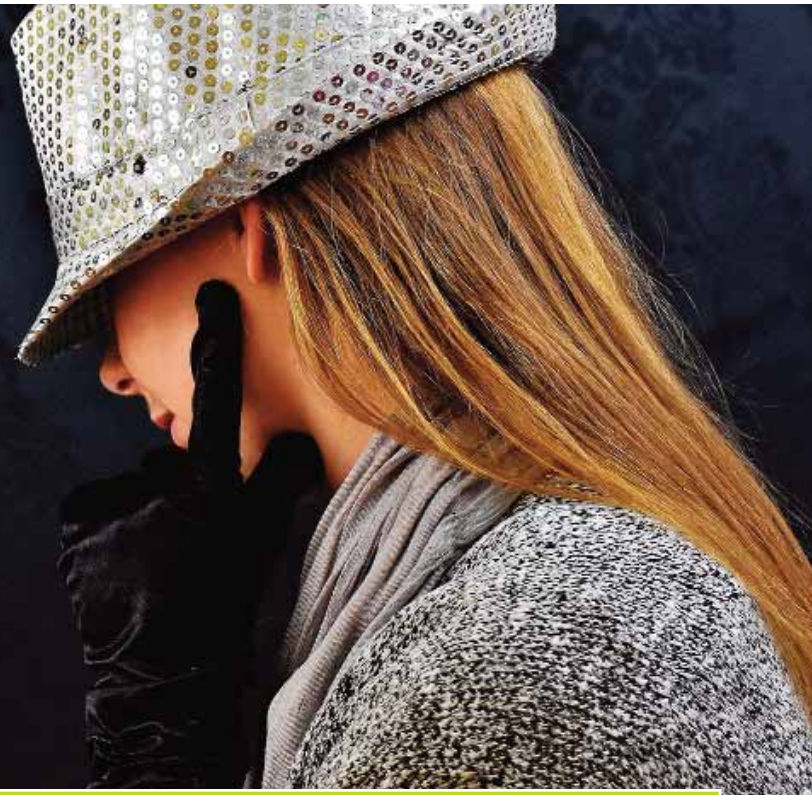


Readymade garment industry surviving against intense international competition

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Export of fashion garments from Pakistan increased from 25 million dozens worth US\$ 1.62 billion in 2011-12 to 32 million dozens worth US\$ 2.19 billion in 2015-16, thus showing an average increase of 8% in term of value. Major buyers of fashion garments during 2015-16 were USA, UK, Spain, Germany, The Netherlands, France, Italy and UAE.

Fashion garment industry has emerged as one of the important small-scale industries in Pakistan. These ready made garments and products have large demand both at home and abroad. The local requirements of garments are almost met by this industry. The garment industry is also a good source of providing employment opportunities to a large number of people at a very low capital investment. Most of the machines used by this industry are imported or locally made and assembled.

The fashion garment industry started in 70's in Pakistan. With the passage of time and industrialisation, this industry expanded very rapidly. The majority of the units making cotton fashion garments are medium and small-size in terms of machines, workers and output, with a few notable exceptions scattered throughout Pakistan.

The fashion garment industry uses both locally produced and imported raw-materials, but it mainly uses locally produced raw materials. Both locally produced and imported are readily available in the market. The production of cotton and cotton blended cloth, which are largely used by the garment industry,

Table 1: Import of Sewing Machines
Value: Rs. Million

Machines / Parts	2015-16		2014-15	
	Quantity	Value	Quantity	Value
Sewing Machines (Household)	32,137	99,218	9,454	51,601
Automatic Sewing Machines	3,673	188,507	2,919	254,256
Other Sewing Machines (Industrial)	97,269	2,665,764	87,644	2,352,453
Total	133,079	2,953,489	100,017	2,658,310

Source: Pakistan Bureau of Statistics.

is not only sufficient but also surplus for exports for the domestic market.

Besides the mill sector, the non-mill sector also produces cotton cloth which is widely used by the garment industry. The non-mill sector is scattered and unorganised and according to a rough estimate, there were about 250,000 looms operating in the non-mill sector. The power loom sector produces pure cotton, polyester, viscose and blended fabrics, which usually fetches low prices in the market. The other locally produced raw materials of the garment industry which include lining, thread, buttons, interlinings, labels and polythene are also imported or at times manufactured by the un-organised sector.

Import of machinery: The automatic sewing machines are mainly imported from China and Germany, and are capable of working at high speed up to 4,500 stitches per minute. These are especially suitable for assembly line operations and are mostly used by the organised sector. Besides automatic sewing machines, household sewing machines along with parts and electric

irons are also being imported. Imports of sewing machines are given in Table 1.

Other important machines used by the fashion garment industry are the over-locking machines, which is used to trim and over lock the edges of cut cloth. The specialised machines are used for cutting, making button holes and stitching of buttons.

