



Pak-Spanish Economic and Trade Relations

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Spain has been transformed in the last three decades into a nation with a diversified economy with strong manufacturing and service sectors. At present Spain is also Europe's fourth large manufacturing country after Germany, France and Italy. The principal growth areas include tourism, insurance, property development, electronics and financial services. Tourism is one of Spain's most important industries, especially in Andalusia, earning about 4% of the GDP and employing some 10% of the workforce, both directly and indirectly. Spain's mixed capitalist economy supports a GDP that on a per capita basis is 80% that of the four leading West European economies.

The country is also the world's largest producer of olive oil, fourth largest of dried fruit and the sixth largest of citrus fruits. Spain's vineyards are the largest in the world and some 60% larger than France's, although it's only the fourth highest producer of wine-grapes and ranks third in wine production. Other important crops include barley, wheat, maize, rice, potatoes, sugar-beet, peppers, avocados, tomatoes, tobacco, hops, oil bearing fruits and cork.

Today the economy of Spain is the fifth largest in Europe, accounting for around 9% of EU output. Per capita income, at 78% of the EU average is among the lowest in the EU, although it is well ahead of Ireland, Portugal and Greece. Spain's main trading partners are France, Germany and Italy for exports and Germany, France and Italy for imports.

Trade between Pakistan and Spain

Over the years of friendly ties trade between Pakistan and Spain has increased significantly and other economic activities have also grown between the two countries. During the past six years exports and imports between Pakistan and Spain has increased but the rise in exports has been faster than the imports. The balance of trade had remained in favour of Pakistan. Exports from Pakistan to Spain increased from US \$173.8 million in 2001-02 to US \$415.5 million in 2005-2006. However during 2006-07 export decreased to 82%. Table-1 shows Pak-Spain trade balance.

**Table-2: Export of Textile Products from Pakistan to Spain
Value: US\$ 000**

Commodities	2004-05	2005-06	2006-07
Cotton Yarn	4,510	4,486	8,768
Yarn other than Cotton Yarn	2,049	1,014	2,049
Cotton Fabrics	66,096	75,377	77,953
Knitted Fabrics	258	744	258
Readymade Garments	43,913	69,716	77,522
Knitwear	35,956	46,977	54,764
Textile made-ups	6,717	4,581	6,580
Bedwear	42,968	65,476	72,842
Towels	16,237	17,354	19,419
Synthetic textiles	13,829	17,376	19,300
Total	232,533	303,101	339,455

Source: Export Promotion Bureau, Government of Pakistan

**Table – 1: Pakistan-Spain Trade Balance
(Million US\$)**

Year	Exports	Imports	Balance of Trade
2001 - 02	173.8	58.3	+ 115.5
2002 - 03	228.8	56.2	+ 172.6
2003 - 04	301.4	78.8	+ 222.6
2004 - 05	341.0	86.3	+ 254.7
2005 - 06	415.5	96.5	+ 319.0
2006 - 07	74.5	102.6	-28.1

Source: State Bank of Pakistan.

Cotton fabrics, readymade garments, towels, hosiery, bed-wear, made-up textiles, carpet and rugs are the major items exported from Pakistan to Spain. Export of textile and other items from Pakistan to Spain is given in Table-2.

The Government has continued to improve and rationalise its import policy with a view to allowing liberal import of industrial raw materials, capital goods and essential consumer goods. These include usually high imports of machinery, chemicals and other raw materials. Textile machinery, chemicals, pharmaceutical products, textile fiber/waste and transport equipments are the main items imported from Spain.

Pakistan, an attractive market for textile machinery manufacturers all over the world, has become a focal point of the suppliers in view of the massive balancing, modernisation and replacements (BMR) taking place under "Textile Vision 2005" programme.

Since last six years, Pakistan textile industry has made US \$ 6 billion investments in expansion and BMR and it is heartening to note that all the investment had been in production of value-added textile products for exports. Import of textile machinery from Spain to Pakistan decreased from Rs. 446 million in 2003-2004 to Rs. 266 million in 2006-2007, thus showing decline of 40%. Categories-wise import of textile machinery from Spain to Pakistan is given in Table-3 on the next page.

Pakistan and Spain agreed to step up their cooperation against terrorism and human trafficking during talks in Madrid between the leaders of the two nations. Both parties agreed to promote cooperation in the field of combating illegal immigration and human trafficking, said a joint statement issued after the talks between President Pervez Musharraf and Spanish Prime Minister Jose Luis Rodriguez Zapatero. In order to boost economic and trade relations, the two nations agreed to set up joint working groups made up of high officials who will meet regularly.

Ambassador of Spain Jose Maria Robles Fraga has said that his country would extend all-out support to Pakistan for lifting of anti-dumping duty on bed linen by the EU. He said that there was great scope for cooperation in various industrial sectors between Spain and Pakistan. Joint ventures could be launched in pharmaceutical, electrical appliances, food items, engineering goods, agro-based products, mineral and mineral-based products and power generation sectors. Spain had the technology to construct dams besides being the biggest user of renewable sources of energy. Both the countries could join hands for transfer of technology in these sectors.



