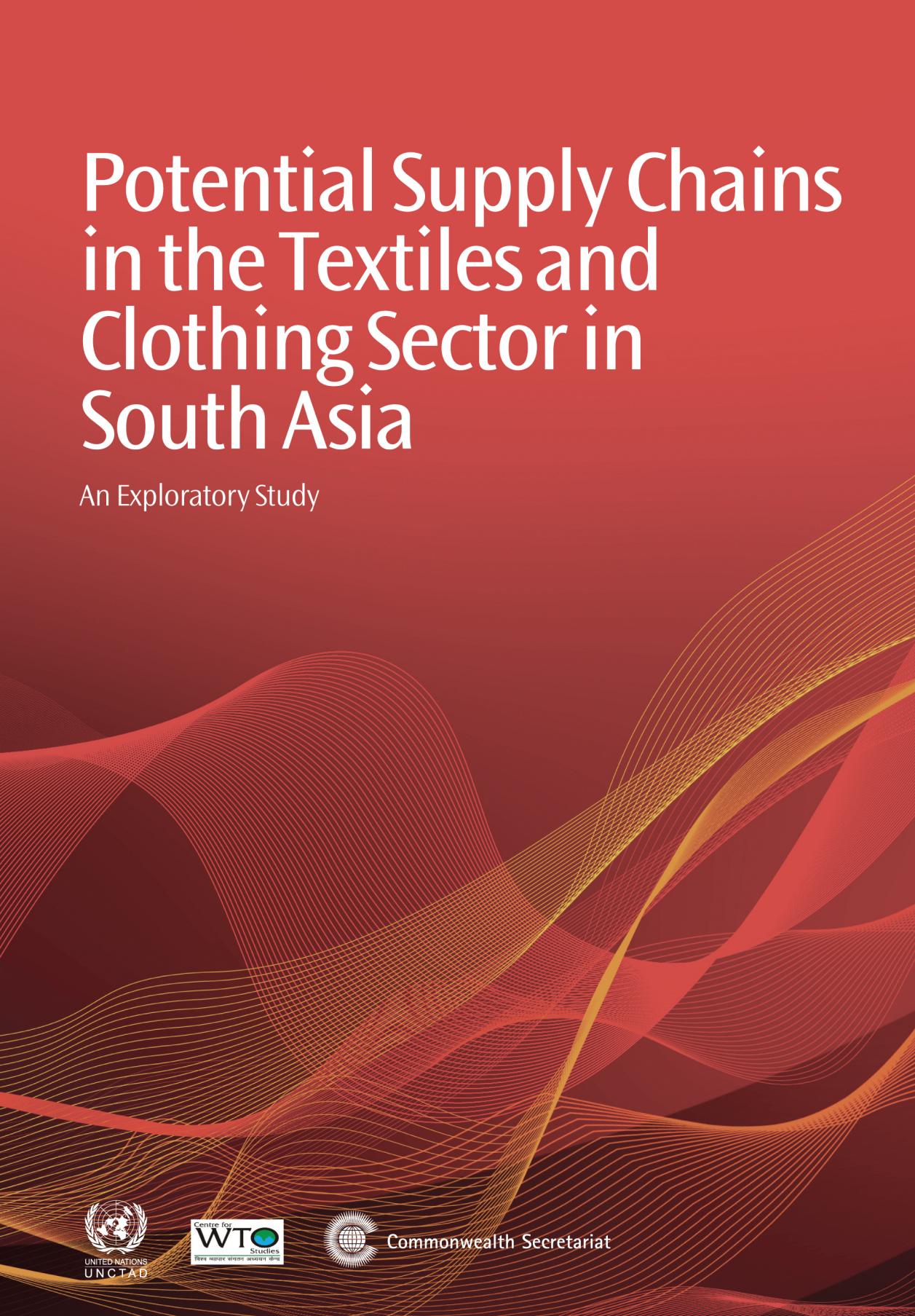
Potential Supply Chains in the Textiles and Clothing Sector in South Asia

An Exploratory Study



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COMMONWEALTH SECRETARIAT

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UNCTAD

Established in 1964, the United Nations Conference on Trade and Development (UNCTAD) promotes the development-friendly integration of developing countries into the world economy. UNCTAD has progressively evolved into an authoritative knowledge-based institution whose work aims to help shape current policy debates and thinking on development, with a particular focus on ensuring that domestic policies and international action are mutually supportive in bringing about sustainable development. Three key functions of UNCTAD are: (1) to function as a forum for intergovernmental deliberations, supported by discussions with experts and exchanges of experience, aimed at consensus building; (2) to undertake research, policy analysis and data collection for the debates of government representatives and experts; and (3) to provide technical assistance tailored to the specific requirements of developing countries, with special attention to the needs of the least developed countries and of economies in transition.

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The Centre for WTO Studies was established in 1999. Since November 2002 it has been situated in the Indian Institute of Foreign Trade, New Delhi. The Centre conducts independent research on WTO and trade

issues. It is a repository of knowledge and documentation related to the WTO negotiations. It facilitates consensus building between stakeholders and policy-makers on WTO issues. The Centre also implements trade capacity-building activities for developing countries.

Foreword

We are delighted that the United Nations Conference on Trade and Development (UNCTAD) and the Commonwealth Secretariat, with the Centre for WTO Studies (CWS) in the Indian Institute of Foreign Trade, have collaborated to such good effect on this report, *Potential Supply Chains in the Textiles and Clothing Sector in South Asia: An Exploratory Study*.

South–South co-operation has long been an important area of work for UNCTAD and for the Secretariat. Over the years, both organisations have provided technical support programmes and facilitated the exchange of ideas among policy-makers and other stakeholders aimed at promoting trade and investment flows between developing countries. The growing significance of some developing countries in the global economy as important sources of trade and investment flows for other developing countries means that such co-operation has recently gained prominence.

Even though individual nations in south Asia are among the world's fastest growing economies, it is the least integrated as a region. Despite an impressive record of production and export growth, intra-regional commerce only accounts for about 5 per cent of south Asia's total merchandise trade. Regional co-operation must therefore extend more widely; policy-makers and advisory groups have been examining the possibilities for greater cross-border collaboration in services, including tourism, and in infrastructure development.

A striking feature of this study is its finding that in trade in goods there is potential for south Asian nations to develop advantageous supply chains utilising industrial units located in different countries. The research examines the scope for regional trade and co-operation in South Asia's textile and clothing sector. The importance of this sector for the region cannot be overstated: it provides direct employment to about 60 million people, generates an export volume of over US$55 billion and accounts for nearly 80 per cent of total merchandise

exports of Bangladesh, 55 per cent of Pakistan, 45 per cent of Sri Lanka and 12 per cent of India.

The findings challenge the perceived notion that because they compete in world markets, south Asian countries cannot complement one another in the textiles and clothing sector. There is significant unexploited scope for intra-regional trade which would enhance the competitiveness of the region overall. By mapping production and export structures in different countries, this study identifies the potential for new cross-border linkages.

The industry-specific approach adopted allows analysis of highly disaggregated export data in order to provide information on regional supply chains. While this approach is useful for policy-makers and other stakeholders directly associated with that sector, the findings also have an important bearing on more general discourses on regional co-operation and export competitiveness in south Asia.

The study demonstrates that similar research would also benefit other sectors and parts of the developing world other than south Asia, where regional integration and South–South co-operation could be important routes to trade-led development.

We commend this study as a valuable contribution in an integrating world to understanding how co-ordinated supply chains and strengthened regional co-operation among developing neighbouring countries can promote development and economic resilience.

Supachai Panitchpakdi
Secretary-General
United Nations Conference on Trade and Development

Kamalesh Sharma
Commonwealth Secretary-General

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Abbreviations

ADB	Asian Development Bank
APTMA	All Pakistan Textile Mills Association
ASEAN	Association of Southeast Asian Nations
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BOI	Board of Investment (Sri Lanka)
CAGR	Compound annual growth rate
CWS	Centre for WTO Studies (India)
DFID	Department for International Development (UK)
FDI	Foreign direct investment
GDP	Gross domestic product
GSP	Generalized System of Preferences
HS	Harmonized System (of trade classification)
IIFT	Indian Institute of Foreign Trade
IIT	Intra-industry trade
IPS	Institute of Policy Studies (Sri Lanka)
ITCB	International Trade and Customs Brokers
ITMF	International Textile Manufacturers Association
LDC	Least developed country
MFA	Multi-Fibre Arrangement
MMFY	Man-made filament yarn
nec	not elsewhere classified
NTC	National Textile Corporation (Sri Lanka)
OBM	Own brands model
PTS	Primary textile sector
RMG	Ready-made garment
RIS	Research and information system
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian Free Trade Agreement
SANEM	South Asian Network on Economic Modelling
SAPTA	South Asian Preferential Trade Agreement
SSI	Small-scale industry
SME	Small and medium-sized enterprise
T&C	Textiles and clothing

TCO	Textile Commissioner's Organisation
TLP	Tariff Liberalisation Programme
USA	United States of America
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization

Summary

Background

The south Asian countries initiated a process of preferential trade liberalisation with the establishment of the South Asian Association for Regional Cooperation (SAARC) in 1985. It then took a decade for the region to put in place practical measures to promote trade through a regional agreement. The South Asian Preferential Trade Agreement (SAPTA) came into operation in 1996 with the expectation of moving towards a South Asian Free Trade Agreement (SAFTA), the implementation of which eventually began in 2006.[1] Despite all this, south Asia remains a least integrated region, with trade among member countries accounting for approximately 5 per cent of their total trade. Many experts, however, suggest that expanded regional integration beyond trade in goods, together with co-operation in developing supply chains, has considerable potential for growth and development in the region.

While extended co-operation in areas such as services, infrastructure development and transshipment has been discussed in various forums by policy-makers and trade analysts, relatively little attention has been paid to understanding the potential for building supply sources based on industrial units located in different countries in the region. Against this backdrop UNCTAD (through its India Project Office), the Centre for WTO Studies in the Indian Institute of Foreign Trade (IIFT) and the Commonwealth Secretariat decided to collaborate on a joint project to assess the prospects for developing production linkages to further south Asian regional co-operation. A salient feature of the project is that rather than following a very general and broad approach, it looks at industry-specific dynamics so that the research can be useful to policy-makers and industries. Given its importance to the region, the textiles and clothing sector has been chosen as the

case study. The project comprised analytical research to identify potential supply chains and consultation workshops with the relevant stakeholders to disseminate and validate its findings and discuss policy implications. The findings have important implications for understanding the prospects for increased exports from individual south Asian countries by sourcing intermediate inputs from the region, the resultant consequences for export competitiveness and the scope of policy support in promoting such supply chains.

The south Asian textiles and clothing sector

The textiles and clothing (T&C) sector has been one of the leading manufacturing sectors in south Asia in terms of its contribution to output, employment and trade. The sector employs 60 million people directly and nearly 90 million indirectly. South Asia's share in global trade in T&C has increased from less than 2 per cent to nearly 10 per cent over the past decade, with exports reaching US$55 billion in 2010.[2] Its share in global imports improved from 0.8 per cent to 1.5 per cent during the same period. The importance of textiles and clothing is also reflected in the sector's share of total exports in all the region's major economies. T&C makes up close to 80 per cent of total exports from Bangladesh, providing direct employment to 5 million people; for Sri Lanka, the figure is 45 per cent, with the sector employing more than 1.8 million; for Pakistan, 55 per cent, employing more than 15 million; and for India, around 12 per cent, employing more than 38 million. With the onset of global economic crisis, south Asia as a region has experienced a slowdown in the growth rate of its GDP from 8.6 per cent in 2007 to 5.7 per cent in 2008. Growth remained at 5.7 per cent in 2009.[3] This resulted in a fall of 18 per cent in T&C exports, lowering the region's share of global T&C exports from 7.7 to 6.1 per cent. Since then, however, the growth in the sector has picked up. The textiles and clothing industry is a sector where competition is fierce and since the expiry of the Multi-Fibre Arrangement

(MFA) in 2005, the global market has yet to settle down. South Asian countries have major rivals in every export category; improving competitiveness in this heavily labour-intensive sector has therefore become one of the critical issues for export-led growth and poverty reduction. South Asian countries, particularly Bangladesh, India, Pakistan and Sri Lanka, compete with one another in the global market. However, effective regional collaboration, taking advantage of these countries' current production bases, could contribute to enhancing their competitiveness and result in a greater world market share in the textiles and apparels trade.

The benefits of regional co-operation in textiles and clothing production have been discussed by the Asian Development Bank (ADB) and UNCTAD (2008), Robbani (2004) and Tewari (2008). ADB and UNCTAD point out the growing intra-industry trade (IIT) in the textiles and clothing sector within south Asia and the potential to increase it further. The study estimates the bilateral Grubel Lloyd index for 1991 and 2004 and finds that IIT increased for some areas within the sector. These are spinning, weaving and finished textiles; knitting mills; and manufactures of textiles not elsewhere classified (nec). The study also estimates the gains to all countries in south Asia through the lowering of tariffs on textiles and clothing in SAFTA.

Research method

The analytical work maps out the production and export structures of different south Asian countries in order to identify potential cross-border linkages that are currently not being exploited. The methodology adopted is based on a simple logic, which is to identify those inputs used in the textiles and clothing sector that a country imports from outside the region although there is a south Asian country that exports these inputs globally. These are products for which both demand and supply exist in the region and which could potentially form supply chains. Based on this principle, and making use of the

available disaggregated trade data (at the 6-digit level of the Harmonized System (HS) of trade classification), the following steps have been taken to identify the potential cross-border supply chains that are currently not being exploited.

First, in Step I export products (destined for global markets) from four major economies in south Asia, Bangladesh, India, Pakistan and Sri Lanka, are identified. Only those products where a country has significant export receipts (more than US$100,000) are considered. For these final products, in Step II all inputs used (both from within the T&C sector and from other sectors) are identified and are labelled as stage I inputs. In Step III a trade matrix is constructed for each of the stage I inputs, showing their imports into and exports from all four countries. If imports of stage I inputs in a country are greater than US$100,000 and south Asia as a region exports more than US$100,000 of the input, the stage I input is identified as potential input in the supply chain.[4] Two countries in south Asia with the supply capacity for the stage I input are identified.

Once the countries which can export the stage I inputs have been identified, the primary inputs used in the production of the stage I inputs are identified in Step IV. These primary inputs could be, for example the chemicals used in the dyes which are used as stage I inputs in fabrics. A similar exercise to that undertaken in Step III is then carried out to identify the countries which can export the primary inputs. Therefore, the final supply chain consists of: (i) a final output which is exported by a country (*X*); (ii) stage I inputs which are imported by country *X* from other two identified countries (*Y* and *Z*); and (iii) primary inputs which are imported by *Y* and *Z* from any two south Asian countries. Thus, the supply chain identifies the final output to be globally exported by a country, two countries that can provide the stage I inputs used in production of the final output and two more countries which can provide primary inputs used in the production of stage I inputs. It should be noted that the final output to be exported may not necessarily be clothing. It could include yarn, fabrics or other upstream products.

The methodology has been implemented using disaggregated data at the HS 6-digit level, as available in the COMTRADE database. To avoid atypical trade flows, the trade matrix for identifying potential exports and imports is constructed using three-year averages (2005–2007). For the selected final products, the stage I inputs are identified by making use of an input-output database at the comparable HS tariff lines, constructed by UNCTAD through its India Project Office.

Key findings

Overall scope of developing regional supply chains

There are at least three different ways of analysing potential supply chains. First, they can be considered as the number of times a country participates in different production stages: as an exporter of final products, exporter/importer of stage I inputs and exporter/importer of primary inputs in the supply chains formed. The number of stages in all supply chains in which each of the four major countries of south Asia participates is reported in row 1 of Table S.1. Second, supply chains can be examined by tracking the flow of inputs leading to the export products. From this perspective, each supply chain represents a unique product-country combination for export of the final product, import of stage I inputs relevant to production of the final product and import of primary inputs relevant to the production of the stage I inputs used. Row 2 reports the number of supply chains that can be formed in the region from exports of final product from each country.

Finally, supply chains could also constitute the number of unique HS 6-digit tariff lines involved in the participation of a particular country in different production stages as an importer of stage I inputs needed for producing the final products and primary inputs used in the production of stage I inputs. Column 3 of Table S.1 reports the number of unique tariff lines each country can import from the region in the potential sup-

ply chains. In addition to the three ways of analysing the potential supply chains described above, Table S.1 also reports the number of unique final products which a country can export (row 4); inputs that may be imported as stage I inputs from the region (row 5); and number of unique primary inputs that a country may import for production of stage I inputs (row 6).

Table S.1. Number of potential 3-stage supply chains and import and export products

	Bangladesh	India	Pakistan	Sri Lanka
Number of stages a country participates in 3-stage and 2-stage supply chains (1)	245	1,032	795	418
Number of potential 3-stage supply chains formed by export of final product (2)	109	212	67	363
Total number of unique 6-digit tariff lines of imports in the potential 3-stage and 2-stage supply chains (3)	65	38	117	36
Number of unique 6-digit tariff lines Identified as potential final product for exports in 3-stage and 2-stage supply chains (4)	15	37	29	8
Number of unique 6-digit tariff lines identified as potential imports of stage I inputs in 3-stage and 2-stage supply chains (5)	19	25	27	34
Number of unique 6-digit tariff lines identified as potential imports of primary Inputs in 3-stage supply chains (6)	47	19	103	2

Following the first criterion above, India participates in the maximum number of stages (1,032) in the identified supply chains, followed by Pakistan (795), Sri Lanka (418) and Bangladesh (245). From this perspective, the more diverse the range of inputs exported and imported by a country, the higher will be its participation in different stages of the supply chains. In terms of the second criterion, the final product identified for global exports forms 109 supply chains in Bangladesh, 212 in India, 67 in Pakistan and 363 in Sri Lanka. The unusually low

figure for Pakistan is attributable to the fact that the final products exported by Pakistan are more often textile-related items than clothing. Textiles, as compared to clothing, have lower backward linkages in terms of inputs used for the production of final products. Finally, when the number of unique tariff lines that can be imported by a country in the identified potential supply chains are continued, Bangladesh is found to have 65 stage I primary inputs. The corresponding figures for India, Pakistan and Sri Lanka are, respectively, 38, 36 and 117.

For Bangladesh, 15 unique tariff lines have been identified as final products for global exports that can be manufactured using regional supply chains alone. The comparable number for India is 37, for Pakistan 29 and for Sri Lanka 8. The unique stage I inputs identified, which can be sourced within the region, are highest for Sri Lanka (34), closely followed by Pakistan (27), India (25) and Bangladesh (19). The number of potential primary inputs that are used in the first stage inputs that can be imported is greatest for Pakistan (103), followed by India (19), Bangladesh (47) and Sri Lanka (2).

Having examined the number of unique tariff lines involved in each stage of the unique supply chains in which a country participates, the study also examined if the existing trade flows point to the possibility of establishing regional supply chains. The results of this exercise have been summarised in Table S.2, which presents country global and regional imports of the tariff lines identified as stage I inputs or primary inputs in the potential supply chains. It is interesting that all four countries are mainly sourcing their imports outside the region, although regional supply capacity exists.

Bangladesh's global imports of the identified inputs comprise only around 18.3 per cent of the region's exports of these inputs. For Pakistan and Sri Lanka these are around 7.5 per cent and 9 per cent, respectively. This indicates that supply capacity exists within the region to cater for the demand for the identified inputs by the region. However, the global imports of the identified inputs for India is around 350 per cent of the region's exports, indicating that India's demand for the

identified inputs is much greater than the region's capacity to export. This may be a result of India's diverse production structure in the textiles and clothing sector, which ranges across the entire value chain. It also indicates the role that India can play in generating demand for inputs within the region.

