



Textile

Sector Overview:

Pakistan is the 8th largest exporter of textile products in Asia. This sector contributes 8.5% to the GDP and provides employment to 40% of industrial labor force. Pakistan is the 4th largest producer of cotton with the third largest spinning capacity in Asia after China and India, and contributes 5% to the global spinning capacity. Export of cotton denim fabrics from Pakistan increased from 263 million sq. meters worth Rs 26.77 billion in 2010-11 to 320 million sq. meters worth Rs. 35.34 billion in 2011-12, thus showing an increase of 32% in terms of value. The major markets during 2011-12 were Bangladesh, Turkey, Egypt, and Colombia.

For Pakistan which was one of the leading producers of cotton in the world, the development of a textile Industry making full use of its abundant resources of cotton has been a priority area towards industrialization. At present, there are 1,221 ginning units, 442 spinning units, 124 large spinning units and 425 small units which produce textile products.

The sector consumes 40% of banking credit to manufacturing sector and drives shipping, transport, insurance, machinery, dyes/chemicals, printing, packaging and allied sectors as well.

Investment Growth Potential

Despite being 4th largest cotton producer in the world, Pakistan's comparative advantage is marginalized by low value added exports as reflected in the country's 12th rank in global textile exports by value.

Significant opportunities exist in setting up value addition units, such as apparel lines to build strong sector base.

The textile sector has primarily been outward looking i.e. export focused, however with rising quantity and quality of domestic consumption, the industry would need to expand capacity to meet local demand and thus provide investment opportunities.