

Pakistan's knitwear industry achieves new milestones

by Prof. Dr. Noor Ahmed Memon, Dadabhoy Institute of Higher Education.

The knitwear garment sector is ranked top among the textile group for the last three years since 2015-16. The knitwear (hosiery) exports have maintained its top position with the highest in the textile export chain as well as in total national export with an increase of 16% in the fiscal year 2017-18 as compared to 2016-2017. The popularity of knit goods has grown tremendously in the recent years because of the increased versatility of knitting techniques, the adaptability of many new manmade fibres and the growth in the consumer demand for wrinkle resistant, stretchable, snug fitted garments, particularly in greatly expanding areas of sportswear and other casual wear garments.

This sector has export potential, despite remaining under pressure from its competitors, mainly Bangladesh, India and the Far Eastern nations. Knitwear (hosiery) sector, being the largest foreign exchange earner as well the largest contributor in the textile and total export of the country, demands deserving attention of the government to diversify knitwear products to bring more innovations and incentives to boost its exports.

Pakistan is the fourth largest cotton producer in the world and is an important player in the global textile market. Its knitwear industry is the highest value-added textile sector in the country and is distinguished by the high quality of raw material and competitive value of the end product.

At present hosiery and knitwear units of Pakistan comprise 3,500 large, medium and small units, 85% of which are small enterprises, 10% medium ventures and only 5% largely integrated factories. With 13,372 circular knitting machines, around 10,646 flat knitting and 23,241 socks knitting machines spread all over the country. The capacity utilization of this sector is approximately 70% and besides locally manufactured machinery, liberal import of machinery under different modes and increase capacity will increase the exports.

Major Players are Masood Textiles, Style, Klash and Sapphire in Faisalabad and Lahore. While leading knitting companies such as Eastern Garments, Proline, Al-Abbas, Haji Adam & Sons, JB Industries are based in Karachi.

The world produces over 17 million tonnes of knitted textiles and apparel representing one-third of the global textile market. Moreover, the output is forecast to grow by 25% over the next five years, reaching more than 21 million tonnes.

According to an estimate of Pakistan Hosiery Manufacturers Association, current production of knitwear is at the level of 1.1 billion pieces. Out of this production, 60% comprises of the jersey, knitted fabric, T-shirts, sweatshirts, polo shirts, jogging suits, track suits and children outerwear.

Import of machines

The locally manufactured knitting machinery, liberal imports of machinery and the increasing capacity based on

Table 1: Import of Circular Knitwear and Embroidery Machines
Value : Rs. Million

Machines	2014-15	2015-16	2016-17	2017-18
Circular Knitting Machines (Dia - 165 mm)	350	332	729	1,190
Circular Knitting Machines (Dia >165 mm)	393	313	453	835
Flat Knitting Machines (Stitch Bonding)	259	460	275	316
Multi-Head embroidery Machines.	6,152	6,892	4,292	6,631
Other Circular Knitting Machines.	503	453	512	369
Total	7,657	8,450	6,261	9,341

Source: Pakistan Bureau of Statistics.

Apparel and Knitwear

exports is being developed over the years. The machinery used in the knitting sector, especially for circular and flat knitting is largely imported from Europe, Japan and China. Due to low-investment involvement, this industry is very easy to invest in such machines and furthermore, some of the machines and parts are also manufactured locally.

Pakistan imported mainly automatic flat and circular knitting machines of different brands. Import of various types of circular knitting, flat knitting embroidery machines in Pakistan increased from Rs 6.26 billion in 2016-17 to Rs 9.34 billion in 2017-18, thus showing an increase of 15% per annum. Import of knitting and embroidery machines in Pakistan are given in **Table 1**.

Exports

The knitwear goods exported from Pakistan are known for their fine quality in European, American and UAE markets. It is a highly value-added item, earning much valuable foreign exchange, as per kg cotton converted into finished garments fetches better margins. Knitwear exports consist of processed knitted fabrics and knitted garments.

During the past few years, the segments of knitwear and selected items of ready-made garments have shown an appreciable rising trend in exports. The use of knitwear (hosiery) has increased primarily due to its low price, as compared to cotton woven shirts due to easy care properties.