Table S.2. Global and regional imports of identified inputs in potential supply chains (average for 2005–2007)

	Bangladesh	India	Pakistan	Sri Lanka
Global imports (US$'000)	493,150	4,834,969	1,166,083	327,176
Imports from other three countries of the region (US$'000)	146,628	221,657	202,466	94,808
Global exports of other three countries of the region (US$'000)	2,690,257	1,380.133	15,543,371	3,623,488
Imports from the region as a percentage of country's global imports	29.7	4.5	17.3	28.9
Global Imports of a country as a percentage of global exports of the region	18.3	350.3	7.5	9.0

Existing regional imports of inputs compared to total import demand are found to be very low in case of India. In the case of Bangladesh and Sri Lanka the regional imports are around 30 per cent. India's regional imports are the lowest at less than 5 per cent, indicating the potential of intra-regional trade for India. However, India's export demand is significantly higher than the export capacity within the region.

Country-specific product lines for potential supply chains

The study has also identified country-specific potential supply chains with respect to exports of final output, import of stage I and primary inputs. It includes the details of 3-stage supply chains of the countries involved together with their demand inputs vis-à-vis regional supply side capacity. In most of the inputs identified in the potential supply chains for Bangladesh, its global imports are much higher than the imports from

within the region. However, the supply capacity of the region in most of these products is far greater than Bangladesh's global imports, indicating that the region has a supply capacity to fulfil Bangladesh's demand for the inputs in the identified lines. Of the 65 import items that can be sourced from within the region, Bangladesh has tariff rates of more than 10 per cent for 34 items, while another 12 products are on the sensitive list under SAFTA , implying that liberalisation of these items is not being considered.

In the case of India, 38 tariff lines are identified as final products for exports in the potential supply chain, of which in 36 products it has tariffs of over 10 per cent. Twelve of 38 products are listed as sensitive products under SAFTA. A comparison of India's sourcing of identified inputs from within and outside the region shows that in most of the cases its global imports are much higher. For 7 of 25 stage I inputs, India's global imports are less than the region's global exports, which indicates that the region has insufficient supply capacity to fulfil India's demand. However, in 21 of 25 products, India's regional imports are less than 10 per cent of its total global imports. This indicates the India's potential for forming regional supply chains.

At the 3-stage level, there are 67 supply chains for Pakistan. Twenty-seven stage I inputs were identified, of which 23 have less than 10 per cent imports from the region. In 72 out of 103 identified primary inputs, Pakistan's regional imports are less than 10 per cent, while Pakistan's global imports are more than region's global exports in only 14 products indicating insufficient capacity. Of 117 unique products identified for regional imports by Pakistan, the tariffs are above 10 per cent in 21 products. Seventeen products are on Pakistan's sensitive list under SAFTA.

For Sri Lanka, 363 supply chains have been identified at the 3-stage level. For six of eight final products in the identified potential supply chains, Sri Lanka's exports are more than 10 per cent of south Asia's total exports. Thirty-four inputs are identified as stage I inputs that may be imported from the

region. However, unlike other countries in the region, Sri Lanka imports are sourced to a large extent from the region. Regional imports in 24 out of 34 products is greater than 10 per cent. Sri Lanka has a more open trade regime than other south Asian countries, as none of the inputs of potential imports from within the region have tariffs of more than 10 per cent and none of the tariff lines are on the country's sensitive list under SAFTA.

While identifying the regional supply chains, an attempt was also made to assess whether the intra-regional supplies would be competitive enough to provide a justification for regional sourcing. The fact that in many cases south Asian countries were actually exporting stage I and primary inputs to the rest of the world seems to suggest that they are globally competitive. A comparative assessment of unit value prices of the products supplied by south Asian countries vis-à-vis other leading global suppliers also reveals that in many of the items the former may actually be lower-cost suppliers.

Issues to consider and policy implications

The outcomes of the project as summarised above are likely to be of considerable interest to policy-makers and relevant stakeholders. Issues that are directly associated with the textiles and clothing sector and other issues relating to overall regional co-operation have important implications for promoting regional supply chains. In the following, some of these are briefly dealt with.

There could be a concern that regional supply chains might undermine the efforts of individual countries to develop their own domestic backward linkages. However, the methodology devised for the analytical study rules out such a possibility. The basis of the analysis is to establish whether the countries are already importing from the rest of the world and, if so, whether regional sourcing can replace those supplies. Therefore if, for example, a country is sourcing all its import requirements from its internal backward linkage industries, there is no scope for

developing regional supply chains. In other words, since global imports exist, there is no reason to believe that regional imports will hurt domestic industries.

It is also important to point out that the analysis has only considered regional imports that would be used in the export-oriented sector, not those used for domestic consumption. As a result, regional supply chains – at least in the way they are presented in this study – do not pose a threat to domestic industries.

Following on from the above, it is worth mentioning that the sensitive list under SAFTA may not be a constraint for regional supply chains. In most cases, export-oriented sectors procure their raw materials from the cheapest possible global sources. Even when the relevant domestic import-competing sectors operate under the protection of tariffs and other support measures, exporters are allowed duty free imports of raw materials or to make use of such facilities as duty drawback and bonded warehouses to protect their competitiveness by obtaining inputs from globally efficient suppliers. From this perspective, the sensitive lists maintained by the various countries in the region should not prevent their exporters from sourcing raw materials regionally. This is an issue that requires the attention of policy-makers and businesses. Notwithstanding this, the inclusion of products in sensitive lists may increase transaction costs to the importers to some extent. This suggests that for forming cost-effective supply chains within the region, lower tariffs on the identified inputs may be helpful.

There may be some apprehension about compromising the export sector's competitiveness by using raw materials and primary inputs manufactured in the region. Another related concern is whether the regional supply chains could lead to trade diversions and therefore trigger welfare costs. However, as has already been pointed out, south Asian countries export many of these items to the world market and they compete well with other major global suppliers; thus, concern about undermining competitiveness in the export sector may not be relevant in a range of product lines. On the other hand, it is important to

note that the analytical study does not advocate trade policy-induced measures (such as tariff concessions for regional partners) for promoting regional trade or supply chains. The south Asian textiles and clothing industry is overwhelmingly oriented to the global market and exporters must have access to raw material supplies at world prices. Therefore, any suggestion of discriminatory tariffs on input supplies by sources is not considered, thereby eliminating the possibility of trade diversion. Nevertheless, it does not rule out the scope of policy interventions by south Asian countries, as they can be more ambitious in integrating their textiles and clothing industry across the region. However, this has not been considered as part of the current study.

There are other factors associated with competitiveness where regional supply chains can exert beneficial effects. Unlike under traditional trade theories, there is now robust evidence that transport costs reduce tradable volumes. In ideal circumstances, supplies procured within the region will involve lower transport costs and therefore improve individual south Asian countries' competitiveness. With regard to exports of textiles and apparel, most south Asian countries suffer from high 'lead time' (i.e. the time between the receipt of an export order and delivery of the order at the importer's designated port). Regional sourcing of raw materials, particularly for apparel, can greatly help to mitigate this problem.

The distribution of regional export gains may also attract the attention of some observers. Within the region some countries have larger supply capacity than others; concerns may therefore be raised about unequal distribution of gains from regional supply chains. However, this argument is misconceived. According to the methodology adopted, countries import intermediate inputs in order to increase their exports. If countries do not experience increased export earnings, regional imports will also not rise. In addition, one should not merely focus on the distribution of regional exports; what is more important is the growth of overall exports to the global markets.

One important caveat about the supply chain assessment must, however, be acknowledged. Despite the use of highly disaggregated data, it has not been possible to take into account the quality variations across various suppliers. It cannot be denied that the quality of inputs will determine a supplier's ability to cater for a particular market. In the case of apparel, in particular, many importers provide strict specifications with regard to the inputs to be used and their preferred sources. This requirement can reduce the scope for regional sourcing. Nevertheless, the study has provided detailed and disaggregated product level information where potential for developing regional supply chains exists. Based on this, industry stakeholders can more precisely assess any likely effects of product heterogeneity on regional sourcing and exports.

It goes without saying that much of the existing scope for exploiting supply chains largely depends on the progress made on overall co-operative efforts among the south Asian nations. The existence of bilateral political differences has affected the progress of regional economic co-operation. It has been found that south Asian countries have more restrictive trade regimes with their regional partners than with the rest of the world. Together with tariff barriers, a plethora of non-tariff measures seriously constrain intra-regional trade and investment flows. Due to lack of political will, the region also suffers from relatively poor trade facilitation and high transaction costs associated with cross-border exchange. All this has serious implications for promoting regional supply chains.

In conclusion, this study brings out the potential of south Asia to emerge as globally more competitive suppliers of textiles and clothing through identified potential supply chains that can be formed within the region. The existing trade flows in the identified 3-stage and 2-stage supply chains indicate that south Asian countries have an import demand for inputs that is relevant for establishing supply chains in the T&C sector, but that import demand is met mainly from sources outside the region. However, the region has the supply capacity for exports and in many cases the region already has lower-cost suppliers.

Many of the identified inputs in the potential supply chains are identified as products in countries' SAFTA sensitive lists, with tariffs of over 10 per cent. This indicates that at the national level each country has policy tools to form the identified supply chains and lower its import costs by importing from the region instead of from global markets. In order to make the potential supply chain work, SAFTA can therefore play a very important role.

1 Introduction

The supply chain, or value-adding chain, is an old-established concept in industrial economics and in the business studies literature, used most prominently by Porter (1985, 1990) and Gereffi and Korzeniewicz (1994). Like all uses of the chain metaphor, its value lies in its emphasis on the sequential and interconnected structures of economic activities, with each link or element in the chain adding value to the process. More recently, supply chains have been embedded in development theory and a stream of literature has emerged that highlights and provides evidence of the developmental role played by global and regional supply chains. Neil *et al.* (2004) argue that economies of scale and scope within specific regions are only advantageous to those regions – and bring about regional development – insofar as such region-specific economies can complement the strategic needs of translocal actors situated within global production networks. Studies such as that of Smith (2003) on the clothing sector in Slovakia and Nadvi and Thoburn (2004) on Vietnam's textiles and garment industry provide evidence of the developmental role played by supply chains for these countries.

This study attempts to explore the possibility of developing regional supply chains for south Asia in the textiles and clothing sector. The sector has been one of the leading manufacturing sectors in south Asia in terms of its contribution to output, employment and trade, and hence to poverty reduction and development in the region. Collectively it employs 60 million people directly and nearly 90 million indirectly. A large proportion of the workforce is women. Over the last decade or so, south Asia's share in global trade in textiles and clothing rose from less than 2 per cent to 10 per cent, with the absolute volume of regional exports reaching US$55 billion in 2010.[5]

The importance of the textiles and clothing sector to the region is also reflected in its share in the total exports of all the region's major economies. It constitutes about 80 per cent

of Bangladesh's total merchandise exports, providing direct employment to 5 million people; 45 per cent of those of Sri Lanka, employing more than 1.8 million; 55 per cent of those of Pakistan, with a workforce of more than 15 million; and around 12 per cent of those of India, providing employment to more than 38 million people.[6] Given the sector's rapid expansion and high employment intensity, it is an important source of growth and poverty reduction in south Asia – a region that is currently home to the largest number of poor people in the world.

Major T&C exporters in south Asia strive to promote their individual competitiveness. One mutually convenient way of doing this would be to improve regional competitiveness by developing cross-border T&C supply chains that boost inter-country and intra-industry trade. The need for such region-wide co-operation has become more relevant given the short- to medium-term global challenges, for example subdued global demand in the aftermath of global economic crises and the need to build up economic resilience, including that of key sectors; the erosion of preferences caused by free trade agreements and multilateral liberalisation, or the withdrawal of the Generalized System of Preferences (GSP); and increased competition from other suppliers in the global economy.[7]

Despite the considerable efforts made over the last two decades, the experience of south Asian regional integration is far from satisfactory.[8] It appears to be the least integrated region in the global economy; intra-member countries' trade accounts for around 5 per cent of their total trade. In this context, there has been broad-based consensus on the need to look beyond trade in goods. While extended co-operation involving areas such as services, infrastructure development and transshipment has been discussed in different forums, both among policy-makers and trade analysts, less attention has been paid to understanding the potential for building supply chains based on industrial units located in different countries within the region. It was against this backdrop that UNCTAD, the Centre for WTO Studies and the Commonwealth Secretariat

decided to collaborate on a joint project to assess the prospects for developing production linkages under south Asian regional co-operation. A salient feature of this initiative was to make the research useful to policy-makers and industries by looking at industry-specific dynamics rather than following a general and broad approach. Given its importance to the region, the textiles and clothing sector was selected.

Findings from the existing literature appear to suggest that cross-border production sharing, development of supply chains and intra-industry trade assist participating countries to more into regional markets and may act as a catalyst for developing countries' industrialisation and growth (Rodas-Martini, 1998; Yeats, 2000). Concentrating on IIT and the strengthening of cross-border vertical supply chains as mechanisms for integration could be an important step in lowering costs, while increasing the level of specialisation of countries and product differentiation within the region. Other potential benefits of the formation of production supply chains through IIT are:

- The creation of a larger market for the product;
- A country could simultaneously reduce the number of products it produces and increase the variety of goods available to domestic consumers;
- By producing fewer varieties of goods, a country could produce them on a larger scale and thus achieve higher productivity.

Preliminary research showed that there is considerable potential for regional intra-industry trade in textiles and clothing in south Asia. Using the average for the period 2005–2007, the Grubel-Lloyd index,[9] the most common measure of intra-industry trade, showed that T&C trade for south Asia with respect to the world was estimated to be 27.3 per cent, as against 16.6 per cent with respect to the region itself.[10] This indicated that the region's imports from the world are much higher than those from the region within the T&C sector. It also indicated that there is significant scope for substantially increasing regional intra-industry trade. At present, intra-

regional trade in T&C is only 3.5 per cent of south Asia's global trade in the sector.

The choice of T&C for in-depth analysis is also important from another perspective. It is generally perceived that as individual south Asian countries are prominent textiles and apparel exporters in global markets, they cannot complement one another in developing supply chains and promoting their mutual comparative advantage. However, because of product variety and relative specialisation in different disaggregated items within the broad sector, it is necessary to map production and export structures in individual countries and their sources of raw materials to make a more informed assessment. It is important to note that while preferential trading arrangements generally attempt to protect the regional market from other world suppliers, the export-oriented textiles and clothing sector is a case where south Asian members' objective is to procure the raw materials from the least-cost suppliers so that they can be more competitive in the global market. Given that India and Pakistan both have a strong textiles base and are sources of important raw materials, while Bangladesh and Sri Lanka are mainly apparel manufacturers, the scope for establishing and expanding regional supply chains is quite significant.

The main objective of this study is therefore to identify potential supply chains, using disaggregated product level information at the HS 6-digit level, that can be formed in the T&C sector (HS chapters 50–63) within south Asia, which will enable the region to lower its production costs and improve its global competitiveness. Enhancing competitiveness is essential to maintain and increase market share in the wake of the global economic crisis. The analysis is undertaken for the four major economies of the region: Bangladesh, India, Pakistan and Sri Lanka. The benefits of regional integration in developing potential supply chains in south Asia are also addressed.

The study is organised as follows: chapter 2 highlights existing regional trends in trade in the textiles and clothing sector; chapter 3 provides a brief profile of the T&C sector in

Bangladesh, India, Pakistan and Sri Lanka; chapter 4 provides a brief review of studies on south Asian production supply chains; chapter 5 discusses the methodology adopted to identify potential supply chains and the sources of the data; chapter 6 presents country potential 3-stage and 2-stage supply chains; and chapter 7 concludes with some practical policy suggestions.

2 Broad Trends in Trade in the Textiles and Clothing Sector in South Asia

In this section some of the broad trends in South Asia's textile and clothing sector are highlighted, while comparing them with those of one of the leading supplying regions, namely east and southeast Asia. As all data for recent years are not always available from comparable sources, in most cases 2004–2008 has been used as the reference period for comparison. South Asia's global exports of textiles and clothing increased substantially from US$33 billion in 2004 to around US$46 billion in 2007. The growth of exports from south Asia in this period improved the region's global export share from 7.1 per cent in 2004 to 7.7 per cent in 2007, almost double the share of the Association of Southeast Asian Nations (ASEAN) (Table 2.1). There was also a rise in global imports of T&C in the region, from US$7.5 billion in 2004 to US$9.2 billion in 2007. Both exports and imports experienced a drastic fall in 2008, as a result of the global economic slowdown. The share of south Asia in global exports declined from 7.7 per cent to 6.1 per cent in 2008, while that of ASEAN marginally improved.

Table 2.1. Share of south Asia and ASEAN in global exports of the textiles and clothing sector

Year	Global exports of T&C (US$ billion)	South Asian exports of T&C (US$ billion)	South Asian imports of T&C (US$ billion)	ASEAN exports of T&C (US$ billion)	Share of south Asia in exports of T&C (%)	Share of ASEAN in exports of T&C (%)
2004	459.7	32.83	7.52	26.7	7.14	4.06
2005	487.2	37.9	8.07	28.4	7.78	3.56
2006	537.0	42.99	8.42	31.6	8.01	3.58
2007	594.0	45.75	9.28	24.2	7.7	4.02
2008	604.5	36.85	7.66	25.2	6.1	4.15

Source: COMTRADE and International Trade and Customs Brokers (ITCB) for ASEAN

An examination of trade trends for Bangladesh, India, Pakistan and Sri Lanka indicates that T&C exports rose considerably, i.e. by more than 30 per cent, in all countries in the period 2003–2007. There was a rise in both exports and imports, with all four countries importing goods worth more than US$1 billion in 2007 (Table 2.2).

Table 2.2. Global imports and exports of textiles and wearing apparels of south Asian countries (US$ billion)

	Bangladesh		India		Pakistan		Sri Lanka	
Year	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
2003	2.58	5.51	1.93	12.50	0.74	8.30	1.48	2.59
2004	2.68	6.92	2.07	14.15	1.13	8.92	1.64	2.84
2005	2.48	7.68	2.67	17.03	1.26	10.26	1.66	2.93
2006	2.67	9.90	2.75	19.10	1.35	10.87	1.65	3.12
2007	2.61	10.66	3.04	20.97	1.90	10.74	1.73	3.38
2008			3.58	22.70	2.28	10.63	1.80	3.52

Source: COMTRADE

When textiles and clothing are looked at separately, it is found that south Asia's share in exports of textiles has grown much faster than its share in wearing apparels (Table 2.3). The region's share in global exports of textiles increased from 5.3 per cent in 2004 to 6.5 per cent in 2007, while its share in global exports of wearing apparels increased from 7.89 per cent in 2002 to 7.93 per cent in 2007.

Table 2.3. Share of south Asia and ASEAN in global trade in textiles and wearing apparels (%)

Year	Share of south Asia in exports of textiles	Share of ASEAN in exports of textiles	Share of south Asia in exports of wearing apparels	Share of ASEAN in exports of wearing apparels	Share of south Asia in imports of textiles	Share of ASEAN in imports of textiles
2004	5.35	2.74	7.89	4.7	3.85	4.91
2005	5.69	2.87	8.63	3.77	4.15	4.72
2006	6.38	2.87	8.51	3.8	4.18	4.87
2007	6.5	3.00	7.93	4.36	4.24	5.87
2008	6.29	3.06	5.61	4.51	3.51	6.35

Source: COMTRADE

An interesting fact to note is that there is both demand for and supply of T&C inputs within south Asia, with different countries specialising in the production of final product and inputs. For example, Bangladesh and Sri Lanka have higher shares in wearing apparels in their global exports, while India and Pakistan have higher shares of textiles (Table 2.4). This complementarity increases the potential for developing production supply chains within the region.

Table 2.4. South Asian countries' exports of textiles and clothing, 2007

	Global textiles exports (US$ billion)	Global clothing exports (US$ billion)	Share in south Asian exports of textiles (%)	Share in south Asian exports of clothing (%)	Share in south Asian exports of T&C (%)
Bangladesh	1.34	9.32	6.48	37.20	23.32
India	11.6	9.37	56.05	37.40	45.83
Pakistan	7.5	3.2	36.33	12.86	23.47
Sri Lanka	0.24	3.14	1.15	12.54	7.38

Source: COMTRADE

At country level, India is the biggest global exporter of textiles, followed by Pakistan and Bangladesh (Figure 2.1). Bangladesh and Sri Lanka exported less than US$2 billion throughout the period. In terms of global clothing exports, India is the biggest exporter, closely followed by Bangladesh. Pakistan and Sri Lanka exported wearing apparels worth between US$2 and 3 billion in this period (Figure 2.2).

