

# ITC-ROUND TABLE ON NAMA - Geneva

6-7 July 2006

By Engr. Akber Sheikh

Chairman WTO Committee All Pakistan Textile Mills Association

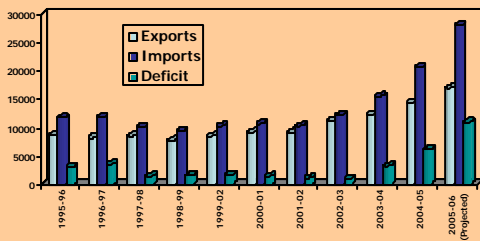
## PAKISTAN TEXTILE INDUSTRY

**Textiles is the premier industry & backbone of Pakistan's Economy:**

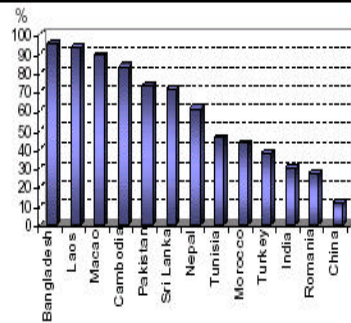
- Generates about 65 % of exports
- Constitutes 46 % of Manufacturing Industry
- Employs 38 % of country's working population
- Contributes 8.5% to the total GDP

### Exports and Imports of Pakistan

Value in Million US \$



Dependency on T&C exports (as a share of total manufactured goods exports) of selected countries



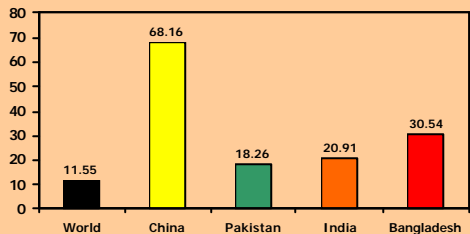
### After Quota Removal

~~Advantages~~ become ~~Disadvantages~~

- |                                                                                                                                                                        |                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Vertically Integrated Units.</li> <li>• Small and Flexible Units.</li> <li>• Low Cost.</li> <li>• Domestic Cotton.</li> </ul> | <ul style="list-style-type: none"> <li>• Lack of Specialization.</li> <li>• Uneconomical.</li> <li>• Competition.</li> <li>• Small Part of Supply Chain</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|

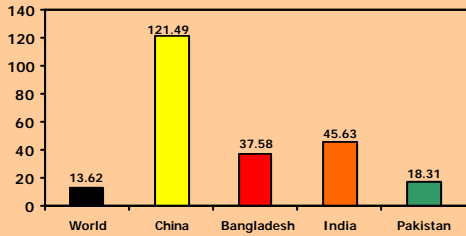
### Exports of Cotton Products (Textiles + Clothes) to USA (Category 30)

Quantity % Rise between 2004 and 2005



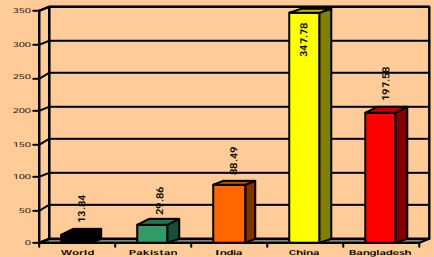
## Exports of Cotton Apparel Products to USA (Category 31)

Quantity % Rise between 2004 and 2005



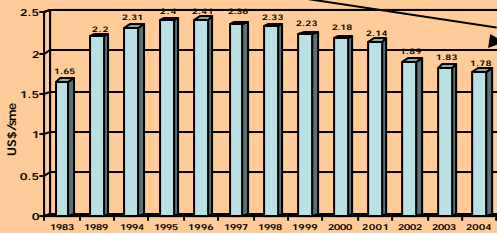
## Exports of Cotton Knit Shirts to USA (Category 338)