Table 2: Export of Knitwear

Year	Quantity (000 Doz)	Value (US \$ Million)	Average (Per Doz)
2013-14	108,135	2,294	21.21
2014-15	111,068	2,406	21.66
2015-16	112,459	2,364	20.87
2016-17	104,091	2,362	22.69
2017-18	108,503	2,711	25.07

Source: Trade Development Authority of Pakistan.

Export of Knitwear (Hosiery) increased from 104 million dozens worth the US \$ 2.36 billion in 2016-17 to 108 million dozens worth the US \$ 2.71 billion in 2017-18, thus showing an increase of 14% in terms of value.

The main items of export in knitwear from Pakistan are elegant men's T-shirts, fancy ladies T-shirts with exquisite embroidery and sequined work, night shirts for ladies and men's pyjama sets, sportswear and jogging suit, trousers, bed sheets knitted and socks. Techniques of designing, printing, embroidery and dyeing of the fabric have become well developed over the years. The statistics pertaining to the exports of knitwear from Pakistan are given in **Table 2**.

In knitwear, the US market alone accounted for 35% of total knitwear with exports of US\$ 964 million in 2017-18. About 32% of knitwear exports went to EU, while the share of rest of the world

was only 27%. The United States, UK, Germany, The Netherlands, Spain, Belgium, France, Italy and Canada are the top nine trade partners for Pakistan. The country-wise exports of knitwear are given in **Table 3**

Pakistan Hosiery Manufacturers & Exporters Association (PHMA) Chairman Muhammad Jawed Bilwani has said that knitwear garment sector can achieve new milestones and its export can be enhanced by 25% every year if the government continuously supports them, sympathetically consider textile sector proposals and ensure its implementation.

Future Prospects

The knitwear (hosiery) industry is playing a vital role in value addition of textile sector. In the export field, the hosiery knitwear industry of Pakistan has managed to make a big name in many countries of the world.





Table 3: Country-wise Export of Knitwear (Hosiery)
(Value in \$ 000)

Country	2017-18	2016-17
U.S. America	963,797	876,104
United Kingdom	427,183	367,877
Germany	218,824	181,868
Spain	202,811	181,745
Netherlands	197,378	143,725
U.A.E	65,945	38,193
Canada	50,280	35,579
Italy	68,057	51,919
Yamen	1,024	1,157
Belgium	147,808	145,423
France	65,986	63,257
Denmark	21,875	20,634
Australia	21,983	16,577
Japan	20,888	15,035
China	25,136	17,623
Russia Russian Federation	13,584	15,155
Mexico	12,702	15,523
All others	185,940	174,064
Total	2,711,201	2,361,458

Source: Trade Development Authority of Pakistan.

The knitwear sector also provides employment to millions of workers, who work on stitching machines like garment stitching unit.

woven shirts due to easy-to-wash nature. Inherent qualities like softness, coolness, sweat absorbent and durability have

The textile exports are 58% of total nation's export. Pakistan's textile export share in global market is just 2.05%. Pakistan knitwear (hosiery) industry is playing a vital role in value addition of textile sector.

During the past few years, the segments of knitwear and selected items of readymade garments have shown an appreciable rising trend in exports. The use of knitwear (hosiery) has increased primarily due to its low price, as compared to cotton

made knitted garments popular especially in developed countries.

This sector has an export potential, despite remaining under pressure from its competitors mainly Bangladesh, India and the Far Eastern nations. "Knitwear (hosiery) sector, being the largest foreign exchange earner as well the largest contributor in the textile and total export of the country, demands attention of the government to diversify knitwear products to bring more innovations and incentives to boost its exports.

There is a great potential of further development in this industry as there is substantial value addition in the form of knitwear apparel, sportswear, socks, gloves, etc.

References:

1. Pakistan Bureau of Statistics.
2. Pakistan Economic Survey- 2017-18.
3. Pakistan Knitwear & Sweater Exporters Association (PAKSEA).
4. Trade Development Authority of Pakistan. ♦