Table 2: Export of Fashion Garments from Pakistan

Year	Quantity (Million Dozs)	Value (US \$ Million)
2008-09	29	1,230
2009-10	28	1,230
2010-11	34	1,774
2011-12	25	1,616
2012-13	27	1,800
2013-14	30	1,909
2014-15	31	2,095
2015-16	32	2,195

Source: Trade Development Authority of Pakistan.

Exports: The apparel segment is the highest value added a link in the entire textile value chain. The global trade in the sector accounts for 53% of the total value of global textiles trade and is consistently growing since the last two decades. The USA and the European Union remain as the largest markets for fashion garments and other apparel products with a combined share of 73% in the total global clothing trade.

Pakistani fashion garment industry is able to offer a large volume of its products for export. The industry turns out various kinds of garments for men, women, boys such as plain / embroidered / printed dresses, blouses, maxis, shirts, skirts, night dresses, track suits, middies, trousers, sub-dresses etc.

Production of garments by units depends entirely on export orders directly or indirectly. These orders have somewhat risen in terms of value, but they have fluctuated widely in terms of quantity. Export of fashion garments from Pakistan increased from 25 million dozens worth US\$ 1.62 billion in 2011-12 to 32 million dozens worth US\$ 2.19 billion in 2015-16, thus showing an average increase of 8% in term of value. Export of readymade garments is given in Table 2.

Pakistan exports fashion garments to a number of countries. Major buyers of fashion garments during 2015-16 were USA, UK, Spain, Germany, The Netherlands, France, Italy and UAE. The country wise exports of fashion garments are given in Table 3.

E-Commerce Businesses: Fashion has become an integral part of the operations of E-commerce businesses. It has helped to contribute a great deal to the revenues and profits of online businesses with a recorded 16.648 million fans on the E-commerce platform.

Fashion designers, both male and female, have mushroomed with the recent collection of the most innovative clothing, footwear and accessories' designs in the fashion and apparel industry. Amidst the lawn frenzy and designers swooping the fashion arena with their latest lawn collections, it is not long before, these fashion trendsetters will have set the stage for the biggest fashion revolution in the country, in most part led by E-commerce ventures and online businesses.

According to the E-commerce report, clothing is a leading product category on the Pakistani E-commerce landscape. One of the observations of the report is that in the 3-year period spanning (2013-2015) T-shirts, hoodies, shrugs, shirts etc. are the highest grossing clothing items for each of the four quarters every year.

As with other commercial ventures, E-commerce businesses also face a surge or escalation on the demand for fashion products during specific times of the year. These include religious festivals such as Eid-ul-Fitr and Eid-ul-Azha as well as special occasions such as Mothers Day, Valentines Day. E-commerce players can capitalise on the opportunity to yield maximum turnover and profits.

Another research-based finding by Euromonitor that the fashion industry in Pakistan is forecasted to grow by 15% from the year 2013 through the year 2017.

Future Prospects: Pakistan is one of the leading textiles exporting countries in the region and got the GSP Plus status from EU countries. Its textile industry has been competing for global market without any roadmap and support, while our major competitors like India and China were utilising all channels and resources for capturing the market share.

Under the prevailing situation, we need to adopt the same approach to survive in the global market. To boost the exports in the apparel sector, Pakistan needed to find its 'pockets of excellence' with the identification of segments, it possessed best potential to perform. Building relations and winning the trust of buyers was equally important.

Table 3: Country wise Export of Fashion Garments

Value in \$ 000

Country	2013-14	2014-15	2015-16
Germany	190,963	238,524	271,367
Spain	227,517	306,399	294,474
France	85,138	73,778	70,256
Netherlands	118,414	136,330	124,171
U.A.E	46,349	56,235	63,391
Sweden	38,980	39,403	41,803
Poland	22,802	28,411	44,556
U.S. America	498,203	486,816	496,426
United Kingdom	261,329	274,758	286,788
Italy	75,890	80,684	82,510
Belgium	129,099	139,233	142,839
Canada	34,198	26,513	28,595
Other Countries	180,441	208,005	248,040
Total	1,909,323	2,095,089	2,195,216

Source: Trade Development Authority of Pakistan.

To achieve this, buyers must be assured that the country has strong mechanisms in place to address issues that may hamper the sustained supply of items that are being imported. Ravindra A Yatawara, Senior Economist, World Bank Institute highlighted this aspect while speaking at a seminar held at Sustainable Development Policy Institute (SDPI).

He said that the strategic segmentation in this sector is important to identify as one of the fundamental ways of doing business. Earlier, Dr Vaqar Ahmed, Deputy Executive Director SDPI, explained that the competitiveness of the apparel sector has been hurt due to high cost of doing business in Pakistan which includes high import tariffs, energy and security costs.

References

1. Pakistan Bureau of Statistics.
2. Pakistan Economic Survey- 2015-16.
3. Readymade Garments Manufacturers and Exporters Association (PRGMEA)
4. Trade Development Authority of Pakistan. ♦