Figure 2.1. Global exports of textiles from south Asian countries, 2004–2008 (US$ billion)

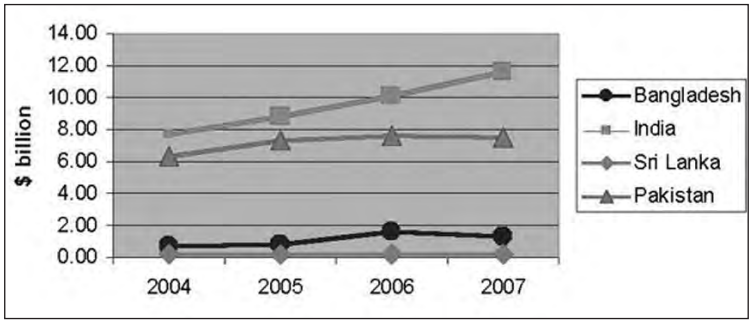
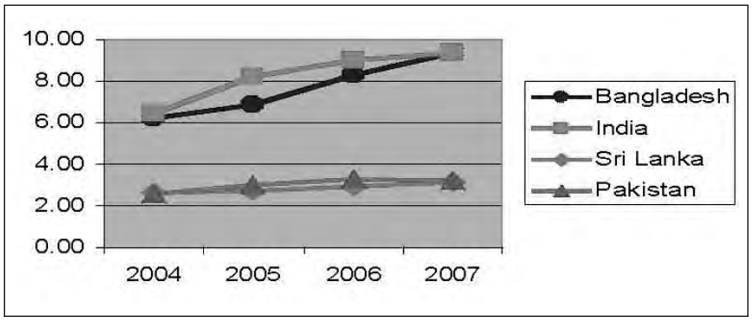
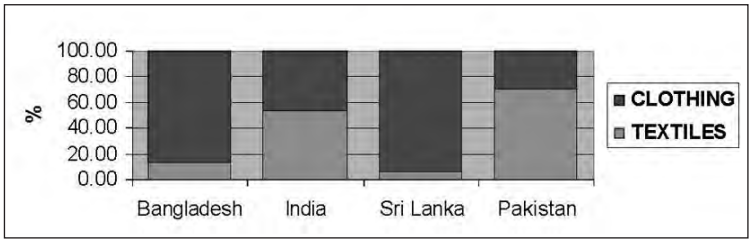


Figure 2.2. Global exports of clothing from south Asian countries, 2004–2008 (US$ billion)



From these figures, it is clear that countries within the region specialise in different segments of the T&C sector. Textiles make up a large proportion – more than 50 per cent – of the average T&C global exports of Pakistan and India. However, textiles form only a small share – less than 20 per cent – of global T&C exports from Bangladesh and Sri Lanka; their major export is clothing, which makes up more than 80 per cent of their total global T&C exports.

Figure 2.3. Share of textiles and clothing in south Asian countries' total exports (average 2004–2007)



3 Profile of the Textiles and Clothing Sector

The trends described above highlight the increasing importance of the textiles and clothing sector in south Asian countries' total exports and their growing competitiveness as each country witnesses rising exports over time. The trends also highlight the differences in competitiveness in the sector within the region, with countries specialising in either textiles or clothing. To get a better picture of this specialisation we present a brief profile of the T&C sector in each of the four south Asian countries.

3.1 Bangladesh's textiles and clothing sector: an overview

The production of textiles and clothing is the largest manufacturing activity in Bangladesh. It provides direct employment to about 5 million people and accounts for 45 per cent of all industrial employment in the country. The sector contributes 10 per cent of the country's GDP, 40 per cent of industrial value addition and 78 per cent of export earnings. Major products include basic yarn and fabrics, primarily used for domestic consumption, and other materials used in export-oriented making (clothing industry), such as polyester filament fabrics, man-made filament mixed fabrics, PV fabrics, viscose filament fabrics and man-made spun yarns. The major categories of ready-made garments (RMG) exported by Bangladesh are knitted and woven shirts and blouses, trousers, skirts, shorts, jackets, sweaters and sportswear, and other fashion apparel.

Table 3.1 provides a profile of Bangladesh's T&C sector. The sector can be broadly divided into the primary textile sector (PTS) and the export-oriented RMG sector. The PTS comprises spinning, weaving and specialised textile units, the traditional handloom sector and the knitting and dyeing subsectors. There are currently 350 spinning mills, 400 weaving firms, 310 dyeing and finishing units and 4,500 garment factories.

Table 3.1. Bangladesh's textiles and clothing sector at a glance

Sub-sector	Number of units	Installed machine capacity	Production capacity	No. of workers employed
Textile spinning	350	7.5 million spindles (0.2 million rotors)	1,800 million kg	400,000
Textile weaving	400	25,000 shuttleless/ shuttle looms	1,600 million metres	80,000
Specialised textiles	1,065	23,000 shuttleless/ and power looms	400 million metres	43,000
Handloom	148,342	498,000 looms	837 million metres	1,020,000
Knitting, knit dyeing	2,800	17,000 knit/Dy/M	4,100 million metres	324,000
Dyeing and finishing	310	–	1,720 million metres	33,000
Export-oriented ready-made garments (clothing)	4,500	–	475 million dozen	2,000,000
Other related sectors	–	–	–	600,000

Source: Bangladesh Textiles Mills Association

Traditionally, the primary textiles sector was oriented to the domestic market. In the 1970s, apart from the handloom sector, most other units in the PTS – virtually all medium to large firms – were in the public sector. While deregulation and the liberalisation policies of the 1980s and 1990s led to a significant reduction in the capacity of public sector enterprises, the private sector-led growth of the PTS was still supported by proactive policy measures, including protection provided by high tariffs and quantitative restrictions on competing imports, and other fiscal and financial incentives. Although by the early 2000s, all quantitative restrictions had been abolished, and tariffs had been brought down considerably, the sector continues to enjoy significant protection.

The emergence and rapid growth of the RMG sector, exports of which rose from virtually nothing in the late 1970s to US$1 billion in 1990, US$6 billion in 2000 and US$13 billion in 2009, has significantly shaped the development of the capital-intensive primary textiles sector. The rise of the RMG industry is quite striking from two perspectives. First, many

developing countries traditionally relied on an import substitution industrialisation strategy to develop their manufacturing base. In the absence of a static comparative advantage, such a strategy calls for the protection of 'infant' industries by trade policy instruments and other support measures. Industrial units supported by import substitution policies, as in the case of the primary textiles sector, usually target the readily available domestic markets before exploring foreign markets. In contrast, Bangladesh's RMG industry depended solely on demand from foreign markets, and was facilitated by MFA quotas that provided export opportunities for new suppliers by restricting imports into Europe and north America from established suppliers such as China, the Hong Kong Special Administrative Region of China and the Republic of Korea. Given their export orientation, RMG exporters were allowed to import raw materials and capital goods duty free, and were granted other fiscal and financial incentives.

The other interesting development was that the success of clothing exports gave an opportunity for the primary textile sector to benefit from integration with the RMG industry. Policy measures also helped facilitate the process. First, the Government of Bangladesh provided cash incentives (initially 25 per cent, subsequently reduced to 15 per cent and then to 5 per cent before their abolition in early 2000) for sourcing intermediate inputs for export products. Perhaps more importantly, the EU's GSP for LDCs, which granted Bangladeshi exporters duty-free access to its markets, was by the fulfilment of EU rules of origin that strictly specified a certain stage of domestic value addition before products could qualify for such preferential treatment. These measures have greatly enhanced the contribution of the PTS to exports.

The changing composition of RMG exports from Bangladesh has also had important implications for the domestic PTS. Until very recently, clothing exports from Bangladesh were dominated by woven garment products. Domestic fabric production capacity, particularly the type required for woven garment exports, is limited. However, since the mid-1990s, the

country has witnessed massive growth of knitwear exports, and they surpassed woven garments in the mid-2000s. Over time, the capacity of the spinning sub-sector, providing intermediate inputs for knitwear items, has increased rapidly. According to informed sources, the domestic PTS currently meets 80–85 per cent of the intermediate input requirements of the export-oriented knitwear industry, while the corresponding figure for woven garments is only 30–35 per cent.

Figure 3.1. Growth in spinning capacity and yarn and fabric production in Bangladesh

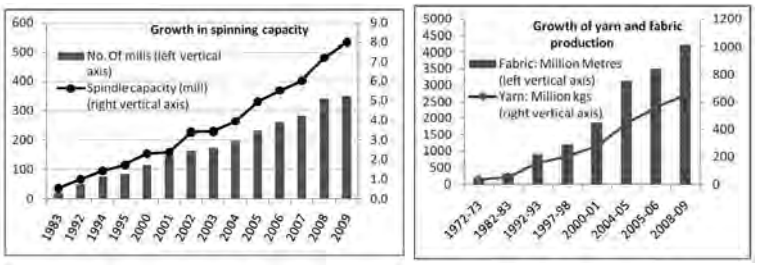


Figure 3.1 shows the growth in Bangladesh's spinning capacity in terms of the number of mills and of spindles capacity. While spinning units have doubled since 2000, spindle capacity has more than tripled. During the same period, yarn production has increased from 272 to 650 million kilograms, and fabric production from 1,845 to 4,225 million metres. Although since 2001 yarn and fabric production have grown at a similar rate – about 17 per cent per annum – exports from the woven RMG sector remain critically dependent on imported fabrics.

Though both spinning and weaving capacity have increased, the sectors are constrained by a major problem – that the country does not produce enough raw materials. The primary materials used in the spinning sector are raw cotton and man-made fibres such as viscose and polyester, and the country has to rely on importing these materials. For example, raw cotton consumption in 2010–2011 is forecast at 900,000 tons, almost all of which will have to be imported.

The quality of domestically produced intermediate inputs

has also been questioned. Recently set up spinning and weaving mills are capable of supplying quality yarns and fabrics required for the export-oriented RMG sector, but it has been found that their prices are 10–12 per cent higher than those sourced from China and India (USDA, 2010).

Available sectoral projections show that in 2009–2010 the demand for fabrics in Bangladesh (taking into consideration both domestic market and RMG export demand) stood at 9,115 million metres, while domestic production was only 4,225 million metres. On the other hand, the demand for yarn is projected at 1,519 million kilograms compared with domestic supplies of 650 million kilograms. It has been estimated that to meet domestic demand Bangladesh would require around 200 spinning and 217 weaving units of medium to large capacity. This shows that there may be significant scope for exploiting regional supply chains, as it is very unlikely that all import requirements can be sourced domestically in the near future.

3.2 India's textiles and clothing sector: an overview[11]

The Indian textiles and clothing sector is one of the largest and most important sectors of the Indian economy. It contributes 4 per cent of GDP, 12.5 per cent of foreign exchange earnings and provides more than 35 million jobs,[12] making it the second largest provider of employment after agriculture. The sector also creates a large amount of employment indirectly, both in traditional industries such as the production of cotton and other natural fibres and in modern industries such as textile design and fashion.

The T&C sector experienced a robust growth in recent years until it was affected by the global financial crisis. During the period 2004–2008, the sector's compound annual growth rate (CGAR) was 8 per cent and it was one of the country's best performing manufacturing sectors. On the external front, exports from the sector were bolstered by the buoyancy in global economic growth, the abolition of the MFA (in January

2005) and rapidly growing world trade. Supply side factors such as improving cost competitiveness, expansion of the multi-fibre base and rapidly growing production capacity of fibre, yarn and fabrics have also played a crucial role in the robust performance of the sector.

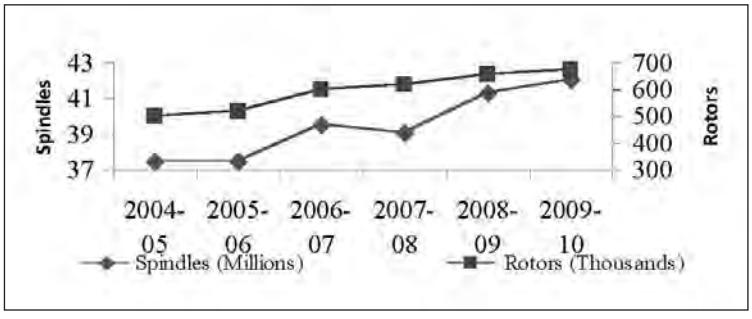
The spinning sector is by far the most efficient and technically advanced sub-sector of India's T&C industry, thanks to the deregulation that started as long ago as the 1980s. India ranks high in the world in terms of installed capacity. Its spinning sector occupies second place in installed capacity of spindles for cotton and third in wool processing (Table 3.2). Installed capacities of both spindles and rotors have increased steadily over the years (Figure 3.2). As much as 85 per cent of total yarn production is contributed by the organised mill sector. There is also a high presence (43%) of small scale-industries (SSIs).

Table 3.2. Installed spinning capacity, 2007

	World capacity (million)	Installed Indian capacity (million)	India as a % of world	India's ranking
1. Spindles (cotton)	202.4	39.3	19.4	2 (China)
2. Spindles (wool)	14.9	1.0	6.9	3 (China)
3. Rotors	8.7	0.6	6.9	4 (Russia)

Note: Country in brackets is first ranking country.
Source: ITMF Report, 2008

Figure 3.2. Growth of spinning, spindles and rotors in India



Source: Office of the Textile Commissioner, Government of India

Yarn production in India has increased at a moderate average growth rate of nearly 4.5 per cent per annum since 2005–2006 (Table 3.3). The growth in production of man-made filament yarn (MMFY) (5.6%) has been higher than that of spun yarns (4.2%). Despite the higher growth of MMFY, spun yarn dominates yarn production with a share of over 73 per cent. Within MMFY, polyester filament yarn dominates with a share of around 94 per cent. The output of the yarn sector contracted by over 3 per cent in 2008–2009 in the wake of the global financial crisis. However, the sector experienced a sharp recovery, with growth of nearly 7 per cent in 2009–2010.

Table 3.3. Yarn production in India (kg million)

	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010	Average growth rate 2005–2009
Production of spun yarn (SSI and non-SSI)						
Cotton	2,521	2,824	2,948	2,898	3,073	4.3
Blended	588	635	677	655	706	4.0
100 per cent N.C.	349	355	378	361	408	3.3
Total spun yarn	3,458	3,813	4,003	3,914	4,187	4.2
Production of MMFY						
Viscose filament yarn	53,09	54	51	42	43	-6.5
Polyester filament yarn	1,076	1,271	1,420	1,330	1,434	6.4
Nylon filament yarn	37	32	28	28	30	-5.4
Poly propylene filament yarn	14	13	11	15	15	2.9
Total MMFY	1,179	1,370	1,509	1,416	1,522	5.6
Total yarn	4,638	5,184	5,513	5,330	5,709	4.5

Source: Office of the Textile Commissioner, Government of India

The spinning sector is strong because of its very strong fibre base. India ranks high in production of all major fibres, including jute, cotton, silk, polyester, viscose and acrylic (Table 3.4). The country is the largest producer of jute fibre in the world and the second largest producer of cotton, silk and cellulosic fibres, though it lags far behind China, which occupies first place. India has been catching fast in man-made textiles. Even

though the country has yet to travel a long distance in man-made textiles, it is interesting to note that the largest producer of polyester in the world is an Indian company.

Table 3.4. India's global share of production of fibres

Category	Production, 2009 (kg billion)	Share in world (%)	Ranking
Jute (jute, kenaf and allied fibres)	1.7	56	1
Cotton	5.0	22	2 (China 30%)
Silk	0.017	13	2 (China 82%)
Cellulosic fibre/yarns	0.33	12	2 (China 45%)
Synthetic fibres/yarns	2.4	6	2 (China 48%)

Note: The top ranking country is shown in brackets with its percentage share.
Source: Office of the Textile Commissioner, Government of India

India's weaving sector is dominated by small scale industry and is the most fragmented sector of the T&C industry. This is evident from the fact that SSI contributes around 80 per cent of total fabrics production and 95 per cent of fabrics exports. Decades of restrictive government policies favouring small-scale operations have led to structural weaknesses in the sector. It lags in productivity and the capacity to supply very high quality fabrics both to domestic and export units for garment manufacture. India ranks first in terms of global ranking for installed capacity of looms, both shuttle and handlooms. It is only in shuttleless looms that the country ranks relatively lower in fourth place. The percentage of shuttleless looms to plain looms is barely 3 per cent, compared with the world average of 16 per cent. The small proportion of shuttleless looms, which ensure high quality, is a matter of concern for the country's industry. Nevertheless, India may continue to enjoy high ranking in its overall capacity of looms for many years to come, as it has been expanding consistently in the sector over the years (Table 3.5).

Table 3.5. Installed weaving capacity, 2007

	World capacity (millions)	India's installed capacity (millions)	India's capacity as % of world capacity	India's ranking
Shuttle looms	4.44	2.01	45.3	1
Shuttleless looms	1.0	0.06	5.0	4 (China)
Handlooms	4.6	3.9	84.7	1
Total looms	10.04	5.96	59.4	1

Note: The top ranking country is shown in brackets with its percentage share.

Fabrics production ranks high in the value chain of the T&C sector. Production in the weaving sector has been growing at a rate of over 4 per cent since 2005–2006. The largest proportion of fabric is contributed by the decentralised power loom sector (61.6%), followed by decentralised hosiery (21.7%), handlooms (12.1%), mills (3.3%) and the Khadi, wool, silk sector (1.4%).[13] In terms of yearly average growth, the decentralised hosiery sector has grown fastest (6%) since 2005–2006, followed by the decentralised power loom sector (3.9%) (Table 3.6).

Table 3.6. Production of fabrics in India (sq. metres million)

	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010	Average growth rate (2005–2009)
Mill sector	1,656	1,746	1,781	1,796	1,961	3.7
Handloom sector	6,108	6,536	6,947	6,677	6,769	2.3
Decentralised power loom sector	30,626	32,879	34,725	33,648	36,644	3.9
Decentralised hosiery sector	10,418	11,504	11,804	12,077	13,623	6.0
Khadi, wool and silk	769	724	768	768	768	0.6
Total	49,577	53,389	56,025	54,966	59,765	4.1

Source: Office of the Textile Commissioner, Government of India

The garment sector has been the driving force behind the growth of the Indian T&C sector. India's garment industry is characterised by a large number of independent small-scale

firms. An average Indian garment exporter has around 119 machines, compared to 698 for an exporter in the Hong Kong Special Administrative Region of China and 605 in China.

3.3 Pakistan's textiles and clothing sector: an overview[14]

The textile and clothing sector is Pakistan's most important manufacturing sector. It contributes nearly a quarter of industrial value addition, provides employment for about 40 per cent of the industrial labour force, accounts for more than 40 per cent of banking credit to the manufacturing sector and contributes 8 per cent of GDP. The share of T&C in the country's exports is around 54 per cent.[15]

Pakistan is the fourth largest producer and the third largest consumer of raw cotton in the world. It ranks as the 12th largest exporter in world T&C exports – 10th in textiles (yarns, fabrics, bed linen, towels and other textile made-ups), with exports worth US$7.37, and 13th in clothing (woven and knitted and crocheted garments), with exports worth US$3.8 billion in 2007.[16]

The textile industry has made an investment of about US$7.5 billion during the last ten years (1999–2009). A break-down of total investment indicates that 50.2 per cent went into the spinning sector, followed by 17 per cent in textile processing and 15 per cent in weaving. Other sectors, namely knitwear, made-ups and synthetic textiles, accounted for 7.02 per cent, 4.71 per cent and 5.76 per cent, respectively.[17]

Cost competitiveness is the key determinant for world exports. Pakistan has an advantage in domestic raw material and robust spinning, weaving and processing capabilities. However, its ranking in other factors of production is mixed compared to its regional competitors. Table 3.7 compares Pakistan, India, China, Bangladesh and Cambodia on six cost indicators: labour costs, labour hours, electricity costs, ocean transport, land transport and building. Hourly wage rates, labour hours and electricity costs are lowest in Bangladesh,

while Pakistan ranks third. Building costs are highest in Pakistan, compared to the other four countries.

