119,741,293
8	Spain	105,651,924
9	Sri Lanka	100,156,715
10	Netherlands	94,330,821

55 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS code 52.

56 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS code 52.

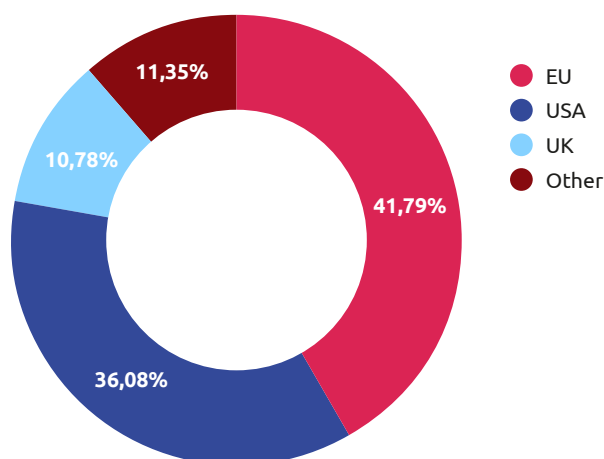
Table 4 Key buyers and suppliers of products exported from Pakistan under HS 52⁵⁷

Buyers	Suppliers
<ul style="list-style-type: none"> • Chemitex (Belgium) • Jo-Ann Stores, LLC (USA) • Kenpark Bangladesh Apparel Pvt. Ltd (Bangladesh) • Orit Trading Lanka (Pvt) Ltd (Sri Lanka) • Pincroft Dyeing And Printing (UK) • Sabah Trading & Contracting Company W.L.L. (Kuwait) • Standard Textile (USA) • Teinturerie Finissage Méditerranéens (Tunisia) • Vipetrade Comércio Internacional, LDA (Portugal) • Xiamen Port Commerce Information Co., Ltd. (China) 	<ul style="list-style-type: none"> • Arshad Corporation (Pvt) Ltd (Arshad Group) (Lahore) • Din Textile Mills Ltd (Lahore) • Faisal Spinning Mills LTD (Umer Group) (Lahore) • Fazal Cloth Mills Limited (Multan) • Kohinoor Mills Ltd (Lahore) • M.N Textiles (Karachi) • Masood Fabrics Limited (Multan) • Nishat Mills Limited (Lahore) • Roomi Fabrics Ltd (Masood Roomi) (Multan) • Sapphire Textile Mills Limited (Lahore)

5.2 Garment exports

Nearly 90 per cent of all garment exports (classified under HS 61 and 62) from Pakistan go to the EU, the USA and the UK, with the EU being the largest market, buying 41.79 per cent of total exports (see Figure 11). Of all individual countries, the Netherlands is the third largest importer of garments produced in Pakistan, after the USA and the UK (see Table 5). A listing of key suppliers (Tables 6 and 7) shows that different manufacturers produce knitted (HS 61) and non-knitted (HS 62) garments.

Figure 11 Pakistan's garment export destinations in 2022⁵⁸



57 Data retrieved from Panjiva, www.panjiva.com. Shipments from the period 1 March 2022 to 29 February 2024, based on HS code 52.

58 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 61 and 62.

Table 5 Top 10 garment export destinations from Pakistan in 2022⁵⁹

Rank	Country	Value (USD)
1	USA	3,228,427,028
2	UK	964,596,957
3	Netherlands	813,618,627
4	Spain	812,480,618
5	Germany	773,263,268
6	Belgium	359,226,488
7	Italy	279,470,578
8	UAE	180,804,420
9	France	166,776,587
10	Canada	163,446,552

Table 6 Key buyers and suppliers of products exported from Pakistan under HS 61⁶⁰

Buyers	Suppliers
<ul style="list-style-type: none"> Adidas (Germany) Cougar Enterprises Inc (USA) Inditex (Spain) JCPenney (USA) Levi Strauss & Co. (USA) Next (UK) Nike (USA) Norty Limited (UK) Primark (Ireland) Stichd (Netherlands) Target (USA) 	<ul style="list-style-type: none"> A. Z. Apparel (Pvt) Ltd (Faisalabad) Beacon Impex Private Limited (Faisalabad) Eastern Garments (Pvt) Ltd (Karachi) Interloop Limited (Faisalabad) Kay & Emms PVT Limited (Faisalabad) Kings Apparel Industries (Pvt) Ltd (Karachi) Klash (Pvt) Ltd (Faisalabad) Masood Textile Mills Ltd (Faisalabad) Sadaqat Limited (Faisalabad) Style Textile (Pvt) Limited (Lahore)