Spanish Textile Machinery

The European Union has emerged as a one large scale exporter of textile machinery in the international scenario. Some other countable and creditable manufacturers and exporters of textile machinery include Italy, Germany and Spain.

Spain has secured its place by the 11th rank world-wide in terms of textile machinery manufacturing. Diversification and innovation played a major role in the retainable position of Spain.

Spanish textile machinery industry has flourished with the structure of small and medium sized companies. These companies are still facing very tough competition with the world leaders to achieve the international standards of price, design, quality and service.

Weaving machine spare parts, knitting, sewing, accessories and spinning are the different categories included under the textile machinery sector of Spain. 90% of this sector of textile machinery of Spain is occupied by small and medium scale companies which have strength of less than 50 employees. Now-a-days maximum number of companies is outsourcing the manufacturers of parts for the workshops designed for special purposes. Some companies have specialization in product research and development and innovations and some have in machine assembly phases.

The textile machinery sector restructuring being undertaken by Europe is becoming more specialized and concentrating production in the manufacture of high-tech fabrics. Technical textile has grown more in the last decade. Major change is seen in "traditional textiles" so changes play major roles in products also like modifying or diversifying products of machinery. The related sectors for this are agriculture, hygiene and medicine, chemicals, packing and packaging and automotive industry.

During the year 2006 Spanish textile and clothing machinery exports totaled 175 million. In 2006 Spanish exports accounted

for 70% of total sales, making the sector's exports highly significant.

The top five destinations for Spanish exports were Turkey, Italy, India, Portugal and Morocco. These countries accounted for 32% of Spanish textile and clothing machinery exports. In the last five years, Spanish sales of textile and clothing machinery have increased to Turkey, India, Morocco and China. Sales to Germany have remained stable while other countries have declined due to economic factors.

As a whole, Europe is the leading manufacturer of textile machinery in the world both in terms of sales and the number of companies as well as for the quality and technology of its products.

The extensive research & development and innovations had led Spain in the global market in the technical textiles. The investment by this sector is 2.30 billion in research and development projects and 4.60 billion in new facilities and capital goods. The production in different regions of Spain is 3% in Valencia, 64% in Catalonia and 33% in Madrid of total sales. There are only two companies in Madrid though its contribution is of 32%.

Dyeing and finishing is a very much important sub sector of Spain. This dyeing and finishing sector consists of 32 companies and is the leading sector of country. The other sector which follows it is a spinning machinery section with 20 companies. Each sub sector has a potential for new innovations in the Technology. The main innovations in the sub sector are as follow:

Dyeing machinery: with the new innovations machines are operated by computers and especially in ink jet printing and paste printing. Due to this digitalization more speed and precision is seen. Technological fine-tuning is seen in the area of processes and concept. Maximum efficiency is achieved by using minimum number of reactive agents and with the use of minimum water and minimum effects on the cellulose.◆

**Table- 3: Import of Textile Machinery from Spain to Pakistan
(Value: Rs. In 000)**

Name of Machinery	2003-2004	2004-2005	2005-2006	2006-07
Carding machines	32,526	5,508	13,436	2,534
Drawing/proving machine	2,251	105,019	2,862	1,658
Machines texture fibre	59,749	15,965	24,781	1,017
Textile spinning machines	24,371	18,328	2,243	23,125
Textile doubling or twist machines	7,682	----	5,790	7,970
Wet winding machines	----	2,288	----	--
Other machines textile fibre	50,007	132,196	140,685	114,074
Weaving looms	24,086	1,791	----	--
Weaving machines shuttles	16,448	21,462	8,388	39,051
Flat knitting machines	2,857	----	----	--
Machines gimped yarn, tulle, lace	5,278	598	1,232	--
Dobbies, Jacquard copy machines	----	1,015	10,847	--
Other auxiliary machines	5,080	23,643	6,058	644
Tops & flats card clothing	468	244	----	2,313
Card clothing	383	719	2,658	67
Shuttles	171	----	----	--
Sinkers needles and other articles	87	806	78	8,356
Dyeing machines	138,995	46,176	4,463	--
Other machines for wringing/paste	72,552	43,739	36,065	61,014
Parts of weaving machines	537	2921	7,740	1,906
Other parts	2,152	2,350	2,115	1,980
Total	445,680	424,765	269,441	265,709

Source: Federal Bureau of Statistics, Government of Pakistan



16th ITMA Exhibition in Barcelona in 2011

ITMA 2011 will now start a day earlier than originally planned, announced show owner, the European Committee of Textile Machinery Manufacturers (CEMATEX). It will be held from 22 to 29 September 2011 at the new Fira de Barcelona Gran Via venue in Barcelona, Spain.