Table 3.7. Production input cost ranking of selected Asian countries[18]

Cost category	1	2	3	4	5
Labour costs	Bangladesh	Cambodia	Pakistan	India	China
Labour hours	Bangladesh	China	Pakistan	India	Cambodia
Electricity costs	Bangladesh	China	Pakistan	India	Cambodia
Ocean transport costs	China	Bangladesh/ Cambodia	Pakistan	India	
Land transport costs	Bangladesh	Pakistan	India	China	Cambodia
Building costs	China	Bangladesh	Cambodia	India	Pakistan

Cotton is the principal raw material for the textile industry, supplemented by synthetic polyester staple fibre, viscose, acrylic and other fibres for final products fabrication. The industry has increased its reliance on imports of raw cotton due to stagnant growth of the domestic raw cotton crop. Table 3.8 provides information on domestic production and imports of raw cotton during the last five years. Mills consumption of raw cotton increased from 2.1 million tons in 2004–2005 to 2.5 million tons in 2008–2009. Synthetic fibre consumption increased rapidly compared to raw cotton, as reflected by the share of synthetic fibres, which increased from 19 per cent in 2004–2005 to 21 per cent in 2008–2009.

Table 3.8. Supply and distribution of cotton in Pakistan

	'000 bales of 375 lbs or 170 kg		
Years	Production	Imports	Total
2004–2005	14,265	2,249	18,511
2005–2006	13,019	1,728	18,867
2006–2007	12,856	2,952	19,427
2007–2008	11,655	2952	18,267
2008–2009	11,819	2,659	16,885

Source: Textile Commissioner's Office, All Pakistan Textile Mills Association

The spinning sector is the most important segment in the hierarchy of textile value chain. At present, it is comprised of 521 textile units (50 composite units and 471 spinning units) with 11.28 million spindles and 194 thousand rotors in operation (Table 3.9). The All Pakistan Textile Mills Association (APTMA) claims that over 50 per cent of its machinery is less than seven years old, as a result of the investment of over US$6 billion in the textiles sector in the period 1998–2008.

Table 3.9. Supply and distribution of cotton in Pakistan: installed capacity ('000)

Period	Units	Spindles	Growth (%)	Rotors	Growth (%)
2004–2005	458	10,485	9.31	155	6.16
2005–2006	461	10,437	-0.46	155	0
2006–2007	461	10,513	0.73	150	-3.23
2007–2008	521	11,834	13.00	188	25.00
2008–2009	521	11,280	0.12	194	3.00

Source: All Pakistan Textiles Mills Association

The spinning industry faces numerous problems which have hampered its competitiveness. Interest rates have shot up since 2004–2005 to 14–16 per cent per annum. Inflation has caused drastic price increases for spare parts and other operational costs. Wages have almost doubled in the last five years. The industry has also been hit hard by severe gas and electricity shortages in the last two years.

The cotton crop has been a central issue for the cotton spinning industry. Cotton comprises almost two-thirds of cotton yarn product costing. The availability of a sufficient cotton crop, clean cotton, less trash content and cotton classification/grading have been core issues for the industry over the last 15 years, and there little headway has been made in resolving them. Yarn production has registered an increase despite various market-related constraints since 2002–2007. Annual growth has ranged from 3.71 per cent in 2003–2004 to a maximum 11.14 per cent during 2005–2006.

The cloth production sector is very diverse in technology and economies of scale. There are three different sub-sectors

in weaving: integrated, independent weaving units and power loom units. Pakistan's organised mills sector is reported to have over 4,000 air-jet looms and 24,000 shuttleless looms.[19] There are reportedly over 300,000 power looms installed as well. Most cloth produced by power loom is used in processing mills for textile made-ups and local market consumption. Shuttleless looms are fast replacing the power looms and enjoy a significant share of total cloth production.

Cloth produced by the shuttleless and air-jet looms sector is of high quality and used in high-end products. The bulk of the cloth produced by this sector is exported. Exports of fabrics have registered robust growth during last two decades. Table 3.10 summarise the production of cloth and its usage by the domestic market and exports. A trend of usage similar to that of yarns prevails in the weaving sector: approximately 75 per cent of cloth produced is processed and consumed locally.

Table 3.10. Production, exports and domestic requirement for cloth in Pakistan

Period	Mill sector	Non-mill sector	Total production	Exports (sq. metres million)		Available for local market	
				Quantity	% of total production	Quantity	% of total production
2002–2003	582.14	5,068.38	5,650.52	2,005.38	35.49	3,645.14	64.51
2003–2004	683.39	5,051.90	6,833.12	2,412.87	35.31	4,420.25	64.69
2004–2005	924.67	5,556.00	6,480.67	2,751.56	42.46	3,729.11	57.54
2005–2006	915.26	7,609.00	8,524.26	2,633.98	30.9	5,890.28	69.1
2006–2007	932.66	7,682.00	8,614.66	2,211.74	25.67	6,402.92	74.33

Figures for non-mill sector are estimated.
Source: Textile Commissioner's Office

Pakistan is fairly strong in production of sheeting quality fabrics, whereas its weaving sector has not been able to develop its capability to develop a similar strength in shirting fabric. Further, its production has been concentrated into basic greige fabrics without making significant headway into more value added jacquard and yarn dyed fabrics for the higher end shirting market. About 18,000 knitting machines are installed in the industry.[20]

The garment industry provides the highest value addition in the textile sector. It consists of small, medium and large-scale units, most of them with 50 machines and below. According to estimates by the Textile Commissioner's Office, about 450,000 stitching machines are installed in the industry.

The bulk of ready-made garments exports is in bottom wear, which includes denim and other trouser product categories. But Pakistan's share in tops is dismal for a variety of reasons. One basic factor is the lack of good quality shirting manufacturing. Economies of scale are another important issue in the marketing of shirting products to leading world brands. Most garment units are small or medium-sized. This fragmentation does not encourage large buyers of shirtings.

The home textile sector is a major part of the value chain of the processing industry, which has the capacity to process 4.6 billion square metres of fabric annually. Pakistan is among the top three exporting countries of home textiles, and the largest exporting country in the south Asian region of home textiles and other textile made-ups. Its exports of home textiles and other textile made-ups (including towels) registered a growth of 33 per cent in the period 2003–2008.

3.4 Sri Lanka's textiles and clothing sector: an overview[21]

The textiles and clothing sector contributes 6 per cent of Sri Lanka's GDP, and provides 46 per cent of industrial employment and nearly 40 per cent of industrial production in terms of value. Starting with 19 firms in 1973, by 2001 the industry consisted of 830 firms. The value of production of the sub-sector as a proportion of total industrial production increased from 10 per cent in 1977 to 44 per cent in 2002.[22]

When Sri Lanka liberalised its economy in 1977, the country's garment industry took off immediately, mainly as a result of quota-hopping east Asian garment exporters, who were attracted by the country's liberal trade regime and relocated their already well-established garment businesses to Sri Lanka.

This relocation encouraged local entrepreneurs to start their own garment enterprises to exploit markets guaranteed by quotas, assisted by the liberal trade regime for imports and subsequently by incentives granted by the Board of Investment (BOI) to selected industries.[23] Sri Lanka did not have a well-developed export quality textile industry base; nor did it have a base for garment industry accessories. Thus, from the very beginning, garment production was based on imported inputs and the value added remained low – close to 30 per cent. By the early 1980s, garment exports were growing rapidly and by 1986 garments accounted for the largest share of all exports (27 per cent). By the late 1980s, Sri Lanka's garment industry was referred to as 'glorified tailor shops', because despite a decade of growth it had few linkages with other industries and the value added remained low.

In 1990s, the textiles and clothing industry grew by 18.5 per cent per annum; in 2008 it accounted for 43 per cent of Sri Lanka's export revenue. Its contribution to industrial exports rose to 43 per cent. Most of the export revenue came from clothing; textiles contributed only 10 per cent.

The sector has attracted large-scale investment post-1977 with the liberalisation of the economy. Tax incentives and the amendment of exchange rate regulations led to an increase in investment from SLRs205 million in 1985 to a staggering SLRs2,632 million in 1993. Investment increased further after the establishment of the Board of Investment. The privatisation of the state-owned National Textile Corporation's (NTC) large-scale textile mills also attracted foreign investors. Some of these privatised ventures were subsequently converted into BOI companies. Realised investment in BOI enterprises in textiles and apparels increased to US$417.86 million in 2002 from US$110 million in 1992, more than half of which accrues to foreign investment.

According to the data available from the BOI, foreign investors own close to 50 per cent of garment factories and account for nearly 50 per cent of total textiles and garment exports (USITC, 2004). Greater dependence on imported

textile materials indicates that Sri Lanka has a large export-oriented garment sector, but a small textile industry that has insufficient capacity to supply the quantity or quality of yarn and fabrics required by the garment industry.

Value added in the T&C sector increased at an average rate of 12 per cent per annum in the period 2002–2009. However, value added in textiles has been significantly lower than in the clothing sector. In 2009, the value added in the clothing sector was almost 4.5 times higher than in the textiles sector (Table 3.11).

Table 3.11. Value added in the textile and clothing industry in Sri Lanka (SLRs million at current prices)

Category	2002	2003	2004	2005	2006	2007	2008	2009
Textiles	12,574	13,340	15,008	17,425	19,429	22,885	25,721	27,197
Wearing apparels	57,127	60,610	67,082	82,167	90,539	104,165	117,075	123,084

Source: Central Bank of Sri Lanka

With the increase in production and investment, employment in the textile industry has also increased. The industry provides more than 330,000 jobs or 5 per cent of the country's total employment in more than 1,060 garment factories. In 2002 alone, foreign investment in the industry resulted in the creation of 15,920 employment opportunities.

Small and medium-sized enterprises (SMEs) are an important source of employment and growth in the sector. However, unlike bigger firms, high-cost financing and the lack of collateral has discouraged investment in technology. The competitive strength of the Sri Lankan garment industry is based on cheap labour (Table 3.12), a literate labour force, high labour standards, investment-friendly government policies and strategic shipping lanes.

3.12. Salary of workers by skill and location in Sri Lanka (US$ per month)

	Colombo	Industrial zone	Outstation	Suburb
Unskilled	33	39	34	33
Skilled	44	53	44	42
Technicians	97	94	77	70
Supervisors	88	95	75	83
Middle managers	187	146	119	153
Senior managers	432	388	263	288

Note: Converted to US$ using 2000 average annual exchange rate.
Source: UNIDO Survey, 2000

Labour costs in Sri Lanka amount to 15–20 per cent of overall costs. Many studies point out the country's low labour productivity. Owing to the lack of a fabric and accessory base (lack of vertical integration), the turn-around time of Sri Lanka's garment industry remains around 90–150 days, compared with the ideal international lead time of around 60 days. This large turnaround time is an issue in the context of competitiveness, particularly when eastern European countries have become major suppliers of garments to the EU, and Mexico and Caribbean countries have become major suppliers to the USA under preferential tariff arrangements. Moreover, this problem is of particular concern as 'just-in-time' delivery has become an accepted principle and requirement in global markets (Kelegama, 2005).

4 Brief Review of the Literature

There exists a vast literature on regional integration in south Asia through trade. However, very few studies identify the potential supply chains in the region. The benefits of regional co-operation in textiles and clothing have been discussed by ADB and UNCTAD (2008), Robbani (2004), USITC (2004) and Tewari (2008).

ADB and UNCTAD (2008) point out the growing intra-industry trade in the textiles and clothing sector within south Asia and the potential to increase it further. The study estimates the bilateral Grubel Lloyd index for the years 1991 and 2004 and finds that IIT increased for some T&C sectors. These are spinning, weaving and finished textiles; knitting mills; and manufactures of textiles not elsewhere classified. The study also estimates the gains to all countries in south Asia in the T&C sector made by the lowering of tariffs in SAFTA.

Robbani (2004) underlines the importance of enhancing the collective export competitiveness of south Asian countries through co-operation rather than competition. According to the study, the hourly compensation rate in all four south Asian countries is among the lowest in the world. A recent US study shows that a plentiful supply of low-cost labour is the primary reason for sourcing by US companies from the four south Asian countries (USITC, 2004). Apart from the low cost of labour, the region as a whole has some other competitive advantages. The main one is the availability of raw materials. Although Bangladesh and Sri Lanka import 70 per cent and 80 per cent of their inputs, respectively, India and Pakistan are net exporters of raw materials. Textiles yarn and fabrics constitute 49.5 per cent of the total exports of Pakistan (Gereffi, 2003), which has the third largest installed capacity of short-staple spindles for spun yarn in the world, after China and India. India is also the third largest cotton producer in the world, after China and the USA. The availability of (cheap) raw material in the region has given a competitive advantage to

the clothing industries not only of India and Pakistan, but also of Bangladesh, Nepal and Sri Lanka.

Given the heterogeneity of the T&C sub-sectors across the region, there might be some scope for regional co-operation. The T&C sub-sectors in Bangladesh, India, Pakistan and Sri Lanka exhibit different degrees of specialisation. While firms in Pakistan specialise in cotton textiles intermediate goods (yarn and grey fabrics), firms in Bangladesh and Sri Lanka remain export-oriented apparel producers, dependent on imported inputs such as yarn and fabric. India has developed a highly complex sector, covering the entire value and production chain from fibre production to garment manufacture and packaging. India has certain unique advantages, such as a wide range of fibres, both natural and man-made, production capacities from spinning right up to apparel manufacture and cheap skilled labour.

Generally, firms in south Asia are not vertically integrated and are, for the most part, independent, privately-owned and medium-sized (USITC, 2004). To make huge long-term investment feasible, or to attract foreign direct investment (FDI) into the sector, the region needs to be integrated in order to achieve greater economies of scale. At least three things are necessary for large investment in modernisation of the textiles sub-sector: (a) a guaranteed supply of raw material inputs with competitive prices; (b) the institutional support necessary to integrate the entire regional market; and (c) a guaranteed sizeable demand for the final output. The supply of raw material could be ensured by India and Pakistan and demand for the final output could be ensured by Bangladesh and Sri Lanka. This heterogeneity of resource endowment, the differences in expertise and ensured reciprocal demand and supply indicate that there is scope for benefit through mutual co-operation.

Tewari (2008) discusses the need for regional integration through production networks in south Asia in the T&C sector. On the basis of analysis of trade data at the aggregate level and structured interviews, Tewari brings out the complementarities between countries in the region and the possibility of forming

a production network in the region in this sector. Das (2004) argues that the region as a whole could meet the challenge collectively if it pursued horizontal integration, i.e. co-operation in the same or similar lines of production and exports. Such a south Asian strategy envisages a particular south Asian country that has gained export specialisation in certain T&C product lines acting as a host for relocated plants from other south Asian countries. In this way, the T&C sector can become a regionally integrated sector, as countries vacate certain lines of production and gain in other lines according to their relative competitive advantage in the global market. Such restructuring would promote intra-south Asian investment flows that would be trade-creating vis-à-vis the global and regional markets. Vertical integration from one stage of processing to another according to comparative advantage could be considered in the subsequent phase. The study concludes that south Asia would thus not lose out in the value-added chain.

In a study on T&C exports and their costs to LDCs, Knappe (2005) suggests that firms and countries should accelerate South–South co-operation to tap markets in other developing countries. Moreover, increased intra-regional trade in intermediate products improves competitiveness in exploiting traditional markets in the North and participating in global production chains. Developing South–South trade has three dimensions: selling to developing country markets; sourcing intermediate products for exports to developed markets; and building relations with foreign investors. LDC businesses and governments should consider them all. Intermediary products – fibres, fabrics and trims – are available on world markets, but sourcing them from nearby countries can provide shorter delivery times. Jointly responding to market requirements for the final product needs to be the central theme of such co-operation. As it is unrealistic to assume that individual LDCs will become vertically integrated at the national level, they could look at developing regional, and even inter-regional, value chains to exploit complementarities. The study concludes that trade in intermediate products provides considerable scope for

co-operation between developing countries.

Magder (2005) highlights that while exporting through international supply chains was a successful way for east Asian countries to develop their textiles and apparel industries in the 1970s and 1980s, it is a less clear route for countries like Egypt trying to compete today. The challenge is particularly acute given the strength of competitors such as China, and even more so in the post-MFA era. Using a supply chain model shows that shortening lead times can have an impact on profits, but the effect is not substantial, being in the range of a 0.3 to 0.9 per cent increase in profits for every week of improvement in lead times. Magder concludes by exploring to what extent geography, trade preferences and local production factors could help Egypt's textiles and apparel industry carve out a role for itself in global supply chains and provide an engine to drive industrial upgrading throughout the country.

Gereffi (2002) uses the global commodity chains framework to explain the transformations in production and trade networks, as well as corporate strategies, which have altered the global apparel industry over the past decades and changed the prospects for developing countries to enter and move up these chains. The apparel industry is identified as a buyer-driven commodity chain that contains three types of lead firms: retailers, marketers and branded manufacturers. As apparel production became globally dispersed and competition between these firms intensified, each type of lead firm developed extensive global sourcing capabilities. While 'de-verticalising' out of production, they have fortified their activities in the high value-added design and marketing segments of the apparel chain. In Asia, some manufacturers are integrating forward from specification contracting to developing and selling their own brands (the own brands model (OBM) role). The possibilities for integrated local industrial development are greater in the OBM, where Asian manufacturers have developed an important form of social capital in the guise of multifaceted and dense networks utilised in full-package supply. In the outward-processing or production-sharing 'assembly' pattern,

production networks are anchored in low-cost countries and do not foster the kinds of local linkages and knowledge transfers that are needed for successful upgrading strategies.

Apart from the above studies, country-specific studies have also been undertaken which extensively discuss this issue. Kelegama (2005) emphasises that the challenge for Sri Lanka's textiles industry lies in improving its competitiveness. One strategy is to reposition the Sri Lankan garment industry from a south Asian context and increase competitiveness by increasing vertical integration, capturing economies of scale, focusing on horizontal specialisation, incorporating innovative designs and building a stake in global marketing networks.

Razzaque and Raihan (2007) highlight that an important factor influencing the competitiveness of Bangladesh is the relative cost of labour. There is an overwhelming consensus that the cost of labour in Bangladesh's apparel industry is one of the lowest in the world. Cross-country data on average wages of workers support this consensus view.

Mahmood (2009) discusses the global value chain of the EU25 in the T&C sector and points out that the availability of GSP-plus advantage was a catalyst for Pakistan's export flows to the EU27 during 2003 and 2004. However, the year 2005, being the first non-quota year, exposed the intrinsic strengths and weaknesses of the T&C industry. The most competitive sectors – spinning, weaving, bed linen and towels – demonstrated resilience, but the apparel sectors of knitwear and woven goods could not sustain their growth.

The competitiveness of the four south Asian countries in different stages of the production supply chain in the T&C sector, as brought out in the literature, is reported in Table 4.1.

Though some studies debate and discuss the benefits of developing production supply chains in the T&C sector in south Asia, none have as yet identified at the 6-digit product level the supply chains that could be formed within the region, highlighting which inputs can be imported by a country and what outputs can be exported. This study attempts to use a product level input–output matrix and identify what final

products could be exported by the four major countries of south Asia, and what inputs could be imported from which country so as to improve the cost competitiveness of exports of the final product.