Table 7 Key buyers and suppliers of products exported from Pakistan under HS 62⁶¹

Buyers	Suppliers
<ul style="list-style-type: none"> BESTSELLER (Denmark) Gap Inc. (USA) H&M (Sweden) Inditex (Spain) JCPenney (USA) Kiabi (France) Levi Strauss & Co (USA) Primark (Ireland) Punto (Mango) (Spain) Target (USA) 	<ul style="list-style-type: none"> AGI Denim (Karachi) Akhtar Textile Industries (Pvt) LTD (Karachi) Artistic Milliners (Pvt) Ltd (Karachi) Cotton Web Limited (Lahore) Glamour Textile Mills Ltd (Lahore) Nishat Mills Limited (Lahore) Sapphire Finishing Mills Limited (Lahore) Soorty Enterprises Pvt Ltd (Karachi) Stylers International Limited (Lahore) US Apparel & Textiles (Pvt) Ltd (US Group) (Lahore)

59 UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 61 and 62.

60 Data retrieved from Panjiva, www.panjiva.com. Shipments from the period 1 March 2022 to 29 February 2024, based on HS code 61.

61 Data retrieved from Panjiva, www.panjiva.com. Shipments from the period 1 March 2022 to 29 February 2024, based on HS code 62.

5.3 (Home) textile exports

(Home) textile exports from Pakistan (classified under HS 63) have largely the same destinations as garments, with the EU, USA and UK being the largest importers. See Figure 12 and Table 8.

Figure 12 Pakistan's textile export destinations in 2022⁶²

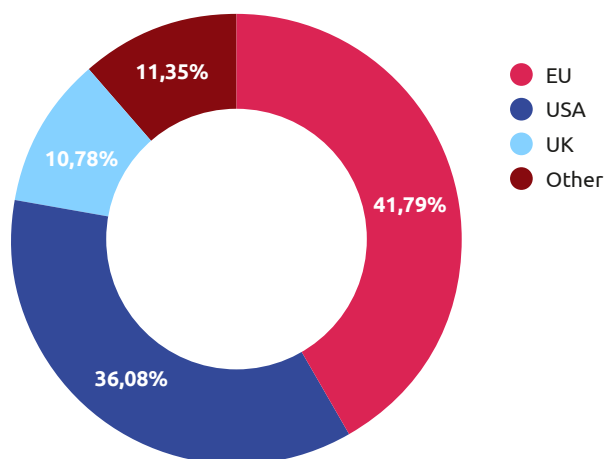


Table 8 Top 10 textile export destinations from Pakistan in 2022⁶³

Rank	Country	Value (USD)
1	USA	1,755,803,457
2	UK	611,302,358
3	Germany	446,656,240
4	Netherlands	409,171,498
5	Italy	267,614,064
6	Spain	230,987,544
7	France	213,536,757
8	Belgium	203,450,793
9	Australia	119,127,322
10	Poland	111,406,522

⁶² UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS code 63.

⁶³ UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS code 63.