Barcelona is fully equipped to host congresses, conventions and exhibitions of various sizes, supported by more than 40,000 hotel rooms.

The world's biggest and most established textile machinery exhibition in the world, ITMA is held every four years in Europe since 1951. The 100,000sqm net exhibition attracts over 1,400 international exhibiting companies.

ITMA is owned by CEMATEX, the European Committee of Textile Machinery Manufacturers. MP International, organiser of ITMA ASIA 2001 and 2005, and co-organiser of ITMA ASIA + CITME 2008, is the appointed organiser of ITMA 2011.

CEMATEX Secretary General Miss Maria Avery said, "Barcelona offers excellent infrastructure and hospitality services will be very well-equipped to handle the vast requirements of the ITMA exhibition in 2011. The September dates are also likely to be very popular with our exhibitors and visitors as the climate in Barcelona at that time should be perfect."

The General Manager of Fira de Barcelona, Mr Agustín Cordón, emphasised: "ITMA's celebration in Barcelona fits perfectly with the interest of our organisation in offering answers to companies' current needs, and to provide a logistical and organisational framework to host great international events of strategic interest."

The decision to appoint Singapore-based MP International (MPI) to organise ITMA 2011 was taken at a CEMATEX general assembly held in Maastricht, The Netherlands, in June 2007.

CEMATEX president Edward Roberts said: "Fira de Barcelona is a very successful and very attractive location for exhibitors and visitors to ITMA. Barcelona is a very international, yet a compact city. It is 10 minutes from the centre of town to the fairground and 10 minutes from the fairground to the airport. There are three subway lines that run into the fairground meaning the subway can be used to get to the fairground from any direction."

Mr. Roberts added, "We have taken the decision to collaborate with an experienced partner like MPI, who is totally familiar with ITMA's regulations and equally committed to achieve our objectives."

The appointment is a milestone for MPI as it is the first Singapore-based professional exhibition organiser (PEO) to be appointed to organise the world's biggest textile machinery show.

The two successful collaborations already with MPI when they organised ITMA ASIA shows in 2001 and 2005 and also the co-organiser of the upcoming ITMA ASIA + CITME combined shows in Shanghai in 2008 is the testament of the professionalism and dedication displayed by the MPI team and the excellent support they render.

ITMA in Spain is expected to provide a great boost to the country in general and the textile machinery industry of Spain in particular. Barcelona won the bid from the nine possible locations, including Milan, and CEMATEX jointly decided that Spain will be an attractive venue for visitors as well as exhibitors. The deciding



factor for this decision could be the fact that until now, Spain has not had an exhibition centre large enough for the the biggest textile machinery exhibition in the world.

Spanish team eyes Barcelona 'Olympia' with high hopes

The 40 Spanish companies attending the biggest textile machinery fair in Munich, Germany in September showed their enthusiasm for the next celebration of this event in Barcelona 2011. ITMA Munich 2007 has made it clear the growth of the textile machinery industry: European and Spanish industries increased their confidence after having overcome the crisis by a good deal of internationalisation, adaptation, innovation, flexibility and specialisation.

The Spanish sector exports 90% of its whole production and the companies have diversified their business and are today manufacturing custom-made machinery. "The sector has gone through a very difficult time, but a clear tendency towards improvement is currently being noticed. ITMA 2007 has finished with a very positive assessment regarding Spanish companies. We look to the future with optimism and the Spanish sector is very excited about the ITMA 2011 taking place in Barcelona for the first time, so we are provided with the necessary strength to keep growing as a sector," says Joan Marty, president of Amec Amtex, the Spanish Association of Textile Machinery Manufacturers, included in Amec and full member of CEMATEX, the ITMA's owner.

ITMA is the most important textile machinery and equipment fair in the world. The year it has been held from 13 to 20 September and 38 Spanish companies have taken part in it amongst a total of 1,400 exhibitors from 40 different countries. The Spanish industry has underlined the excellent facilities of the exhibition site of Messe Munich and the visitor's quality. "Business closed in Munich prove that firms surviving to the crisis have made their best by turning their small dimensions into a competitive advantage. Spanish industry works with zero stock and our great mainstay is our capacity to manufacture custom-made machinery," adds Marty.

The sector reorientates itself

The Munich ITMA has shown that adaptation, innovation, specialisation, quality and flexibility could define the transformation process of the Spanish textile machinery sector. Diversification towards agro-industry (meshes or packaging for fruits and sausages), health (bandages or surgical fabrics), aeronautics (works with fibreglass) and environment are some of the sectors chosen by Spanish textile machinery sector and they define the current option of Spanish companies competitiveness. "It is not only untrue that the sector is dead, but Spain is currently one of the first world spinning machines, which is one of the most important sub-sectors," states Feliu Marsal, director of the Sp Centre of the Universidad Politècnica de Catalunya (Catalonia Polytechnic University), one of the numerous in with which Amec has signed partnership agreements. ♦



Ms. Carmina Castellà from Amec - Amtex