Quantity % Change between 2004 and 2005



## Reminder: Prices will fall further More supply and quota rents are gone

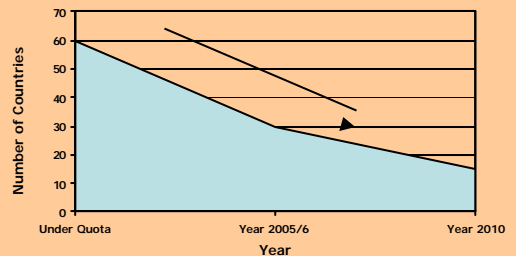
Trends in US Imports 1983 - 2004



Source: ITC: Matthias Knappe

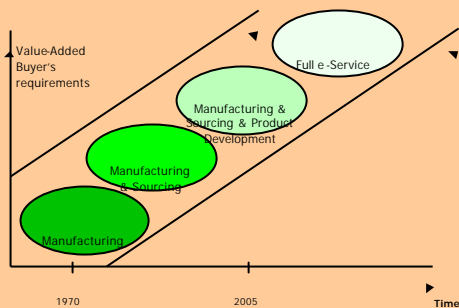
## Consolidation of Suppliers

Likely Post 2004 Sourcing Pattern



Source: ITC: Matthias Knappe

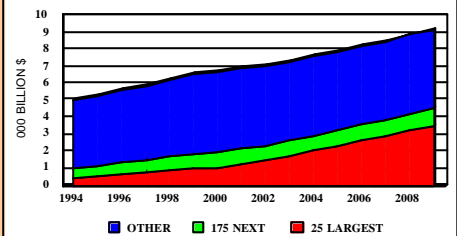
## Move towards a Service Industry



Source: ITC: Matthias Knappe

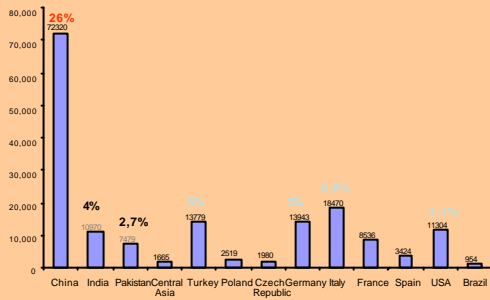
## World Retail Sales

### WORLD RETAIL SALES BY SIZE OF RETAIL CHAINS



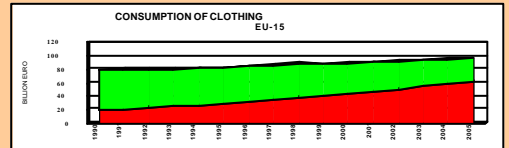
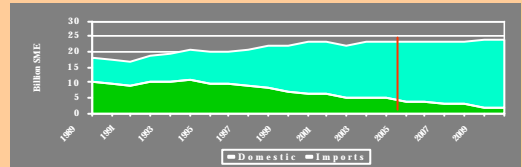
Source: Werner International