Table 9 Key HS 63 buyers and suppliers⁶⁴

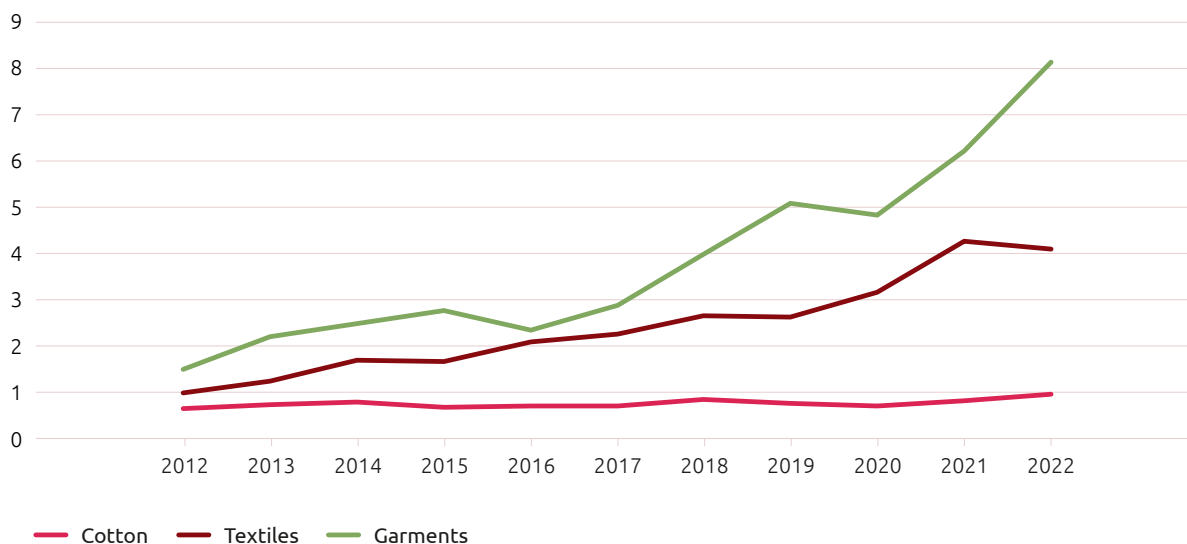
Buyers	Suppliers
<ul style="list-style-type: none"> American Association⁶⁵ (USA) Asda (UK) IKEA (Sweden) Medline Industries (USA) Primark (Ireland) Standard Textile (USA) Target (USA) Turner Bianca PLC (UK) Utopia Towels (USA) Walmart (USA) 	<ul style="list-style-type: none"> A. Z. Apparel (Pvt) Ltd (Faisalabad) Beacon Impex Private Limited (Faisalabad) Eastern Garments (Pvt) Ltd (Karachi) Interloop Limited (Faisalabad) Kay & Emms PVT Limited (Faisalabad) Kings Apparel Industries (Pvt) Ltd (Karachi) Klash (Pvt) Ltd (Faisalabad) Masood Textile Mills Ltd (Faisalabad) Sadaqat Limited (Faisalabad) Style Textile (Pvt) Limited (Lahore)

Annex 1 presents a non-exhaustive overview of the key garment and home textile manufacturers exporting from Pakistan and their largest international buyers.

5.4 The Netherlands

For Pakistan, exports to the Netherlands, consisting mostly of garments and home textiles, are one of the fastest growing markets, more than quadrupling over the last decade from USD 318 million in 2012 to USD 1.3 billion in 2022. Figure 13 shows that textile and especially garment exports have grown enormously, with the latter growing more than fivefold, from USD 148 million in 2012 to USD 813 million in 2022.

Figure 13 Pakistan's exports to the Netherlands by sector in USD⁶⁶



⁶⁴ Data retrieved from Panjiva, www.panjiva.com. Shipments from the period 1 March 2022 to 29 February 2024, based on HS code 63.

⁶⁵ Due to the limited information in Panjiva, it is unclear exactly which company or organisation American Association is.

⁶⁶ UN Comtrade database: <https://comtrade.un.org/>. Data for product groups with HS codes 52, 61, 62, and 63.

Importers of cotton products, home textiles and garments from Pakistan to the Netherlands include Dutch brands and foreign brands with retail outlets in the Netherlands. Imports also include transshipments that are re-exported, mainly to the German market. The data reveals that C&A is the largest importer from Pakistan in the Netherlands, while Stichd is the largest importer headquartered in the Netherlands, both with annual imports running into the tens of millions of dollars. Other Dutch importers include Zeeman and Hema as well as wholesalers of work apparel and home linen, such as Dibella BV (see Table 10 and Box 3).

Table 10 Key importers from Pakistan in the Netherlands⁶⁷

HS 52	HS 61	HS 62	HS 63
Bluedip (Germany)	Stichd (Netherlands)	C&A (Germany)	Vespo BV (Netherlands)
Van Delden Textile (Germany)	C&A (Germany)	Primark (Ireland)	Konimpex BV (Netherlands)
Ten Cate (Netherlands)	Kik Textilien (Germany)	Inditex (Spain)	Dibella BV (Netherlands)
Maibom Textilvertriebs (Germany)	Levi Strauss & Co (USA)	Levi Strauss & Co (USA)	Lomotex (Germany)
Vlisco (Netherlands)	Jako AG (Germany)	BESTSELLER (Denmark)	Primark (Ireland)
Saul (Germany)	TEDi (Germany)	Stooker Brands (Germany)	Zeeman (Netherlands)
Bierbaum Unternehmensgruppe (Germany)	Zeeman (Netherlands)	Decathlon (France)	GTM Europe (UK)
BRAX (Leineweber) (Germany)	Primark (Ireland)	Zeeman (Netherlands)	Hema (Netherlands)
Dibella BV (Netherlands)	Pegador (Germany)	s.Oliver (Germany)	Kessels BV (Netherlands)
Bimeco Garnhandel (Germany)	Woolworth (Germany)	H&M (Sweden)	Kik Textilien (Germany)