Table 4.1. Competitiveness of south Asian countries in textiles and clothing as shown in the literature

Country	Product/level of value addition where the country is competitive	Literature
India	Cotton	Chatterjee and Mohan (1993); Roy (1996); Ramaswamy and Gereffi (1998); Bhide (1998); Verma (2002); Chandra (1999)
	Textile raw material	Gereffi (2003), Robbani (2004)
	Spun yarn	Robbani (2004); Bhide (1998)
	Short and long staple spindles, open-ended rotors	Robbani (2004)
	Yarns, made-ups and some categories of garments	Verma (2002)
	Low end and low value added items	Ghosh (2004)
Pakistan	Spun yarn and fabrics	Gereffi (2003)
	Textile raw material	Gereffi (2003); Robbani (2004)
Bangladesh	Knit fabrics	Robbani (2004)
	Apparel making	Robbani (2004)
Sri Lanka	Garments	Kelegama (2005)
	Apparel making	Robbani (2004)

5 Methodology for Identifying Potential Supply Chains

The broad trends in trade in the textiles and clothing sector are indicative of the existing demand and supply of inputs used in the sector within the region. The main aim of this study is to identify potential production supply chains that could be formed within the region for improving the cost competitiveness of the region as a whole. This may enable the region to increase its share in global T&C exports and benefit each of the countries in the region in terms of enhanced exports, which may generate more output and employment, and enhance overall development that benefits in particular the poor, women and youth.

The methodology adopted is based on a simple logic, which is to identify those products for which there is both demand and supply in the region. Inputs of T&C are identified, which a country imports from outside the region, although there is a south Asian country that exports these inputs globally. For such inputs, which may be from within or outside the T&C sector, both demand and supply exists in the region. Using this logic, the following steps are undertaken to form potential supply chains.

Steps used to identify potential supply chains

Step I: Identify products for global exports in the T&C sector in the four major economies of south Asia – Bangladesh, India, Pakistan and Sri Lanka. These products fall under HS chapters 50–63. This is done by examining the global exports of each of the four countries in each of the tariff lines at HS 6-digit level. If a country exports more than US$100,000 of a product, the product is selected as a final product for global exports in the potential supply chain of the country concerned. The final product can be any product of the T&C sector.

Step II: For the identified final products for global exports in each country, the inputs used both from within the T&C sector and from other sectors are identified. This is done by using the input–output database constructed for the T&C sector by UNCTAD (through its India Project Office). The database identifies the inputs at HS 6-digit codes of HS 6-digit tariff lines. These inputs are labelled as stage I inputs.

Step III: After identifying the stage I inputs, which may be from the T&C or other sectors, a trade matrix is constructed for each of the inputs used. For the potential exports of a country, if global imports of stage I inputs in a country are greater than US$100,000 and there exists a south Asian country which exports more than US$100,000 of the input, the stage I input is identified as potential input in the supply chain. This indicates that the country exporting the final product has an import demand for the identified input and south Asia has the capacity to supply this input. Two countries in south Asia which export more than US$100,000 of the stage I input are identified. To illustrate, if a final product is identified as a potential export product by India, then potential stage I inputs of the final product are identified where India is globally importing more than US$100,000 and two other countries in south Asia are identified which are globally exporting more than US$100,000 each and therefore have the capacity to export the stage I input to India.

Step IV: Once the countries which can export the stage I inputs have been identified, we identify the primary inputs used in the production of the stage I input. These primary inputs could be, for example, the chemicals used in the dyes which are used as stage I inputs in fabrics. A similar exercise to that undertaken in Step III is then undertaken to identify the countries which can export the primary inputs. A trade matrix (indicating global exports and imports of the primary inputs) is constructed. For the country which can export the stage I inputs, its global imports of the primary inputs are reported. In addition, global exports of primary inputs of the

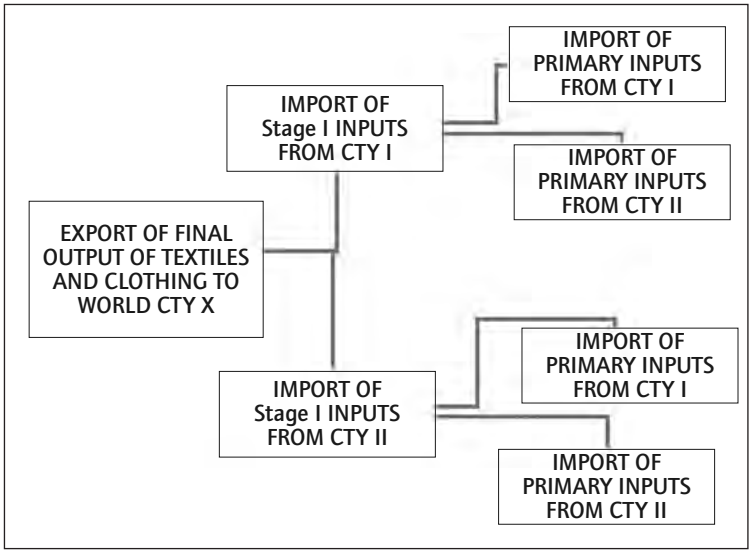
other three countries are reported. If the global imports of a primary input are greater than US$100,000, the country is identified as a potential importer of the primary input. Two countries which export more than US$100,000 of the primary input are identified. To illustrate, if Bangladesh is exporting the final product, it may import the stage I inputs from India or Pakistan. India in turn may import the primary inputs used in stage I inputs from Sri Lanka or Pakistan; and Pakistan may import the primary inputs from Sri Lanka or Bangladesh.

Step V: The final supply chain consists of:

- A final output which is exported by country X;
- Stage I inputs which are imported by country X from two other identified countries (Y and Z); and
- Primary inputs which are imported by Y and Z from any two south Asian countries.

The supply chain constructed for the T&C sector, based on the trade data is illustrated in Figure 5.1.

Figure 5.1. Constructed potential supply chain in the textiles and clothing sector



Using the above methodology, supply chains have been identified for Bangladesh, India, Pakistan and Sri Lanka at HS 6-digit codes. The trade matrix used for identifying the potential exports and imports is constructed using three-year averages (2005–2007). The data source used for the study is COMTRADE (in World Integrated Trade Solutions). To avoid the selection of any product for which there may be exports or imports due to transshipment in a few years, the trend in 2000–2007 in imports and exports is also examined for each of the identified products. Products which are selected in the supply chain either as final products or potential stage I or primary imports that do not show a consistent trend are deleted from the supply chains.

Thus, the supply chain identifies the final output to globally exported by a country, two countries that can provide the stage I inputs used in production of the final output and two other countries which can provide primary inputs used in the production of stage I inputs. It should be noted that the final output to be exported may not necessarily be clothing. It could include yarn, fabrics or other upstream products. The stage I and primary inputs into yarn or fabrics are then identified.

Though the capacity to supply inputs exists within south Asia, the import may be cheaper from other countries. To take this into account, the export unit values have been reported of all south Asian countries, together with the export unit values of the major global exporter of the product to the country.

Furthermore, for some products, only two-stage supply chains could be formed. The two-stage supply chains have been identified for all the four countries, together with the final output to be exported to the world and stage I inputs to be imported. Two possible countries have been identified from which stage I input can be imported. The export unit values of all south Asian countries that have global exports of more than US$100,000, indicating some supply capacity, are reported.

6 Three-stage Supply Chains by Country

There are at least three different ways of analysing potential supply chains. First, supply chains can be analysed from the perspective of the number of times a country participates in different stages of the supply chain, either as an exporter of the final product or exporter/importer of stage I input or exporter/importer of primary inputs in the supply chains formed. The number of stages in all supply chains in which each of the four major countries in south Asia participates is reported in row 1 of Table 6.1.

Second, supply chains can be examined by tracking the flow of inputs leading to the final exported product. For example, if country *X* exports the final product (apparel, made-up, fabrics, etc.), it will import stage I inputs which are used in the production of the final products from country *Y*, and country *Y*, in turn, will import primary inputs used in the production of stage I inputs from country *Z*. To elaborate further, two unique supply chains are formed if, for exports of a particular product, country *X* imports one stage I input from country *Y* and country *Y* in turn imports two primary inputs from country *Z* for producing the stage I input. However, there would be four unique supply chains if country *Y* imports four different primary inputs for producing the stage I input.

In other words, under this perspective, supply chains can be analysed by taking an export product and tracking imports of its stage I inputs, and thereafter tracing imports of primary inputs used in the production of stage I inputs. It may be noted that under this perspective each supply chain represents a unique product–country combination for export of the final product, import of stage I inputs relevant to production of the final product and import of primary inputs relevant to the production of that stage I input. Row 2 of Table 6.1 reports the number of supply chains that can be formed in the region from

exports of final product from each country. The number of supply chains based on exports of the final products of a country that are formed should not be taken as an indicator of that country's potential to integrate into regional supply chains. A better indicator of this potential could be the number of times a country can participates in different stages of all supply chains.

The third perspective examines the number of unique HS 6-digit tariff lines involved in the participation of a particular country in different stages of all the unique supply chains as an importer, i.e. (i) as an importer of stage I inputs linked to the final product; and (ii) as an importer of primary inputs linked to those stage I inputs which can be exported by that country. Row 3 of Table 6.1 reports the number of unique tariff lines each country can import from the region in the potential supply chains.

Table 6.1 presents the three different ways described above of analysing the potential supply chains formed using the stated methodology. In addition, it also reports the number of unique final products which a country can export (row 4); inputs that may be imported as stage I inputs from the region (row 5); and number of unique primary inputs that a country may import for production of stage I inputs (row 6).

The number of stages of a country's participation in all supply chains (i.e. the number of times it appears in the potential supply chains either as an exporter of final product or exporter/importer of stage I input or exporter/importer of primary inputs) is reported in row 1 of Table 6.1. India participates in the maximum number of stages in the identified supply chains, which is 1,032; followed by Pakistan (795), Sri Lanka (418) and Bangladesh (245). From this perspective, the more diverse the range of inputs of the T&C sector exported/imported by a country, the higher will be its participation in different stages of the potential supply chains.

From the second perspective of export of final product, the details are reported in row 2 of Table 6.1. The final product identified for global exports forms 109 supply chains in Bangladesh, 212 in India, 67 in Pakistan and 363 in Sri Lanka.

Table 6.1. Number of potential 3-stage supply chains and potential import and export products

	Bangladesh	India	Pakistan	Sri Lanka
Number of stages a country participates in 3-stage and 2-stage supply chains (1)	245	1,032	795	418
Number of potential 3-stage supply chains formed by export of final product (2)	109	212	67	363
Total number of unique 6-digit tariff lines of imports in the potential 3-stage and 2-stage supply chains (3)	65	38	117	36
Number of unique 6-digit tariff lines identified as potential final product for exports in 3-stage and 2-stage supply chains (4)	15	37	29	8
Number of unique 6-digit tariff lines identified as potential imports of stage I inputs in 3-stage and 2-stage supply chains (5)	19	25	27	34
Number of unique 6-digit tariff lines identified as potential imports of primary inputs in 3-stage supply chains (6)	47	19	103	2

A plausible reason for the lower number of potential supply chains formed for Pakistan is that textiles make up a greater proportion of the final products exported by Pakistan than clothing. Textiles, compared to clothing, may have fewer backward linkages in terms of inputs used for production of the final product.

From the third perspective of the number of unique tariff lines that can be imported by a country in the identified potential supply chains, Bangladesh can import 65 stage I and primary inputs, India 38 inputs, Sri Lanka 36 inputs and Pakistan 117 inputs. Most of the inputs identified for Pakistan are non-textiles inputs used in the T&C sector. The greater the number of inputs globally imported by a country, the greater the number of importable inputs identified in the potential supply chains to be formed in south Asia.

There are 15 unique T&C tariff lines identified as final product for global exports that can form supply chains within the region for Bangladesh. For India 37 unique tariff lines have

been identified; 29 for Pakistan and 8 for Sri Lanka. It should be noted that the potential final product need not necessarily comprise clothing, but can also be raw materials such as fabrics or yarn. The largest number of unique first stage inputs identified which can be imported from within the region is for Sri Lanka (34), closely followed by Pakistan (27), India (25) and Bangladesh (19). The number of potential primary inputs used in the first stage inputs that can be imported is greatest for Pakistan (103), followed by Bangladesh (47), India (19) and Sri Lanka (2).

Having examined the number of unique tariff lines involved in each stage of the unique supply chains in which a country participates, it is relevant to assess whether existing trade flows point towards the possibility of establishing regional supply chains in the T&C sector in south Asia. Three aspects are relevant in this assessment. First, does the country have an import demand for stage I and primary inputs; second, the extent to which the import demand is met from countries within and outside the region; and third, whether other countries in the region have the export capacity to meet the import demand. Table 6.2 presents country global and regional imports of the tariff lines identified as stage I input or primary inputs in the potential supply chains. It is interesting to note that in respect of all the four countries, the imports of inputs are mainly from sources outside the region, although supply capacity exists within the region.

Estimating the share of a country's global imports of the identified inputs as a percentage of the region's global exports of these inputs, it is found that Bangladesh's global imports of these identified inputs comprise only around 18 per cent of the region's global exports. For Pakistan and Sri Lanka, the proportion is around 7.5 per cent and 9 per cent, respectively. This indicates that supply capacity exists within the region to meet the demand for the identified inputs by the region.

However, India's global imports of the identified inputs is around 350 per cent of the region's global exports, indicating that India's demand for the identified inputs is much greater

than the region's export capacity. This may be a result of diverse production structure of India in the T&C sector, which ranges across the entire value chain. It also indicates the role that India can play in generating demand for inputs within the region.

Table 6.2. Global and regional imports of identified inputs in potential supply chains (average for 2005–2007)

	Bangladesh	India	Pakistan	Sri Lanka
Global imports (US$ '000)	493,150	4,834,969	1,166,083	327,176
Imports from the other three countries of the region (US$ '000)	146,628	221,657	202,466	94,808
Global exports of the other three countries of the region (US$ '000)	2,690,257	1,380,133	15,543,371	3,623,488
Imports from the region as a percentage of country's global imports	29.7	4.5	17.3	28.9
Global imports of country as a percentage of global exports of the region	18.3	350.3	7.5	9.0

The existing regional imports of the inputs compared to total import demand are found to be very low (Table 6.2). Only in the case of Bangladesh and Sri Lanka are the regional imports around 30 per cent. India's regional imports are the lowest at less than 5 per cent, indicating the potential of intra-regional trade for India. However, India's export demand is significantly higher than the export capacity within the region.

To analyse the reasons for low regional imports, country level analysis is undertaken of the identified inputs in the supply chain, together with the export unit values of the countries in the region. Country participation in supply chains is presented in the following sections. The existing tariffs on these identified products for imports in each country are reported, together with an indication of whether the product appears in the sensitive list of the country.

It should be noted that the exercise undertaken to identify supply chains is not exhaustive, but is demonstrative in nature.

At country level, only those products have been selected as final products for exports in which the country ranks either highest or second highest in terms of global exports.

6.1 Participation of Bangladesh in potential 3-stage and 2-stage supply chains

By adopting the above methodology, a 3-stage supply chain and a 2-stage supply chain (where only first stage inputs have been identified) has been constructed for Bangladesh. The unique tariff lines identified as final product for exports and inputs for imports in 2-stage or 3-stage potential supply chains are presented in Table 6.3, together with Bangladesh's demand and the region's supply capacity.

Table 6.3 highlights the fact that in most of the inputs identified in the potential supply chains, Bangladesh's global imports are much higher than imports from within the region. The global exports of the region emphasise the region's capacity to meet the import demand. It is also found that the supply capacity of the region in most of the products is much greater than Bangladesh's global imports, indicating that the region has the supply capacity to fulfil Bangladesh's demand for the inputs.

Fifteen products are identified as final products that may be exported by Bangladesh. These are products where Bangladesh's global exports are worth more than US$100,000,[24] and of which the country ranks as the highest or second highest exporter in the region. These products are mainly from chapter 61(articles of apparel and clothing accessories, knitted or crocheted) and 62 (articles of apparel and clothing accessories, not knitted or crocheted) and include products such as women's and girls' suits, ensembles, jackets and blazers; men's or boys' shirts, T-shirts, jerseys, pullovers and cardigans; women's overcoats, capes and cloaks; and men's or boys' suits, ensembles and jackets. It should be noted that there may be many more products that Bangladesh exports to the world the total value of which is greater than US$100,000, but

the identified products are those which have the potential to form supply chains in the region. In other words, it might be possible to import their stage I inputs and in most cases, the primary inputs, from within the region.

The final products for export include a few woven fabrics of silk and synthetic filament. Bangladesh exports only a small share of total south Asian exports of these products, since the country that ranks highest (India) has an approximately 98–99 per cent share. However, these products show a rising trend and can be considered as potential exports for Bangladesh.

The stage I inputs used in production of the final products for global exports are from both the T&C sector and other, non-textile, sectors. Thirteen products from the T&C sector can be identified that can be imported regionally by Bangladesh, since there exists a global supplier of the product in the region. In most of these products Bangladesh imports less than 20 per cent of its global imports from the region, while the region's capacity to supply globally exists, i.e. global exports of the region are much higher than Bangladesh's global imports. These products are raw silk; yarn spun from silk waste; yarn of other vegetable textile fibres; synthetic filament yarn; synthetic staple fibres; wadding of textiles materials; and quilted textile products. Only in two products, namely raw silk and wadding of textiles materials, is Bangladesh's global demand higher than the region's supply.

Six non-T&C products are used as stage I inputs in the final products identified as global exports from Bangladesh. These are mainly synthetic organic colouring matter; lubricating preparations; finishing agents; and diagnostic and laboratory re-agents. With the exception of lubricating preparations, Bangladesh's imports from the region make up less than 25 per cent of its total global imports, while the region's global exports are much higher than Bangladesh's global imports, with the exception of finishing agents. Bangladesh's regional imports of lubricating preparations make up around 26 per cent of its total imports and those of synthetic organic colouring matter (HS 320415) make up 36 per cent. This shows the potential in

terms of global demand for inputs of Bangladesh which can be met from within the region, leading to effective supply chains.

Forty-seven products have been identified as primary inputs of stage I inputs. Except for yarn spun from silk waste, all the products are from non-T&C sectors. Of these, regional imports of 35 products are less than 20 per cent in Bangladesh, while in only five products is the regional supply smaller than Bangladesh's global demand. In all other products there is a global exporter of the product in the region.