## Worldwide Textile & Clothing exports in 2004: 275 billion euro



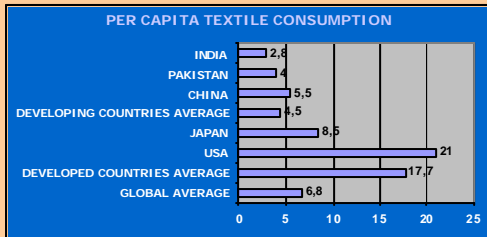
Source: Werner International

## USA and European Apparel Markets Share of Imports



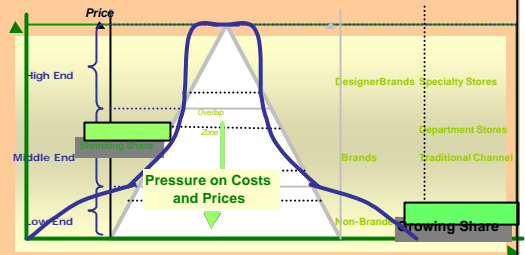
Source: Werner International

## PER CAPITA CONSUMPTION (kgs. of textile fibres per capita)



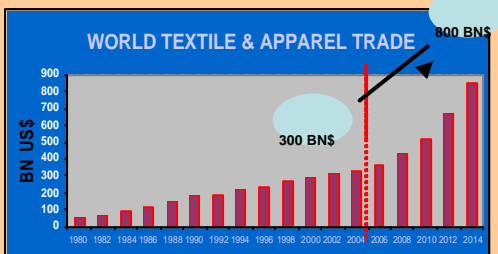
Source: Werner International

## Market Segmentation



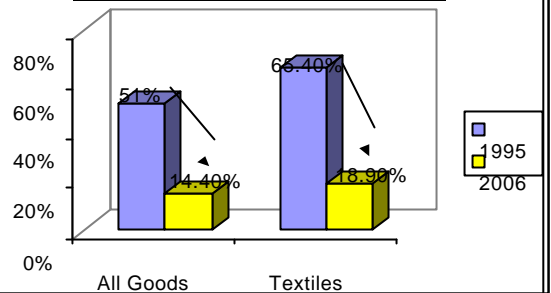
Source: Werner International

## Textile Trade Growth

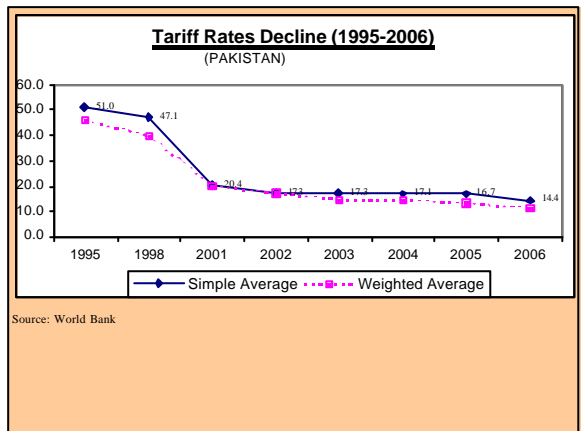
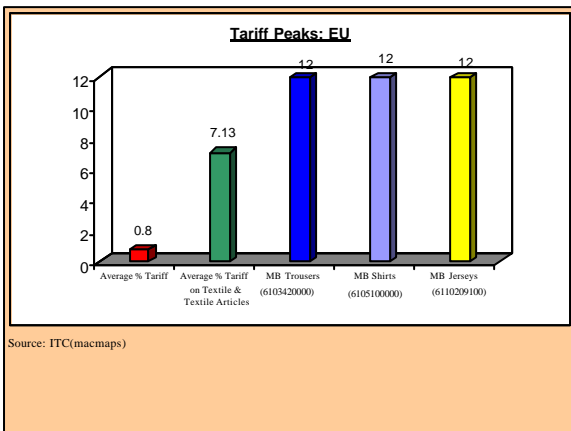
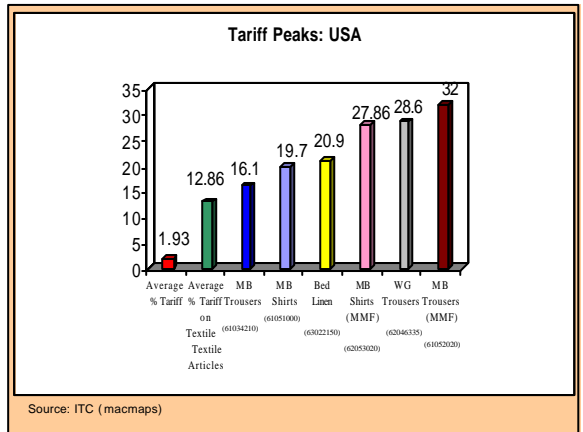
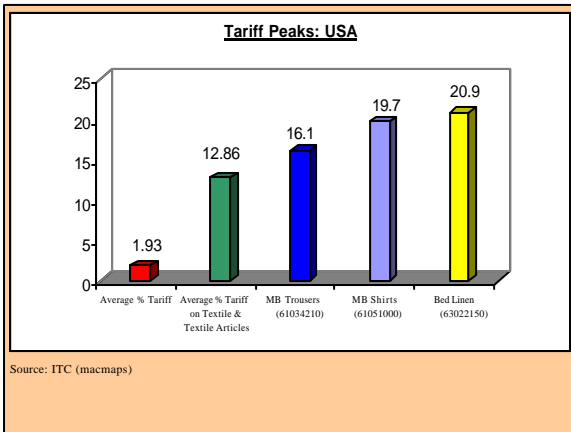
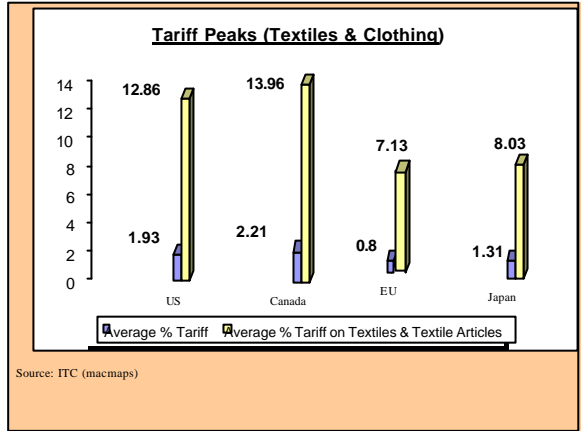
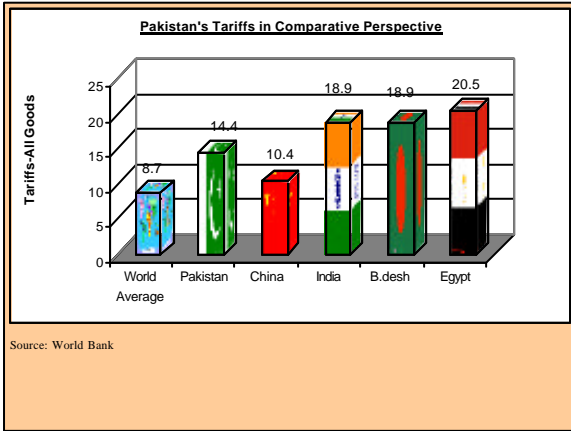