Box 3 Key importers from Pakistan headquartered in the Netherlands

- Dibella BV
- HEMA
- Just Brands
- Kessels BV
- Konimpex BV
- Schijvens Corporate Fashion
- Stichd
- Ten Cate
- Tricorp
- Vespo BV
- Vlisco
- Zeeman

⁶⁷ Data retrieved from Panjiva, www.panjiva.com. Shipments from the period 1 March 2022 to 29 February 2024, based on HS codes 52, 61, 62 & 63.

6 Conclusion

This mapping of the Pakistan cotton, textiles and garment industry has identified recent trends in export destinations, key product groups and major buyers and suppliers. It has highlighted the industry's paramount national economic importance as Pakistan's most important export sector, generating about 60 per cent of export revenues and providing jobs for an estimated 15 million people.

The production and export trends investigated in this paper reveal that large structural changes have occurred in the sector in recent years. First, domestic cotton production has nearly halved over the last decade, and Pakistan has gone from being a net exporter of cotton to becoming a net importer. The formerly home-grown garment industry has become increasingly dependent on foreign inputs of raw materials. Second, higher-value garments and home textiles have overtaken raw cotton and lower-value yarn and fabric products as the country's most important export category, suggesting that there has been increasing export valorisation and economic upgrading of Pakistan's industry. Third, the EU has become the largest buyer of cotton, textile and garment products from Pakistan, in large part due to largely tariff-free trade under the GSP+ system. Moreover, over the last decade Pakistan's cotton, textile, and garment industry has become increasingly oriented to Western markets such as the EU, the USA and the UK, while exports to other markets have declined. Yarn and fabrics are the only categories that Pakistan exports mainly to other markets.

This mapping also identifies key cotton, textile and garment manufacturers in Pakistan and key importers of these products from Pakistan, revealing that a number of large and well-known clothing brands source significant quantities from Pakistan. The report has paid special attention to the position of the Netherlands, which is a major and fast-growing buyer market, having become the third largest importer of garments from Pakistan over the last decade.

Annex 1

Key manufacturers in Pakistan and international buyers

The overview presented below is a non-exhaustive list of garment and home textile manufacturers exporting from Pakistan and their largest international clients. This overview table is based on data and company profiles derived from <https://panjiva.com/> and covers exports in HS 61, 62, and 63 for the period between 1 March 2022 and 29 February 2024.

Manufacturer	HQ Location	Main Products	Key Buyers
A. Z. Apparel (Pvt) Ltd https://azapparel.com/	Faisalabad	Trousers, pullovers, jackets	Inditex (Spain) Banner (UK) Rmixed (UAE)
AGI Denim https://agidenim.com/	Karachi	Demin	Gap (USA) JCPenney (USA) Kontoor Brands (USA)
Akhtar Textile Industries https://akhtar.com.pk/	Karachi	Denim	Levi Strauss & Co (USA)
Al Karam Textile Mills Pvt Ltd https://alkaram.com/	Karachi	Bed linen, curtains	Walmart (USA) IKEA (Sweden) Williams Sonoma (USA)
Al-Rahim Textile Industries https://www.alrahimtextile.com/	Karachi	Kitchen & toilet linen, cloths	Target (USA) Standard Textile (USA) Walmart (USA)
Artistic Milliners (Pvt) Ltd https://artisticmilliners.com/	Karachi	Denim	Old Navy (USA) Target (USA) Levi Strauss & Co (USA)
Beacon Impex Private Limited https://www.beaconimpex.com/	Faisalabad	Underwear, T-shirts, Trousers	Stichd (Netherlands) Greenland Trading (China) Amazon (USA)
Cotton Web Limited https://www.cottonweblimited.com/	Lahore	Denim	Levi Strauss & Co (USA) Kiabi (France) Stooker (Germany)
Eastern Garments (Pvt) Ltd https://www.eastern-garments.com/	Karachi	Pullovers, shirts, blouses	Hanesbrands (USA) 47 Brands (USA) Costco (USA)
Feroze1888 Mills Limited www.1888millsglobal.com	Karachi	Kitchen & toilet linen, cloths	Target (USA) Walmart (USA) Asda (UK)