Table 6.3. Output and inputs of potential exports and potential imports in the identified 3-stage and 2-stage supply chains for Bangladesh (average for 2005–2007)

S no.	Final output for exports	Description	Bangladesh's average global exports (US$'000)	Bangladesh's share in south Asia's exports (%)	Share of south Asia in world exports (%)
1	500720	Woven fabrics of silk or of silk waste (OTHER WOVEN FABRICS, CONTAINING>=85 per cent BY WT OF SILK OR OF SILK WASTE OTHR THN NOIL SLK)	140	0.4	16.0
2	510710	Yarn of combed wool, not put up retail sale (YARN OF COMBED WOOL CONTNG>=85 per cent WOOL BY WT NOT PUT UP FOR RETAIL SALE)	250	1.0	2.0
3	540752	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404 (WOVEN FABRICS, DYED, CNTNG BY WT >=85 per cent TEXTURED POLYESTER FILAMENTS)	2,587	2.0	2.0
4	570500	Other carpets and other textile floor coverings, whether or not made up (OTHR CRPTS & TXTL FLR CVRNGS, W/N MADE UP)	2,982	1.0	23.0
5	610463	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swim wear), knitted or crocheted (TROUSERS, BIB & BRACE OVERALLS, BREECHES AND SHORTS OF SYNTHETIC FIBRES)	6,858	42.0	1.0

Table 6.3 (continued)

S no.	Final output for exports	Description	Bangladesh's average global exports (US$'000)	Bangladesh's share in south Asia's exports (%)	Share of south Asia in global exports (%)
6	610590	Men's or boys' shirts, knitted or crocheted (SHIRTS OF OTHR TEXTILE MATERIAL)	68,234	35.0	42.0
7	610910	T-shirts, singlets and other vests, knitted or crocheted (T-SHIRTS ETC OF COTTON)	1,698,510	49.0	16.0
8	610990	T-shirts, singlets and other vests, knitted or crocheted (T-SHIRTS ETC OF OTHER TEXTILE MATERIALS)	117,701	40.0	4.0
9	611011	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted (JERSEYS, PULLOVERS, CARDIGANS ETC OF WOOL)	11,731	12.0	2.0
10	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted (JERSEYS ETC OF COTTON)	222,167	46.0	3.0
11	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted (JERSEYS ETC OF MAN-MADE FIBRES)	159,789	83.0	1.0
12	620212	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 6204 (OVERCOATS, RNCOTS ETC & SMLR ARTCLS OF COTN)	5,006	32.0	2.0
13	620293	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 6204 (OTHER GARMENTS OF MAN-MADE FIBRES OF HEADING NO. 6202)	6,074	66.0	0.0

Table 6.3 (continued)

S no.	Final output for exports	Description	Bangladesh's average global exports (US$'000)	Bangladesh's share in south Asia's exports (%)	Share of south Asia in global exports (%)
14	620333	Men's or boys' suits, ensembles, jackets, blazers, trousers bib and brace overalls, breeches and shorts (other than swimwear) (JACKTS & BLAZERS OF SYNTHETIC FIBRES)	133,452	63.0	13.0
15	620343	Men's or boys' suits, ensembles, jackets, blazers, trousers bib and brace overalls, breeches and shorts (other than swimwear) (TROUSERS, BIB & BRACE, OVERALLS,BREECHES & SHORTS OF SYNTHETIC FIBRS, MEN'S OR BOYS')	107,366	52.0	6.0

S no.	Stage I inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from India, Pakistan Sri Lanka (%)	Global exports of India, Pakistan and and Sri Lanka (US$'000)
1	320411	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (DISPERSE DYES & PREPARATIONS BASED THEREON)	9,172	8.6	16,330
2	320415	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (VAT DYES (INCL THOSE USABLE IN THAT STATE AS PIGMNTS & PREPRATIONS BASED THEREON))	5,315	35.7	33,900

Table 6.3 (continued)

S no.	Stage I inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from India, Pakistan Sri Lanka (%)	Global exports of India, Pakistan and and Sri Lanka (US$'000)
3	320420	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (SYNTHETIC ORGANIC PRDCTS OF A KIND USED AS FLUORESCENT BRIGHTENING AGENTS)	2,873	14.0	40,846
4	340311	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of (PRPNS FOR THE TRTMNT OF TXTL MATRLS LEATHER FURSKINS/OTHER MATERIALS CONTNG PETROLEUM OILS/OIL OBTND FROM BITMNS MNRLS)	1,427	26.3	1,271
5	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include(PRPNS USD IN TXTL INDUSTRY)	42,902	3.2	16,606
6	382200	Diagnostic or laboratory re-agents on a backing and prepared diagnostic or laboratory re-agents whether or not on a backing, other than those of heading 3002 or 3006 certified reference materials (COMPST DIAGNOSTIC/LABRTRY REAGNTS EXCL GOODS OF HDG. NO. 3002/3006)	7,306	8.5	16,303

Table 6.3 (continued)

S no.	Stage I inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from India, Pakistan Sri Lanka (%)	Global exports of India, Pakistan and and Sri Lanka (US$'000)
7	500200	Raw silk (not thrown) (RAW SILK (NOT THROWN))	3,598	0.0	2,604
8	500500	Yarn spun from silk waste, not put up for retail sale (YRN SPN FRM SLK WST NT PUT UP FR RETAL SLE)	2,031	0.0	5,867
9	510529	Wool and fine or coarse animal hair, carded or combed (including combed wool in fragments) (WOOL TOPS AND OTHER COMBED WOOL)	478	78.7	24,186
10	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	43,509	99.5	500,799
11	520942	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing more than 200 g/m^2 (DENIM)	156,691	28.4	207,189
12	530890	Yarn of other vegetable textile fibres; paper yarn (OTHER VEG TEXTL YARN)	230	0.0	953
13	540233	Synthetic filament yarn (other sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	30,725	12.7	116,748
14	550320	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (STAPLE FIBRES OF POLYESTER NT CRD/CMBD)	39,011	17.4	127,279
15	550410	Artificial staple fibres, not carded, combed or otherwise processed for spinning (VISCOSE RAYON STAPLE FIBRES NT CRD/COMBD)	4,243	76.0	35,179

Table 6.3 (continued)

S no.	Stage I inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from India, Pakistan Sri Lanka (%)	Global exports of India, Pakistan and and Sri Lanka (US$'000)
16	550620	Synthetic staple fibres, carded combed or otherwise processed for spinning (STAPLE FIBRS OF POLYESTERS,CARDED/COMBED)	113	13.3	745
17	550630	Synthetic staple fibres, carded combed or otherwise processed for spinning (STAPLE FIBRES OF ACRYLC/MODACRYLC,CRD/CMBD)	142	52.1	732
18	560122	Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and mill neps (WADDING OF MAN-MADE FIBRES)	704	0.0	257
19	581100	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 5810 (QUILTED TXTL PRDCTS IN THE PIECE CMPSD OF ONE/MORE LAYERS OF TXTL MATRLS ASSMBLD WTH PDDNG BY STICHING ETC EXCPT HDG 5810)	351	0.0	5,072

S no.	Primary inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from Pakistan, Sri Lanka and India (%)	Global exports of Pakistan, Sri Lanka and India (US$ '000)
1	250100	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti-caking or free flowing agents; Sea water (SALT (INCL TABLE SALT & DENATRD SALT) & PURE SODIUM CHLRDE W/N AQS SOLN SEA WTR)	2,918	83.6	34,890

Table 6.3 (continued)

S no.	Primary inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from Pakistan, Sri Lanka and India (%)	Global exports of Pakistan, Sri Lanka and India (US$ '000)
2	280920	Diphosphorus pentaoxide; phosphoric acid and polyphosphoric acids whether or not chemically defined (PHOSPHORIC ACID & POLYPHOSPHORIC ACIDS)	8,386	50.0	5,073
3	281000	Oxides of boron;boric acids (OXIDES OF BORON BORIC ACIDS)	239	4.2	677
4	281511	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (SOLID SODIUM HYDROXIDE (CAUSTIC SODA))	19,626	3.0	7,380
5	281512	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (NAOH IN AQS SOLN (SODA LYE OR LQD SODA))	1,163	0.3	682
6	281520	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (POTASSIUM HYPROXIDE (CAUSTIC POTASH))	121	2.5	2,681
7	282739	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide CHLORIDE; NES)	347	27.1	15,667
8	283210	Sulphites; thiosulphates (SODIUM SULPHITE)	221	3.6	1,249
9	283620	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (DISODIUM CARBONATE)	23,345	32.8	31,534

Table 6.3 (continued)

S no.	Primary inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from Pakistan, Sri Lanka and India (%)	Global exports of Pakistan, Sri Lanka and India (US$ '000)
10	283640	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (POTASSIUM CARBONATES)	132	0.0	410
11	284700	Hydrogen peroxide, whether or not solidified with urea (HYDROGEN PEROXIDE W/N SOLIDIFIEDWITH UREA)	5,135	3.8	759
12	290330	Halogenated derivatives of hydro-carbons (FLUORNTD, BRMNTD/ IODINATED DERIVATIVES OF ACYCLIC HYDROCARBONS)	247	0.0	1,028
13	290410	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (DRVTVS CNTNG ONLY SULPHO GROUPS, THEIR SALTS AND ETHYL ESTERS)	1,440	2.8	70,667
14	290420	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (DRVTVS CNTNG ONLY NITRO/NITROSO GRPS)	540	98.3	5,175
15	290511	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED METHANOL (METHYL ALCOHOL))	2,225	1.5	8,791
16	290512	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED PROPAN-1OL ALCOHOL) AND PROPAN-2-OL (ISOPROPYL ALCOHOL))	1,363	0.4	5,556
17	290513	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED BUTAN-1-OL (N-BUTYL ALCOHOL))	127	0.0	2,858

Table 6.3 (continued)

S no.	Primary inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from Pakistan, Sri Lanka and India (%)	Global exports of Pakistan, Sri Lanka and India (US$ '000)
18	290516	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATRTD OCTNL(OCTYL ALCHL) & ISMRS THEREOF)	4,389	0.0	1,363
19	290629	Cyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER AROMATIC ALCOHOL)	123	10.6	9,839
20	290711	Phenols; phenol-alcohols (PHENOL (HYDROXYBENZENE) AND ITS SALTS)	152	6.6	4,517
21	290930	Ethers, ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides, ether peroxides, ketone peroxides (whether or not chemically defined), and their halogenated, sulphonated, nitrated or nitrosated derivatives (ARMTC ETHRS & THR HALGNTD SLPHNTD NITRATED OR NITROSATED DERIVATIVES)	200	5.0	13,060
22	291469	Ketones and Quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER QUINONES)	128	28.1	1,158
23	291521	Saturated acyclic mono-carboxylicacids and their x carboxylichalides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (ACETIC ACID)	4,928	51.2	11,916

Table 6.3 (continued)

S no.	Primary inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from Pakistan, Sri Lanka and India (%)	Global exports of Pakistan, Sri Lanka and India (US$ '000)
24	291524	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (ACETIC ANHYDRIDE)	712	2.4	897
25	291539	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER ESTERS OF ACETIC ACID)	1,005	0.6	30,360
26	291550	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (PROPIONIC ACID ITS SALTS AND ESTERS)	143	2.8	1,836
27	291631	Unsaturated acyclic monocarboxylic acids, cyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (BENZOIC ACID ITS SALTS AND ESTERS)	470	10.9	8,146
28	291735	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (PHTHALIC ANHYDRIDE)	3,418	12.4	70,597
29	291739	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHR ARMTC POLYCRBOXYLC ACIDS THR ANHYDRDS HALIDES PEROXIDES PEROXYACDS & THR DRVTVS)	106	19.8	22,244

Table 6.3 (continued)

S no.	Primary inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from Pakistan, Sri Lanka and India (%)	Global exports of Pakistan, Sri Lanka and India (US$ '000)
30	291830	Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (CRBXYLC ACIDS WTH FNCTN BUT WTHOUT OTHR OXYGN FNCTN THR ANHYDRDS HALDS PEROXIDES PEROXYACIDS & THR DRVTVS)	1,550	11.5	3,210
31	291890	Other carboxylic acids with oxygen function, their anhydrides, halides	863	17.4	4,068
32	292090	Esters of other inorganic acids of non-metals (excluding esters of hydrogen halides) and their salts; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTR ESTERS OF OTR INORGNC ACDS; THR SLTS ETC)	170	24.1	25,061
33	292119	Amine function compounds (OTHR ACYCLIC MONOAMINES & THEIR DERIVATIVES SALTS THEREOF)	129	6.2	4,889
34	292142	Amine function compounds (ANILINE DERIVATIVES AND THEIR SALTS)	269	0.0	46,376
35	292151	Amine function compounds (O-M-P-PHENYLENEDIAMINE DIAMINOTOLUENE AND THEIR DRVTVS SALTS THEREOF)	148	90.5	19,581
36	292229	Oxygen-function amino-compounds (OTHR AMINO-NAPTHLS & OTHR AMINO-PHNLS THR ETHRS & ESTRS OTHR THN THOSE CNTNG MORE THN ONE KND OF EXYGN FNCTN SLTS THEREOF)	1,821	1.0	34,798
37	292419	Carboxyamide-function compounds; amide-function compounds of carbonic acid (OTHER ACYCLIC AMIDES & THR DRVTVS, SALTS)	502	14.5	30,126

Table 6.3 (continued)

S no.	Primary inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from Pakistan, Sri Lanka and India (%)	Global exports of Pakistan, Sri Lanka and India (US$ '000)
38	292429	Carboxyamide-function compounds; amide-function compounds of carbonic acid (OTHR CYCLC AMIDES(INCL CYCLC CRBAMATES) & THEIR DERIVATIVES & SALTS THEREOF)	2,484	4.8	12,290
39	292700	Diazo-, azo- or azoxy- compounds (DIAZO-AZO-OR AZOXY-COMPOUNDS)	356	2.2	5,445
40	293349	Heterocyclic compounds with nitrogen hetero-atom(s) only (OTHER CMPNDS CNTNG IN STRUCTURE A QUINOLINEOR ISOQUINOLINE RING SYSTEM (W/N HYDRGNTD), NOT FURTHER FUSED)	2,438	7.3	12,064
41	300420	Medicaments (excluding goods of heading 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses(including those in the form of transdermal administration systems) or in forms or packings for (MEDICAMENTS CONTAINING OTHER ANTIBIOTICS AND PUT UP FOR RETAIL SALE)	4,690	65.2	406,778
42	320417	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (PIGMENTS & PREPTNS BASED THEREON)	8,474	26.5	233,734

Table 6.3 (continued)

S no.	Primary inputs of imports	Description	Bangladesh's average global imports (US$'000)	Bangladesh's average imports from Pakistan, Sri Lanka and India (%)	Global exports of Pakistan, Sri Lanka and India (US$ '000)
43	340211	Organic surface-active agents (other than soap), surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of Heading 3401 (ANIONIC W/N FOR RTL SALE)	5,313	5.3	24,470
44	380610	Rosin and resin acids, and derivatives thereof; rosin spirit and rosin oils; run gums (ROSIN AND ACIDS:)	135	1.5	1,960
45	390750	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallylesters and other polyesters, in primary forms (ALKYD RESINS)	294	11.6	1,384
46	500500	Yarn spun from silk waste, not put up for retail sale (YRN SPN FRM SLK WST NT PUT UP FR RETAL SLE)	2,031	0.0	5,867
47	760110	UNWROUGHT ALUMINIUM (ALUMINIUM-NOT ALLOYED)	29,343	45.9	300,151

Appendix Table A.1 reports the unique tariff lines which are identified as potential imports of Bangladesh from the region. The table reports Bangladesh's share of the global imports of the region; the top exporter of the product to Bangladesh and its share in Bangladesh's global imports; and the export unit values of the top exporter and the other three countries in the region. It should be noted that export unit values are only indicative of the export prices of the product and may not be comparable across countries as the quality of the product may vary. However, they do indicate the presence of potential exporters of the product in the region.

In consultation with the industries of Bangladesh, India, Pakistan and Sri Lanka, it was pointed out that although the export prices of countries may not be comparable at 6-digit level, information on the presence of suppliers of the products in the region might be useful for the importer and could be a useful tool for the formation of supply chains.

Sixty-five unique products can be identified for regional import by Bangladesh. Thirteen inputs are from the T&C sector. In 10 of these 13 inputs which are globally imported by Bangladesh, the export unit value of at least one of the regional suppliers is lower than the export unit value of the top exporter. One of the inputs in which the top exporter to Bangladesh (Thailand) has an export unit value lower than any other supplier in the region is synthetic filament yarn, other than sewing thread (HS 540233). Fifty-two identified inputs are from non-T&C sectors, of which in 19 inputs the export unit value of at least one of the regional suppliers is lower than that of the top exporter of the product. Of the identified 65 inputs which Bangladesh could import regionally, 12 inputs are included in Bangladesh's sensitive list under SAFTA.

6.2 Participation of India in potential 3-stage and 2-stage supply chains

Using the same methodology, 3-stage and 2-stage supply chains have been identified for India. The identified products include products for global exports; imports as stage I inputs; and primary inputs, which are globally exported/imported to a value above the threshold of US$100,000. These do not include all exportable products of India in the T&C sector with exports above the threshold, but only those that have the potential for forming a supply chain within the region. In addition, these are the products in which India is either the highest or second highest global exporter in the region.

The analysis shows that there are 37 products for global export from the T&C sector which have the potential to form

supply chains within the region (Table 6.4). These include silk yarn; cotton yarn; woven fabrics of cotton; synthetic filament yarn; woven fabrics of synthetic filament yarn; carpets; knitted and crocheted fabrics; women's suits, jackets and blazers; t-shirts and other vests; other garments; shawls, scarves and the like; and other furnishing articles. In 36 of these 37 products, India has a share of over 10 per cent of global exports from the region. In ten products, India's share in the region's global exports is more than 90 per cent. In 13 products, the south Asia region contributes more than 10 per cent of global exports.

Twenty-four products are identified for imports from the region by India. These are products that are globally imported by India, but where there are regional suppliers with global exports worth over US$100,000. These include 18 products from the T&C sector and six products from non-textiles sectors. T&C products include woven fabrics of silk or silk waste; wool and yarn of wool; cotton, cotton yarn and woven fabrics of cotton; synthetic filament yarn; synthetic staple fibres; yarn of synthetic staple fibres; wadding of textile materials; rubber thread and cord, textile covered; quilted textile products; and pile fabrics. Some of these products are produced and exported by India as well, but some differentiated products under the same tariff lines are globally imported by India. In the non-T&C sector, products which could be imported by India from the region include synthetic organic colouring matter, and some starches and finishing agents (chapters 3204, 3206, 3505 and 3809). However, in only 7 out 25 stage I inputs are India's global imports less than the region's global exports, which indicates that the region has insufficient supply capacity to fulfil India's demand. However, in 21 of 25 products, India's regional imports are less than 10 per cent of its total global imports. This indicates the potential for the formation of regional supply chains by India.

In the list of identified primary inputs of stage I inputs which India could import from within the region, there are 19 products, of which 14 are in the non-T&C sector. In 16 of the 19 products, India imports less than 10 per cent from the

region, while in only four products, India's global imports are lower than the region's global exports. This indicates that although the region's supply capacity is limited in terms of fulfilling India's global demand for the inputs, whatever the given supply capacity, only a small part of it is being tapped by India.

Appendix Table A.2 reports on the unique tariff lines which are identified in the potential supply chains that India can regionally import. To assess the feasibility of regional imports, the export unit value of the top exporter of these products to India is reported, together with the export unit values of three other countries of the region. There are 38 tariff lines, of which 19 are from the T&C sector. Of these 38 products, the export unit value of the top exporter is lower than the export unit value of the regional supplier in only eight products. In two of the T&C products (synthetic filament yarn and synthetic staple fibres), China has a lower export unit value compared to regional exporters. This indicates the feasibility and rationale of the regional supply chains that have been identified. However, this should only be taken as indicative, as the export unit values may not be comparable at this level of aggregation.

It was also pointed out by the stakeholders that many other factors, such as quality and timely delivery, may influence the decision to import regionally or globally. While this is true, the fact that the regional suppliers are also global exporters, exporting products worth more than US$100,000, indicates the possibility of the regional supplier being able to meet the other demands of the importer. Furthermore, the table shows that 12 of the 38 products are listed as India's sensitive products under SAFTA for non-LDCs. For LDCs, three products are in the sensitive list. India has scope for reducing its import unit values by importing from within the region and making its exports more competitive.