Source: Werner International

## Reduction in Applied Tariff Levels of Pakistan

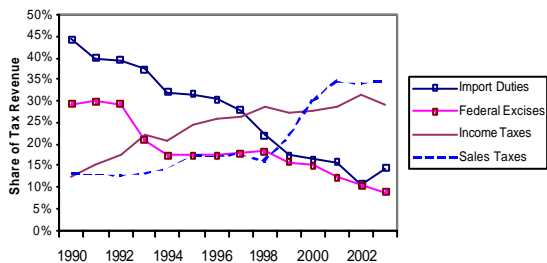


Source: World Bank



**Decline in Government Dependence on Import Duties (1990-2002)**

(PAKISTAN)



Source: World Bank

DOHA DEVELOPMENT AGENDA

**TEXTILES & NAMA**

- PAKISTAN INDUSTRY SUPPORTS SWISS FORMULA WITH :

- **COEFFICIENT FOR DEVELOPED COUNTRIES= 6**
- **COEFFICIENT FOR DEVELOPING COUNTRIES= 30**

DOHA DEVELOPMENT AGENDA

**TEXTILES & NAMA**

- IN VIEW OF COUNTRY'S DEPENDENCE ON TEXTILE EXPORTS:

PAKISTAN TEXTILE INDUSTRY:

- . Seeks removal of tariff peaks in T & C
- . Opposes special textile sectoral initiative calling for higher than general formula

DOHA DEVELOPMENT AGENDA

**TEXTILES & NAMA**

- TO MEET THE DEMANDS OF DEVELOPED COUNTRIES WHO CLAIM MATURITY OF TEXTILE SECTOR IN DEVELOPING COUNTRIES, PAKISTAN TEXTILE INDUSTRY IS WILLING TO CONSIDER GREATER DEGREE OF RECIPROCITY IN TEXTILE SECTOR

DOHA DEVELOPMENT AGENDA

**TEXTILES & NAMA**

- PAKISTAN TEXTILE INDUSTRY SEEKS:
  - PROGRESS ON IMPLEMENTATION ISSUES (e.g. S&D TREATMENT)
  - IMPROVEMENT IN RULES (ANTIDUMPING etc.)
  - EFFECTIVE COOPERATION MECHANISM IN DEALING WITH TBT'S
  - NOTIFICATION MECHANISM OF SUBSIDIES (POSSIBLY GREATER EXPOSURE OF PRIVATE SECTOR IN TRADE REVIEWS)
  - EFFECTIVE NOTIFICATION & REVIEW OF RTA's