



Cotton denim fabrics: Pakistan key supplier in Global market

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Global market for denim jeans is forecast to reach US\$ 64.1 billion by 2020, driven by increasing disposable income, Westernisation of work culture and the ensuing rise in popularity of denim jeans as business casual wear in Asia, is also responsible for this growth.

Denim industry like any other textile and clothing products is largely fragmented. Asian manufacturers are contributing about 60% of the world denim capacity. There are several thousands of companies targeting specific customer segments for increasing their market share.

Denim jeans have presently become a necessity and an essential wardrobe staple, as it provides comfort and has a longer life span compared to other apparel. Currently, jeans are available in a variety of colours and styles to suit various consumer needs. Denim jeans have also demonstrated their capability to transcend beyond age and gender barriers.

Denim represents an evergreen fashion trend and is widely endorsed by a number of fashion brands. Denim sales based on styles and fits are heavily dependent on street fashion and celebrity

fashion trends. Growth in the market is influenced by economic, social and demographic trends. Growing penetration of casual wear in the West as a result of the retirement of ageing baby boomers and a parallel rise in the young professional workforce is benefitting growth in the market.

Pakistan is the second largest exporter of denim fabrics in the world after China. There are about 40 major players in the denim industry of Pakistan. Some of them, like Classic Denim Mills, Hantex Denim, Artistic Fabric Mills, Al-Ameen Denim Mills, ADM Denim, Kassim Denim, Crescent Bahuman, Denim International, Siddique Sons, Rajby Textiles, M Denim, X-Pertex Denim Mills, Soorty Denim and US Denim Mills are producing about 50 million square meters of finished denim fabrics monthly.

The supply of denim cotton fabrics from Pakistan as a specialised textile product is showing an increase in various application areas such as jeans, fancy and fashion apparels, curtain, bed sheets, canvas, uniforms, fire resistant apparels for all season and all ages.

The world's top denim fabric exporting country in 2016 was China while the top denim fabric importing

Table 1: Export of Cotton Woven Denim Fabrics

Year	Quantity Million Sq M	Value Rs. Million
2007-08	84	8,040
2008-09	118	11,707
2009-10	229	20,490
2010-11	263	26,771
2011-12	320	35,341
2012-13	326	46,707
2013-14	333	48,224
2014-15	316	46,920
2015-16	426	47,983

Source: Pakistan Bureau of Statistics

country was Bangladesh. Mexico was the largest supplier of denim jeans to the USA while Bangladesh was the largest supplier of denim jeans to the EU. Furthermore, it is estimated that the denim demand in the world will increase by 5% to 6% while the supply will increase roughly by 8%, thereby indicating a buyer's market. The America tops the list of denim jeans users and an average estimate puts the figure at 450 million pairs a year. Top global denim fabric exporting countries are China, Hong Kong, Turkey, Italy, Pakistan India, Spain and Brazil.

Export of cotton denim fabrics from Pakistan

Export of cotton denim fabrics from Pakistan increased from 320 million square meters worth Rs 35 billion in 2011-12 to 426 million square meters worth Rs 48 billion in 2015-16, thus showing an increase of 37% in terms of value. Exports of cotton denim fabrics from Pakistan are given in **Table-1**.

Bangladesh, Turkey, Egypt, Sri Lanka, Italy, India and Colombia are the major markets for denim fabric exports from Pakistan. With about 228 million sq. meters of cotton denim fabric being exported to Bangladesh in 2015-16, it is a major market for Pakistan. Country-wise exports of cotton denim fabrics from Pakistan are given in **Table-2**.

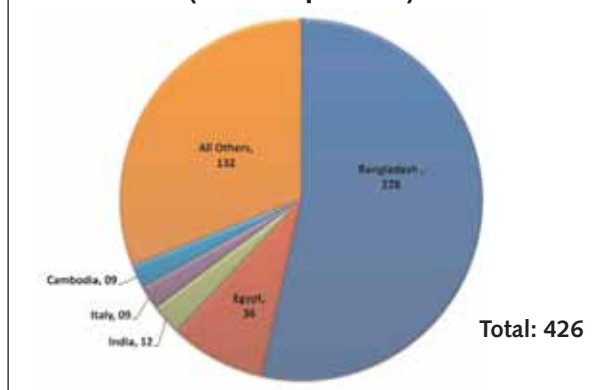
India is becoming an important market for Pakistani cotton denim fabrics, although the quantities of about 7.31 million meters in 2015-16 are still small, it is indicative of the potential of the Indian denim market and it seems that it will become more important in the coming years. The garment exporters from India as well as the local Indian brands are getting more aggressive in terms of marketing and in order to differentiate themselves, they buy fabrics from around the world – Italy, Turkey, Spain and therefore, Pakistan has become an important supplier to service their export market.

Future Prospects

The innovation remains critical to market growth and jeans have been reinvented from time to time over the last few decades. The manufacturers are focusing on newer designs, styles, and fits to suit changing consumer preferences and fashion trends.

The biggest trends currently in vogue include jeggings and distressed denim. While Jeggings, which is a combination of leggings and jeans, became a must-have among female customers, especially the younger population. Similarly, the distressed denim which can be faded, ripped, tea-dyed, splattered with paint and acid washed to give the jeans a well-aged look is also popular among men and women. The growing popularity of

Export of Cotton Woven Denim Fabrics -2015-16 (Million Sq. meters)



premium denim jeans is additionally expected to lend traction to further the market growth.

Europe represents the largest market worldwide. Although developed regions such as the United States and Europe represent mature markets, they are expected to hold a major share of the global market.

Asia-Pacific is forecast to emerge as the fastest growing market with a CAGR of 9.4% over the analysis period. This consistent growth in the region is led by rising disposable income, surging GDP rates, rising number of women in the workforce, rapid rates of urbanisation, westernisation of lifestyles and rising fashion consciousness.

Leading exporters of denim said that the country's denim export to the United States has fallen by 3.3% in 2016. Other exports to the European Union and Scandinavia countries are not increasing. Chinese were providing free electricity to their manufacturers for first three years to new units, while India was also providing incentives. A number

of countries were providing zero-rated facility to their exporters, but in Pakistan, tax agencies were charging a number of taxes such as export development surcharge and withholding tax.

The market situation does not allow the global players in the denim to increase consumer prices and therefore they have to absorb the price increases from denim fabric producers worldwide. In this scenario Pakistan has emerged as a key supplier of this highly demanded fabric due to the competitive prices and in house innovations by the denim manufacturers in Pakistan.

References

1. Pakistan Bureau of Statistics.
2. State Bank of Pakistan-Annual Reports.
3. Trade Development Authority of Pakistan. ♦

Table 2: Country-wise Export of Cotton Woven Denim Fabrics Value: (Rs Million)

Country	2015-16	2014-15	2013-14	2012-13
Bangladesh	25,186	22,394	20,514	19,612
Cambodia	1,115	1,282	1,325	1,596
Egypt	368	387	4,120	3,510
India	1,345	1,298	1,037	522
Italy	1,134	1,271	1,694	880
Sri Lanka	1,094	1,560	2,089	2,024
Turkey	7,081	5,889	5,832	7,180
Vietnam	1,238	1,216	932	1,392
Peru	721	913	837	1230
China	112	434	668	640
Germany	297	291	284	229
Hong Kong	227	554	616	852
Kenya	115	135	114	113
Lesotho	366	207	535	789
Mexico	838	906	934	703
USA	615	403	274	430
All Others	6,131	7,780	6,419	5,005
Total	47,983	46,920	48,224	46,707

Source: Pakistan Bureau of Statistics.