Table 6.4. Output and inputs of potential exports and potential imports in the identified 3-stage and 2-stage supply chains for India (average for 2005–2007)

S no.	Final output for exports	Description	India's average global exports (US$'000)	India's share in south Asia's exports (%)	Share of south Asia in world exports (%)
1	500400	Silk yarn (other than yarn spun from silk waste) not put up for sale (SLK YARNS (OTHR THN SPUN FROM SLK WSTE) NT PUT UP FOR RETAIL SALE)	1,206	99.0	0.0
2	510620	Yarn of carded wool, not put up for retail sale (YARN OF WOOL CONTNG)	2,686	99.0	1.0
3	520300	Cotton, carded or combed (COTTON CARDED OR COMBED)	4,587	28.0	7.0
4	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	353,778	70.0	68.0
5	520921	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing more than 200 g/m^2 (BLEACHED COTTON FABRICS, PLAIN WEAVE WEIGHING MORE THN 200 GM PER SQM)	12,313	74.0	18.0
6	520931	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing more than 200 g/m^2 (DYED PLAIN WEAVE COTTON FABRICS WEGHNG MORE THAN 200 GM PER SQM)	19,282	7.0	33.0
7	520942	Woven fabrics of cotton, containing per cent or more by weight of cotton, more than 200 g/m^2 (DENIM)	121,929	59.0	6.0
8	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic mono-filament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	100,183	85.0	5.0

Table 6.4 (continued)

S no.	Final output for exports	Description	India's average global exports (US$'000)	India's share in south Asia's exports (%)	Share of south Asia in world exports (%)
	540239	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHER TEXTURED YARN)	6,680	88.0	2.0
10	540320	Artificial filament yarn (other than sewing thread), not put for retail sale, including artificial mono filament of less than 67 decitex (ARTIFICIAL TEXTURED YARN)	1,243	25.0	20.0
11	540610	Man-made filament yarn (other than sewing thread), put up for retail sale (SYNTHETIC FILAMENT YARN)	2,280	62.0	4.0
12	540752	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404 (WOVEN FABRICS, DYED, CNTNG BY WT>=85 per cent TEXTURED POLYESTER FILAMENTS)	115,097	97.0	2.0
13	540754	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404 (WOVEN FABRCS, PRINTED, CNTNG BY WT>=85 per cent TEXTURED POLYESTER FILAMENTS)	65,437	97.0	7.0
14	550941	Yarn (other than sewing thread) of synthetic staple fibres, not put up retail sale (SINGLE YRN CNTNG 85 per cent OR MORE BY WT OF OTHER SYNTHETIC STAPLE FIBRES)	12,584	100.0	19.0
15	551030	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale (OTHR YRN MXD MAINLY/SOLELY WTH COTTON)	4,155	76.0	7.0

Table 6.4 (continued)

S no.	Final output for exports	Description	India's average global exports (US$'000)	India's share in south Asia's exports (%)	Share of south Asia in world exports (%)
16	551311	Woven fabrics of synthetic staple fibres, containing less than 85 per cent by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170g/m^2 (WOVEN FABRICS OF POLYESTER STAPLE FIBRES, PLAIN WEAVE, UNBLECHED OR BLEACHED)	4,833	12.0	6.0
17	551511	Other woven fabrics of synthetic staple fibres (FBRCS OF POLYESTR STPL FBRS,MXD MAINLY OR SOLELY WTH VISCOSE RAYON STPL FBRS)	148,290	99.0	10.0
18	551513	Other woven fabrics of synthetic staple fibres (FBRCS OF POLYESTR STPL FBRS MXD MAINLY/SOLELY WTH WOOL/FINE ANIMAL HAIR)	28,051	100.0	5.0
19	560221	Felt, whether or not impregnated, coated, covered or laminated (FELT, NOT IMPREGNATED,COATED, COVERED/LAMINATED,OF WOOL/FINE ANIMAL HAIR)	2,994	100.0	4.0
20	570259	Carpets and other textile floor coverings, woven, not tufted or , whether or not made up, including "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs (of other textile materials)	49,851	100.0	47.0
21	600621	Other knitted or crocheted fabrics (OTHR KNITTED OR CROCHETD FBRCS OF COTTON, UNBLCHD OR BLCHD)	7,386	51.0	2.0
22	600690	Other knitted or crocheted fabrics (OTHR KNITD OR CROCHETD FBRCS OF OTHER FIBRES)	3,294	10.0	6.0

Table 6.4 (continued)

S no.	Final output for exports	Description	India's average global exports (US$'000)	India's share in south Asia's exports (%)	Share of south Asia in world exports (%)
23	610463	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swim wear), knitted or crocheted (TROUSERS, BIB & BRACE OVERALLS, BREECHES AND SHORTS OF SYNTHETIC FIBRES)	4,455	27.0	1.0
24	610819	Women's or girls' slips, petticoats, briefs, panties, night dresses, pyjamas, negligees, bathrobes, dressing gowns and similar articles, knitted or crocheted (SLIPS & PETTICOATS OF OTHER TXTL MATRLS)	13,249	85.0	20.0
25	610831	Women's or girls' slips, petticoats, briefs, panties, night dresses, pyjamas, negligees, bathrobes, dressing gowns and similar articles, knitted or crocheted (NIGHTDRESSES PYJAMAS OF COTTON)	171,183	72.0	16.0
26	610990	T-shirts, singlets and other vests, knitted or crocheted (T-SHIRT ETC OTHER TEXTILE MATERIALS)	95,855	32.0	4.0
27	611420	Other garments, knitted or crocheted (OTHER GARMENTS OF COTTON)	50,826	41.0	10.0
28	611430	Other garments, knitted or crocheted (OTHER GARMENTS OF MAN-MADE FIBRES)	4,114	32.0	1.0
29	611710	Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories (SHWL, SCRV, MUFLR, MANTLAS, VEILS & THE LIKE)	13,259	66.0	2.0
30	620212	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 6204 (OVERCOATS,RNCOTS ETC & SMLR ARTCLS OF COTN)	8,354	54.0	2.0

Table 6.4 (continued)

S no.	Final output for exports	Description	India's average global exports (US$'000)	India's share in south Asia's exports (%)	Share of south Asia in world exports (%)
31	620293	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 6204 (OTHERGARMENTS OF MAN-MADE FIBRES OF HEADING NO. 6202)	2,352	26.0	0.0
32	620333	Men's or boys' suits, ensembles, jackets, blazers, trousers bib and brace overalls, breeches and shorts (other than swimwear) (JACKTS & BLAZERS OF SYNTHETIC FIBRES)	35,277	17.0	13.0
33	620343	Men's or boys' suits, ensembles, jackets, blazers, trousers bib and brace overalls, breeches and shorts (other than swimwear) (TROUSERS, BIB & BRACE, OVERALLS, BREECHES & SHORTS OF SYNTHETIC FIBRS, MEN'S OR BOYS')	51,713	25.0	6.0
34	621143	Track suits, ski suits and swimwear; other garments (OTHER GARMENTS OF MAN-MADE FIBRES)	19,919	84.0	2.0
35	621490	Shawls, scarves, mufflers, mantillas, veils and the like (SHWLS, SCRVS ETC OF OTHER TXTL MATERIALS)	124,116	85.0	39.0
36	621790	Other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading 62 12 (PARTS OF GARMENTS/OF CLOTHNG ACCESSORIES)	4,393	65.0	1.0
37	630492	Other furnishing articles, excluding of heading 9404 (OTHR FRNSHNG ARTCLS OF COTN,NT KNTD/ CRCHTD)	753,504	99.0	72.0

Table 6.4 (continued)

S no.	Stage 1 inputs of	Description	India's average global imports (US$'000)	India's average imports from Bangladesh, Pakistan and Sri Lanka (%)	Global exports of Bangladesh, Pakistan and Sri Lanka (US$'000)
1	320416	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (REACTIVE DYES & PREPTNS BASED THEREON)	14,880	0.0	516
2	320417	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (PIGMENTS & PREPTNS BASED THEREON)	27,254	0.0	1,389
3	320419	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as luminoph (OTHR INCL MIXR OF COLRNG MATR OF TWO OR MORE OF SUB-HDNG 320411 TO 320419)	23,223	0.0	105
4	320420	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as luminoph (SYNTHETIC ORGANIC PRDCTS OF A KIND USED AS FLUORESCENT BRIGHTENING AGENS)	13,431	0.0	186

Table 6.4 (continued)

S no.	Stage 1 inputs of	Description	India's average global imports (US$'000)	India's average imports from Bangladesh, Pakistan and Sri Lanka (%)	Global exports of Bangladesh, Pakistan and Sri Lanka (US$'000)
5	320649	Other colouring matter; Preparations as specified in Note 3 to this Chapter, other than those of Headings or 3205; Inorganic products of a kind used as luminophores, whether or not chemically defined (OTHR COLRNG MATR AND OTHR PRPTNS)	12,616	0.5	966
6	350510	Dextrins and other modified starches (for example, pre-gelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches (DEXTRINS & OTHER MODIFIED STARCHES)	10,135	0.0	311
7	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include (PRPNS USD IN TXTL INDUSTRY)	37,653	0.1	1,469
8	500720	Woven fabrics of silk or of silk waste (OTHER WOVEN FABRICS, CONTAINING>=85 per cent BY WT OF SILK OR OF SILK WASTE OTHR THN NOIL SLK)	167,518	0.1	240
9	510129	Wool, not carded or combed: (OTHR DEGRESD WOOL NT CRBNSD NOR CRDED/CMBD)	9,025	2.6	246
10	510910	Yarn of wool or fine animal hair, put up for retail sale (YARN OF WOOL/OF FINE ANML HAIR CONTNG>=85 per cent BY WT OF WOOL,PUT UP FOR RETAIL SALE)	335	0.0	220

Table 6.4 (continued)

S no.	Stage 1 inputs of	Description	India's average global imports (US$'000)	India's average imports from Bangladesh, Pakistan and Sri Lanka (%)	Global exports of Bangladesh, Pakistan and Sri Lanka (US$'000)
11	520100	Cotton, not carded or combed (COTTON, NOT CARDED OR COMBED)	123,874	39.6	110,079
12	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	527	72.1	153,207
13	520942	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing more than 200 g/m^2 (DENIM)	30,640	2.3	86,377
14	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	14,325	5.9	16,649
15	540269	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHER YARN, MULTIPLE (FOLDED) OR CABLED)	6,362	0.1	812
16	550340	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (STAPLE FIBRS OF POLYPROPYLENE NT CRD/CMBD)	987	1.3	301
17	550410	Artificial staple fibres, not carded, combed or otherwise processed for spinning (VISCOSE RAYON STAPLE FIBRES NT CRD/COMBD)	6,478	0.0	348
18	550510	Waste (including noils, yarn waste and garnetted stock) of man-made fibres (WASTE ETC. OF SYNTHETIC FIBRES)	13,928	0.2	248

Table 6.4 (continued)

S no.	Stage 1 inputs of	Description	India's average global imports (US$'000)	India's average imports from Bangladesh, Pakistan and Sri Lanka (%)	Global exports of Bangladesh, Pakistan and Sri Lanka (US$'000)
19	550690	Synthetic staple fibres, carded combed or otherwise processed for spinning (OTHR SYNTHTC STAPLE FIBRES,CARDED/ COMBED)	666	0.0	3,628
20	550953	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale (OTHER YARN OF POLYSTER STAPLE FIBRS MIXED MAINLY/SOLELY WITH COTTON)	598	34.3	17,035
21	560122	Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and mill neps (WADDING OF MAN-MADE FIBRES)	1,703	9.6	364
22	560410	Rubber thread & cord, textile covered; textile yarn, and strip and the like of heading 54 04 or 54 05, impregnated, coated, covered or sheathed with rubber or plastics (RUBBER THREAD AND CORD, TEXTILE COVERED)	472	2.3	133
23	581100	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 5810 (QUILTED TXTL PRDCTS IN THE PIECE CMPSD OF ONE/ MORE LAYERS OF TXTL MATRLS ASSMBLD WTH PDDNG BY STICHING ETC EXCPT HDG 5810)	551	1.1	2,138
24	600191	Pile fabrics, including "long pile" fabrics and terry fabrics, knitted or crocheted (OTHER PILE FABRICS OF COTTON	1,770	2.7	2,463

Table 6.4 (continued)

S no.	Stage 1 inputs of	Description	India's average global imports (US$'000)	India's average imports from Bangladesh, Pakistan and Sri Lanka (%)	Global exports of Bangladesh, Pakistan and Sri Lanka (US$'000)
25	611780	Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories (OTHER CLOTHNG ACCESSORIES,KNITD/CRCHTD)	3,894	0.0	2,081

S no.	Primary inputs of imports	Description	India's average global imports (US$ '000)	India's average imports from Pakistan, Sri Lanka and Bangladesh (%)	Global exports of Pakistan, Sri Lanka and Bangladesh (US$ '000)
1	250100	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti-caking or free flowing agents; Sea water (SALT (INCL TABLE SALT & DENATRD SALT) & PURE SODIM CHLRDE W/N AQS SOLN SEA WTR)	814	50.2	3,663
2	271019	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 per cent or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic cons (OTHER PETROLEUM OILS AND OILS OBTAIND FROM BITUMINOUS MINERALS ETC)	2,568,650	5.1	818,158
3	291735	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (PHTHALIC ANHYDRIDE)	21,275	2.5	1,684

Table 6.4 (continued)

S no.	Primary inputs of imports	Description	India's average global imports (US$ '000)	India's average imports from Pakistan, Sri Lanka and Bangladesh (%)	Global exports of Pakistan, Sri Lanka and Bangladesh (US$ '000)
4	300420	Medicaments (excluding goods of heading 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for (MEDICAMENTS CONTAINING OTHER ANTIBIOTICS AND PUT UP FOR RETAIL SALE)	30,599	0.0	5,470
5	310210	Mineral or chemical fertilisers, nitrogenous (UREA WHETHER OR NOT IN AQUEOUS SOLUTION)	618,315	4.9	75,560
6	320417	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (PIGMENTS & PREPTNS BASED THEREON)	27,254	0.0	1,389
7	380210	Activated carbon; activated natural mineral products; animal black, including spent animal black (ACTIVATED CARBON)	10,230	1.3	22,717
8	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include (PRPNS USD IN TXTL INDUSTRY)	37,653	0.1	1,469

Table 6.4 (continued)

S no.	Primary inputs of imports	Description	India's average global imports (US$ '000)	India's average imports from Pakistan, Sri Lanka and Bangladesh (%)	Global exports of Pakistan, Sri Lanka and Bangladesh (US$ '000)
9	390410	Polymers of vinyl chloride or of other halogenated olefins, in primary forms (POLY (VINYL CHLORIDE), NOT MIXED WITH OTHR)	255,972	0.0	8,091
10	520100	Cotton, not carded or combed (COTTON, NOT CARDED OR COMBED)	123,874	39.6	110,079
11	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	527	72.1	153,207
12	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	14,325	5.9	16,649
13	690100	Bricks, blocks, tiles and other ceramic goods, of siliceous fossil meals (for example, kieselguhr, tripolite or diatomite or of similar siliceous earths (BRICKS, BLOCKS ETC OF SILICEOUS FOSSIL MEAL (KIESELGUHR ETC)/OF SMLR SILICEOUS EARTHS)	10,779	0.1	2,447
14	740400	Copper waste and scrap (COPPER WASTE & SCRAP)	366,681	1.9	31,045
15	760110	UNWROUGHT ALUMINIUM (ALUMINIUM-NOT ALLOYED)	140,651	0.6	873
16	283620	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (DISODIUM CARBONATE)	17,008	0.0	584

Table 6.4 (continued)

S no.	Primary inputs of imports	Description	India's average global imports (US$ '000)	India's average imports from Pakistan, Sri Lanka and Bangladesh (%)	Global exports of Pakistan, Sri Lanka and Bangladesh (US$ '000)
17	382490	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included (CHEMICAL PRODUCTS NES)	247,100	0.0	3,272
18	550320	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (STAPLE FIBRES OF POLYESTER NT CRD/CMBD)	24,051	0.0	5,059
19	550410	Artificial staple fibres, not carded, combed or otherwise processed for spinning (VISCOSE RAYON STAPLE FIBRES NT CRD/COMBD)	6,478	0.0	348

6.3 Participation of Pakistan in 3-stage and 2-stage supply chains

Using the above methodology, 29 products are identified in the potential supply chain as products for final export by Pakistan (Table 6.5). In these products Pakistan is the top or second exporter in the region, exporting over US$100,000. These are also the products with the potential to form regional supply chains. They include cotton; cotton yarn; woven fabrics of cotton; synthetic filament yarn; woven fabrics of synthetic filament yarn; other knitted or crocheted fabrics; men's or boys' shirts, knitted or crocheted; other garments, knitted or crocheted; other garments; blankets and travelling rugs; and other furnishing articles. In 22 of 29 products, Pakistan's share in the region is above 10 per cent, and in eight products Pakistan exports around 50 per cent or more of the region's total exports.

There are 27 stage I inputs identified by the potential supply chains. Of these 16 are from the T&C sector. These are mainly from chapter 55 (man-made staple fibres). There are three

tariff lines of chapter 52 (HS 520100, 520300 and 520511) for which Pakistan globally imports goods worth over US$100,000. One of these products, cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton not put up for retail sale (HS 520511), is imported mainly from the region, while for 23 stage I inputs Pakistan sources under 10 per cent of its imports from the region. In most, the global regional exports exceed Pakistan's global imports, suggesting that the region has capacity to meet Pakistan's demand for stage I inputs.

103 primary inputs are identified in the potential supply chains for Pakistan. These are used in stage I inputs. Pakistan's global imports of each of these inputs have a total value of over US$100,000 and the regional supply totals over US$100,000. 97 of these inputs are from the non-T&C sector. The large number shows diversity in Pakistan's basket of global imports. In 72 of 103 products, Pakistan's regional imports are less than 10 per cent, while its global imports are worth more than the region's global exports, indicating insufficient capacity for only 14 products. These include products such as finishing agents; prepared binders for foundry moulds; and artificial staple fibres, not carded, combed or otherwise processed for spinning.

Appendix Table A.3 reports the top exporter of the inputs identified in the potential supply chain for Pakistan, with the export unit values of the top exporter and other suppliers in the region. The table also reports the existing tariffs and whether the input is listed in Pakistan's sensitive list under SAFTA.

117 unique products have been identified, in 13 of which the top exporter to Pakistan is India. This indicates that in these 13 products regional supply has already been initiated. In 61 products, the export unit value of the top exporter is higher than that of the regional supplier. It should be noted that export unit values can be used only as indicative of prices, as the data at this level of disaggregation may not fully capture product differentiation in terms of quality. However, these do reflect the potential and economic rationale for establishing supply chains in the region. In 45 products, Pakistan's tariffs are greater than 5 per cent, while 17 products are on the SAFTA sensitive list.

