

Green products can give textiles an edge in EU market: report

KARACHI: Pakistan's trade mission in Spain has recommended the textile sector exporters to adopt sustainable business processes and add 'green products' to their range so that they could differentiate themselves from other competitors in the European market.

“Fairtrade, organic and/or responsible concepts give a competitive edge in Europe and may ease market entry. In addition to complying with common sustainability standards and certification, this can give access to a promising niche market,” noted a report issued by the commercial section of Pakistan’s Embassy in Madrid.

“The European market is highly competitive, characterised by strong buyer power and rivalry. Price sensitivity is high, requiring suppliers to offer quality at a competitive price.”

The trade mission officials in the report pointed out the higher market segments were the most promising, as they allowed exporters to distinguish their products.

The Madrid commercial office also urged the Trade Development Authority of Pakistan (TDAP) to encourage exporters for creating their own brands as well for catering to specific niche areas in the textile sectors as well like in hospital, hotel textile, and safety/work wear textiles.

“We reiterate that TDAP should send a high-level delegation [to Spain] as already asked by this office as soon as possible to sensitise supply chain and also to give more opportunities to our exporters,” the commercial officials said in the report.

Having undergone a massive restructuring, the textile in the European Union (EU) had now become more capital-intensive, the report said, adding that trade in this sector was entering a more liberalised and more competitive world.

“Therefore, in order to enhance exports, Pakistani manufacturers need to go for modern technology and should emphasise on the quality of finished products. The government should introduce and monitor the global quality standards, ISO 9000 and ISO 14000 in the production of textile products,” the report said.

The report predicts Pakistan is likely to continue to confront stiff competition from China, India, Vietnam, Bangladesh, Turkey, Italy, Portugal, and Myanmar.

China, India and Vietnam are amongst EU’s major suppliers of textile products, while countries like Turkey, Italy, Portugal, and France have the advantage of being in proximity and assured timely supplies, with minimum financial cost of small inventories.

According to the study, there are different subsidies given by various countries to manufacturing sector affecting costs of doing business, also depending on various utilities and labour rates.

“Also, our competitors are better in artificial leather. Pakistan needs to develop in terms of value-addition in producing artificial leather clothing, which is more in vogue due to ever changing fashion trends and its more affordable value in the European market,” the report recommended.

“Further, we need to inter-alia attract more buying houses to Pakistan, as our competitors have more buying houses established in their countries”.

Textile exports edged up 2.95 percent to \$3.371 billion in the first quarter of the current fiscal year with outbound shipments of knitwear and readymade garments rising in double digits during the period.

Pakistan Bureau of Statistics (PBS) data showed that textile exports amounted to \$3.275 billion in the corresponding period a year earlier.