Manufacturer	HQ Location	Main Products	Key Buyers
Glamour Textile Mills Ltd https://glamourtextiles.com/	Lahore	Trousers	Sparc Group (USA) Eurofiel Confección (Spain) Kiabi (France)
Gul Ahmed Textile Mills Limited https://gulahmed.com/	Lahore	Bed linen, curtains	IKEA (Sweden)
Interloop Limited www.interloop-pk.com	Faisalabad	Legwear, trousers	Target (USA) Nike (USA) Stichd (Netherlands)
Kay & Emms PVT Limited https://bestoftheknits.com/	Faisalabad	Pullovers, trousers, T-shirts	Inditex (Spain) Sports Brand Group (USA) JCPenney (USA)
Kings Apparel Industries (Pvt) Ltd https://www.kingsapparel.com/	Karachi	Baby clothes, trousers, pullovers	Inditex (Spain) C&A (Germany) Punto (Mango Spain)
Klash (Pvt) Ltd http://www.klashpvt.com/	Faisalabad	Pullovers, trousers, shirts	Next (UK) Tesco (UK)
Liberty Mills Limited https://libertymillslimited.com/	Karachi	Bed linen	Medline Industries (USA) Turner Bianca (UK) Target (USA)
Lucky Textile Mills Limited https://luckytextilemills.biz/	Karachi	Bed linen	Dibella BV (Netherlands) Turner Bianca (UK)
Masood Textile Mills Ltd https://masoodtextile.com/	Faisalabad	T-shirts, pullovers	JCPenney (USA) Hugo Boss (Germany) Stichd (Netherlands)
Nishat Mills Limited https://nishatmillsltd.com/	Lahore	Trousers, denim, bed linen	JCPenney (USA) JKN International (China) IKEA (Sweden)
Sadaqat Limited https://sadaqatgroup.com/	Faisalabad	T-shirts, bed linen, bed spreads	Asda (UK) Inditex (Spain) Primark (Ireland) Next (UK)
Sapphire Finishing Mills Limited https://sapphiretextiles.com.pk/	Lahore	Workwear, sportswear, denim, home textiles	Carrhart (USA) BESTSELLER (Denmark) Ten Cate (Netherlands)
Soorty Enterprises Pvt Ltd https://soorty.com/	Karachi	Denim	C&A (Germany) JCPenney (USA) Inditex (Spain)
Style Textile (Pvt) Limited www.styletextile.com	Lahore	Sportswear, knitwear	Nike (USA) adidas (Germany) Levi Strauss & Co (USA)
Stylers International Limited https://stylersintl.com/	Lahore	Denim, trousers	Kiabi (France) Industrial Wear S.r.l.(Italy) s.Oliver (Germany)
United Towel Exporters (Pvt) Ltd http://www.unitedtowel.com/	Karachi	Kitchen & toilet linen, cloths	Utopia Towels (USA) American Association (USA) Vespo BV (Netherlands)
US Apparel & Textiles (Pvt) Ltd https://usgroup.org/apparel	Lahore	Denim	Levi Strauss & Co (USA) C&A (Germany) Primark (Ireland)
VMS TRADING COMPANY (no website found)	Karachi	Bed linen	Kmart (Australia) Turner Bianca (UK) Sobel Westex (USA)
Yunus Textile Mills Limited https://www.yunustextile.com/	Lahore	Bed linen, bed spreads	Target (USA) Walmart (USA) Carrefour (France)

Colophon

Trends in Production and Trade

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September 2024

Author Arisa

Design Studio Visser Knof

Layout & graphics Frans Schupp

Cover photo Kamran Khan / iStockphoto

About Arisa

Arisa – Advocating Rights in South Asia – works to improve working conditions in international supply chains in South Asia. In collaboration with partner organisations in countries including India, Bangladesh and Pakistan, Arisa monitors working conditions in the production of garments and textiles, leather, natural stone and vegetable seeds. Many workers in supply chains for Dutch and other European companies face challenging working conditions and social issues. Arisa prioritises the most vulnerable workers in these supply chains and works to eliminate child labour, forced labour and discrimination based on caste or gender. For more information, see www.arisa.nl