Table 6.5. Output and inputs of potential exports and potential imports in the identified 3-stage and 2-stage supply chains for Pakistan (average for 2005–2007)

S no.	Final output for exports	Description	Pakistan's average global exports (US$'000)	Pakistan's share in south Asia's exports (%)	Share of south Asia in world exports (%)
1	520300	Cotton, carded or combed (COTTON CARDED OR COMBED)	11,701	70	7
2	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	146,967	29	68
3	520921	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing more than 200 g/m^2 (BLEACHED COTTON FABRICS, PLAIN WEAVE WEIGHING MORE THN 200 GM PER SQM)	4,093	25	18
4	520942	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing than 200 g/m^2 (DENIM)	85,098	41	6
5	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	16,529	14	5
6	540239	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHER TEXTURED YARN)	672	9	2
7	540252	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHR YARN OF POLYESTERS,SINGLE,WITH A TWIST EXCEEDING 50 TURNS/ PER METRE)	688	12	3

Table 6.5 (continued)

S no.	Final output for exports	Description	Pakistan's average global exports (US$'000)	Pakistan's share in south Asia's exports (%)	Share of south Asia in world exports (%)
8	540710	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404 (WOVEN FBRCS OBTND FROM HIGH TENACITY YRN OF NYLON OR OTHR POLYAMIDES, OR OF POLYESTERS)	1,813	1	21
9	540754	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404 (WOVEN FABRCS, PRINTED, CNTNG BY WT>=85 per cent TEXTURED POLYESTER FILAMENTS)	2,346	3	7
10	540822	Woven fabrics of artificial filament yarn, including woven fabrics obtained from materials of heading 5405 (OTHER WOVEN FABRICS CNTNG BY WT>=85 per cent OF ARTIFICIAL FILAMENT/STRIP/LIKE, DYED)	148	1	3
11	551030	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale (OTHR YRN MXD MAINLY/ SOLELY WTH COTTON)	1,280	24	7
12	551311	Woven fabrics of synthetic staple fibres, containing less than 85 per cent by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170g/m^2 (WOVEN FABRICS OF POLYESTER STAPLE FIBRES, PLAIN WEAVE, UNBLECHED OR BLEACHED)	36,088	88	6
13	580710	Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size not embroidered (LABELS BADGES & THE LIKE, WOVEN)	4,028	44	1
14	600621	Other knitted or crocheted fabrics (OTHR KNITTED OR CROCHETD FBRCS OF COTTON , UNBLCHD OR BLCHD)	4,750	33	2

Table 6.5 (continued)

S no.	Final output for exports	Description	Pakistan's average global exports (US$'000)	Pakistan's share in south Asia's exports (%)	Share of south Asia in world exports (%)
15	600632	Other knitted or crocheted fabrics (OTHR KNITD OR CROCHETD FBRCS OF SYN FIBRS, DYED)	920	59	0
16	600690	Other knitted or crocheted fabrics (OTHR KNITD OR CROCHETD FBRCS OF OTHER FIBRES)	26,473	82	6
17	610590	Men's or boys' shirts, knitted or crocheted (SHIRTS OF OTHR TEXTILE MATERIAL)	97,784	50	42
18	611420	Other garments, knitted or crocheted (OTHER GARMENTS OF COTTON)	69,365	55	10
19	611430	Other garments, knitted or crocheted (OTHER GARMENTS OF MAN-MADE FIBRES)	6,073	47	1
20	611599	Pantyhose, tights, stockings, socks and other hosiery, including graduated compression hosiery(for example, stockings for varicose veins) and footwear without applied soles, knitted or crocheted (OTHER HOSIERY OF OTHER TEXTILE MATERIALS)	12,180	53	11
21	611692	Gloves, mittens and mitts, knitted or crocheted (OTHER GLOVES ETC OF COTTON)	29,241	85	12
22	611710	Other made up clothing accessories, or crocheted; knitted or crocheted parts of garments or of clothing accessories (SHWL, SCRV, MUFLR, MANTLAS, VEILS & THE LIKE)	4,723	23	2
23	621143	Track suits, ski suits and swimwear; other garments (OTHER GARMENTS OF MAN-MADE FIBRES)	2,691	11	2
24	621420	Shawls, scarves, mufflers, mantillas, veils and the like (SHWLS, SCARVES ETC OF WOOL/FINE ANML HAIR)	982	2	16

Table 6.5 (continued)

S no.	Final output for exports	Description	Pakistan's average global exports (US$'000)	Pakistan's share in south Asia's exports (%)	Share of south Asia in world exports (%)
25	621490	Shawls, scarves, mufflers, mantillas, veils and the like (SHWLS, SCRVS ETC OF OTHER TXTL MATERIALS)	22,108	15	39
26	630140	Blankets and travelling rugs (BLANKETS (OTHER THAN ELECTRIC BLANKETS) AND TRAVELLING RUGS,OF SYNTHETIC FIBRES)	2,017	13	1
27	630190	Blankets and travelling rugs (BLANKETS AND TRAVELLING RUGS OF OTHR FIBRE)	4,137	19	17
28	630492	Other furnishing articles, excluding those of heading 9404 (OTHR FRNSHNG ARTCLS OF COTN, NT KNTD/CRCHTD)	9,056	1	72
29	630790	Other made up articles, including dress patterns (OTHER MADE UP ARTICLES)	45,796	10	9

S no.	Stage 1 inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's average imports from Bangladesh, India and Sri Lanka (%)	Global exports of Bangladesh, India and Sri Lanka (US$ '000)
1	281511	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (SOLID SODIUM HYDROXIDE (CAUSTIC SODA))	3,880	0.0	7,310
2	282300	Titanium oxides (TITANIUM OXIDES)	6,158	1.1	32,397
3	320411	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (DISPERSE DYES & PREPARATIONS BASED THEREON)	13,730	4.7	16,415

Table 6.5 (continued)

S no.	Stage 1 inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's average imports from Bangladesh, India and Sri Lanka (%)	Global exports of Bangladesh, India and Sri Lanka (US$ '000)
4	320415	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of kind used as fluorescent a brightening agents or as luminoph (VAT DYES (INCL THOSE USABLE IN THAT STATE AS PIGMNTS & PREPRATIONS BASED THEREON)	14,490	3.9	33,855
5	320416	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as luminoph (REACTIVE DYES & PREPTNS BASED THEREON)	44,503	19.0	181,614
6	320417	Synthetic organic coloring matter whether or not chemically defined; preparations as in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (PIGMENTS & PREPTNS BASED THEREON)	19,388	7.9	233,064

Table 6.5 (continued)

S no.	Stage 1 inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's average imports from Bangladesh, India and Sri Lanka (%)	Global exports of Bangladesh, India and Sri Lanka (US$ '000)
7	320420	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (SYNTHETIC ORGANIC PRDCTS OF A KIND USED AS FLUORESCENT BRIGHTENING AGENS)	2,508	9.8	40,714
8	320649	Other colouring matter; Preparations as specified in Note 3 to this Chapter, other than those of Headings 3203, 3204 or 3205; Inorganic products of a kind used as luminophores, whether or not chemically defined (OTHR COLRNG MATR AND OTHR PRPTNS)	2,149	4.5	9,894
9	340311	Lubricating preparations (including preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of (PRPNS FOR THE TRTMNT OF TXTL MATRLS LEATHER FURSKINS/OTHER MATERIALS CONTNG PETROLEUM OILS/OIL OBTND FROM BITMNS MNRLS)	3,613	0.7	1,270
10	350510	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches (DEXTRINS & OTHER MODIFIED STARCHES)	1,958	2.1	9,318

Table 6.5 (continued)

S no.	Stage 1 inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's average imports from Bangladesh, India and Sri Lanka (%)	Global exports of Bangladesh, India and Sri Lanka (US$ '000)
	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include (PRPNS USD IN TXTL INDUSTRY)	19,224	3.0	15,847
12	510529	Wool and fine or coarse animal hair, carded or combed (including combed wool in fragments) (WOOL TOPS AND OTHER COMBED WOOL)	1,016	60.8	24,183
13	520100	Cotton, not carded or combed (COTTON, NOT CARDED OR COMBED)	477,043	31.1	1,027,028
14	520300	Cotton, carded or combed (COTTON CARDED OR COMBED)	2,991	3.8	4,956
15	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	2,075	98.3	360,019
16	540220	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (HIGH TENACITY YARN OF POLYESTERS)	451	3.8	14,942
17	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	61,566	0.1	100,303

Table 6.5 (continued)

S no.	Stage 1 inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's average imports from Bangladesh, India and Sri Lanka (%)	Global exports of Bangladesh, India and Sri Lanka (US$ '000)
18	540269	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHER YARN, MULTIPLE (FOLDED) OR CABLED)	1,710	1.1	4,107
19	550130	Synthetic filament tow (SYNTHTC FILAMNT TOW, ACRYLIC/MODACRYLIC)	9,292	0.0	3,523
20	550320	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (STAPLE FIBRES OF POLYESTER NT CRD/CMBD)	61,873	0.0	122,227
21	550410	Artificial staple fibres, not carded, combed or otherwise processed for spinning (VISCOSE RAYON STAPLE FIBRES NT CRD/COMBD)	46,658	5.6	34,837
22	550510	Waste (including noils, yarn waste and garnetted stock) of man-made fibres (WASTE ETC.OF SYNTHETIC FIBRES)	1,144	0.0	6,071
23	550620	Synthetic staple fibres, carded combed or otherwise processed for spinning (STAPLE FIBRS OF POLYESTERS, CARDED/COMBED)	1,306	0.0	690
24	550630	Synthetic staple fibres, carded combed or otherwise processed for spinning (STAPLE FIBRES OF ACRYLC/MODACRYLC, CRD/CMBD)	542	0.4	498
25	550953	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale (OTHER YARN OF POLYSTER STAPLE FIBRS MIXED MAINLY/SOLELY WITH COTTON)	179	7.3	53,336

Table 6.5 (continued)

S no.	Stage 1 inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's average imports from Bangladesh, India and Sri Lanka (%)	Global exports of Bangladesh, India and Sri Lanka (US$ '000)
26	560410	Rubber thread & cord, textile covered; textile yarn, and strip and the like of heading 54 04 or 54 05, impregnated, coated, covered or sheathed with rubber or plastics (RUBBER THREAD AND CORD, TEXTILE COVERED)	651	0.5	358
27	600191	Pile fabrics, including "long pile" fabrics and terry fabrics, knitted or crocheted (OTHER PILE FABRICS OF COTTON)	642	0.0	9,365

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
1	250100	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti-caking or free flowing agents; Sea water (SALT (INCL TABLE SALT & DENATRD SALT) & PURE SODIM CHLRDE W/N AQS SOLN SEA WTR)	226	7.1	31,521
2	250300	Sulphur of all kinds, other than sub-limited sulphur, precipitated sulphur and colloidal sulphur (SULPHUR OF ALL KNDS OTHR THN SUBLIMED SULPHUR PCPTD SULPHUR & COLLOIDAL SULPHUR)	1,053	0.0	11,523
3	260700	Lead ores and concentrates ORES & CONCENTRATES)	173	0.0	57,161

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
4	271019	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 per cent or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic cons (OTHER PETROLEUM OILS AND OILS OBTAIND FROM BITUMINOUS MINERALS ETC)	97,779	7.7	11,715,608
5	280200	Sulphur, sublimed or precipitated; colloidal sulphur (SULPHUR SUBLIMD/ PRECPTATED COLLDL SULPHUR)	1,284	0.2	12,461
6	280540	Alkali or alkaline-earth metals; rare-earth metals, scandium and yttrium, whether or not intermixed or interalloyed; mercury (MERCURY)	151	0.0	112
7	281000	Oxides of boron;boric acids (OXIDES OF BORON BORIC ACIDS)	541	0.0	674
8	281119	Other inorganic acids and other in-organic oxygen compounds of non-metals (OTHER INORGANIC ACIDS)	190	12.6	2,648
9	281511	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (SOLID SODIUM HYDROXIDE (CAUSTIC SODA))	3,880	0.0	7,310
10	281520	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (POTASSIUM HYPROXIDE (CAUSTIC POTASH))	443	3.4	2,676

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
11	282410	Lead oxides; red lead and orange lead (LEAD MONOXIDE (LITHARGE, MASSICOT))	112	0.0	276
12	282580	Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; other metal oxides, hydroxides and peroxides (ANTIMONY OXIDES)	599	0.0	2,051
13	282710	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides (AMMONIUM CHLORIDE)	139	0.0	916
14	282731	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides (CHLORIDES OF MAGNESIUM)	144	2.1	386
15	282739	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides (OTHER CHLORIDE; NES)	956	19.5	15,651
16	283110	Dithionites and sulphoxylates (DITHONITES AND SULPHO-XYLATES OF SODIUM)	4,437	17.2	5,129
17	283210	Sulphites; thiosulphates (SODIUM SULPHITE)	878	13.3	1,234
18	283311	Sulphates; alums; peroxo-sulphates (persulphates) (DISODIUM SULPHATE)	1,827	0.2	482
19	283319	Sulphates; alums; peroxo-sulphates (persulphates) (OTHER SODIUM SULPHATES)	327	3.7	2,091
20	283325	Sulphates; alums; peroxo-sulphates (persulphates) (COPPER SULPHATE)	440	0.0	827
21	283410	Nitrites; nitrates (NITRITES)	153	0.0	1,013

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
22	283525	Phosphinates (hypophosphites), phosphonates (phosphites), phosphates and polyphosphates whether or not chemically defined (CALCIUM HYDRO-GENORTHO PHOSPHATE ("DICALCIUM PHOSPHATE"))	2,866	0.5	1,181
23	283529	Phosphinates (hypophosphites), phosphonates (phosphites), phosphates and polyphosphates whether or not chemically defined (OTHER PHOSPHATES)	461	1.3	724
24	283630	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (SODIUM HYDROGEN CARBONATE (SODIUM BICARBONATE))	1,599	0.5	2,285
25	283640	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (POTASSIUM CARBONATES)	872	0.0	410
26	283650	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (CALCIUM CARBONATE)	1,440	0.6	2,749
27	283699	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (OTHER CARBONATES PERCARBONATES)	4,337	0.1	1,904
28	284290	Other salts of inorganic acids or peroxoacids (including alumino-silicates whether or not chemically defined), other than azides (OTHR SALTS OF INORGANIC ACIDS/ PEROXOACIDS)	101	1.0	581

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
29	284700	Hydrogen peroxide, whether or not solidified with urea (HYDROGEN PEROXIDE W/N SOLIDIFIED WITH UREA)	16,225	0.0	736
30	290241	Cyclic hydrocarbons (O-XYLENE)	16,726	56.8	145,447
31	290290	Cyclic hydrocarbons (OTHER CYCLIC HYDROCARBONS)	1,447	0.8	28,534
32	290410	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (DRVTVS CNTNG ONLY SULPHO GROUPS, THEIR SALTS AND ETHYL ESTERS)	2,114	80.0	70,667
33	290420	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (DRVTVS CNTNG ONLY NITRO/NITROSO GRPS)	503	10.1	5,175
34	290490	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (OTHR SULPHONTD NITRTD/NITRSTD DRVTVS)	375	19.5	24,633
35	290511	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED METHANOL (METHYL ALCOHOL))	10,706	0.0	8,698
36	290512	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED PROPAN-1OL (PROPYL ALCOHOL) AND PROPAN-2-OL (ISOPROPYL ALCOHOL))	3,449	0.1	5,556
37	290513	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED BUTAN-1-OL (N-BUTYL ALCOHOL))	378	0.5	2,858

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
38	290516	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATRTD OCTNL(OCTYL ALCHL) & ISMRS THEREOF)	1,647	0.0	1,363
39	290711	Phenols; phenol-alcohols (PHENOL (HYDROXYBENZENE) AND ITS SALTS)	3,339	0.0	4,517
40	290715	Phenols; phenol-alcohols (NAPHTHOLS AND THEIR SALTS)	222	18.5	1,881
41	290729	Phenols; phenol-alcohols (OTHER POLYPHENOLS)	316	32.3	38,112
42	290810	Halogenated Derivatives of Phenols or Phenol-alcohols, Their Salts	266	2.6	2,679
43	291300	Halogenated, sulphonated, nitrated or nitrosated derivatives of products of heading 2912 (HALGNTD SLPHNTD NITRTD/ NITRSTD DRVTVS OF PRODUCTS OF HEADING NO. 2912)	143	0.0	3,284
44	291421	Ketones and Quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives (CAMPHOR)	110	2.7	537
45	291469	Ketones and Quinones, whether or with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER QUINONES)	390	3.8	1,158
46	291470	Ketones and Quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives (HALGNTD, SULPHNTD, NITRTD/ kNITROSTD DRVTVS OF KETOKES AND QUINONES)	130	0.8	12,093

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
47	291511	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (FORMIC ACID)	2,621	1.8	250
48	291521	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (ACETIC ACID)	15,708	0.1	11,916
49	291522	Sodium Acetate	179	22.3	1,564
50	291524	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (ACETIC ANHYDRIDE)	276	8.7	897
51	291539	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER ESTERS OF ACETIC ACID)	2,062	1.1	30,362
52	291590	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHR SATRTD ACYLC, MNOCRBOXYLC ACDS & ANHYDRDS, HALDS, PEROXDS, PEROXY ACIDS & THR HALGNTD SLPHNTD NITRTD & NITRSTD DRVTVS)	2,447	11.2	15,285

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
53	291639	Unsaturated acyclic monocarboxylic acids, cyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHR ARMTC MONO-CRBOXYLC ACDS, THR ANHYDRDS HALIDES, PEROXIDES, PEROXYACIDS & THR DRVTVS)	3,618	0.2	4,831
54	291719	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halo-genated, sulphonated, nitrated or nitrosated derivatives (OTHR ACYLC PLYCRBOXYLC ACDS THR ANHYDRDS HALIDES, PEROXIDES, PEROXYACDS & THR DRVTVS)	576	42.7	11,184
55	291735	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (PHTHALIC ANHYDRIDE)	3,897	24.3	68,914
56	291739	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHR ARMTC PLYCRBOXYLC ACIDS THR ANHYDRDS HALIDES PEROXIDES PEROXYACDS & THR DRVTVS)	4,002	3.3	22,227
57	291830	Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (CRBXYLC ACIDS WTH ALDHYD/KETONE FNCTN BUT WTHOUT OTHR OXYGN FNCTN THR ANHYDRDS HALDS PERO-XYACIDS & THR DRVTVS)	1,462	13.5	3,210

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
58	292111	Amine function compounds (MTHYLAMINE DI-OR TRIMTHYL AMINE & THR SLTS)	192	56.8	8,656
59	292119	Amine function compounds (OTHR ACYCLIC MONOAMINES & THEIR DERIVATIVES SALTS THEREOF)	507	7.3	4,888
60	292121	Amine function compounds (ETHYLENEDIAMINE AND ITS SALTS)	357	0.0	421
61	292130	Amine function compounds (CYCLANIC CYCLENIC/CYCLO-TRPNC MONO-OR POLYAMINS & THR DRVTVS; SLTS THEREOF)	382	0.3	1,702
62	292141	Amine function compounds (ANILINE AND ITS SALTS)	234	45.7	26,017
63	292142	Amine function compounds (ANILINE DERIVATIVES AND THEIR SALTS)	812	22.4	46,376
64	292143	Amine function compounds (TOLUIDINES AND THEIR DRVTVS SLTS THEREOF)	339	43.4	15,725
65	292145	Amine function compounds (1-NAPHTHYLAMINE 2-NAPHTHYLAMINE AND THEIR DERIVATIVES; SALTS THEREOF)	1,471	15.2	11,397
66	292149	Amine function compounds (OTHR ARMTC MONO AMNS & THR DRVTVS AND SLTS)	3,690	2.7	12,237
67	292151	Amine function compounds (O-M-P-PHENYLENEDIAMINE DIAMINOTOLUENE AND THEIR DRVTVS SALTS THEREOF)	943	20.8	19,581
68	292211	Oxygen-function amino-compounds (MONOETHANOLAMINE AND ITS SALTS)	787	0.1	1,310

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
69	292212	Oxygen-function amino-compounds (DIETHANOLAMINE AND ITS SALTS)	736	2.4	886
70	292221	Oxygen-function amino-compounds (AMNOHYDRXYN-PHTHLENESLPHNC ACDS & THR SLTS)	4,166	42.0	41,154
71	292229	Oxygen-function amino-compounds (OTHR AMINO-NAPTHLS & OTHR AMINO-PHNLS THR ETHRS & ESTRS OTHR THN THOSE CNTNG MORE THN ONE KND OF EXYGN FNCTN SLTS THEREOF)	2,598	8.1	34,796
72	292429	Carboxyamide-function compounds; amide-function compounds of carbonic acid (OTHR CYCLC AMIDES (INCL CYCLC CRBAMATES) & THEIR DERIVATIVES & SALTS THEREOF)	8,728	3.5	12,282
73	292700	Diazo-, azo- or azoxy-compounds (DIAZO-AZO-OR AZOXY-COMPOUNDS)	2,761	3.2	5,445
74	293090	Organo-sulphur compounds (OTHER ORGANO-SULPHUR COMPOUNDS)	9,540	0.6	13,026
75	293319	Heterocyclic compounds with nitrogen hetero-atom(s) only (OTHR HTRCYCLC CMPNDS CNTNG AN UNFUSED PYRZL RING (W/N HYDRGNTD) IN THE STRUCTURE)	1,374	26.3	22,053
76	293331	Heterocyclic compounds with nitrogen hetero-atom(s) only (PYRIDINE AND ITS SALTS)	154	30.5	56,791
77	293339	Heterocyclic compounds with nitrogen hetero-atom(s) only (OTHR CMPNDS CNTNG AN UNFUSED PYRDN RING (W/N HYDRGNTD) IN THE STRUCTURE)	11,970	5.8	45,197

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
78	293369	Heterocyclic compounds with nitrogen hetero-atom(s) only (OTHR CMPNDS CNTNG AN UNFUSED TRIAZINE RING (W/N HYDROGENATED) IN THE STRUCTURE)	1,790	1.2	5,795
79	293500	Sulphonamides (SULPHONAMIDES)	8,091	9.9	45,138
80	320300	Colouring matter of vegetable or animal origin (including dyeing extracts but excluding animal black), whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on colouring matter of vegetable or animal origin (COLRNG MATR OF VEGTBL/ANML ORGN (INCL DYNG EXTRCT EXCL ANML BLCK) W/N CMCLY DFND)	2,745	89.8	5,267
81	320411	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (DISPERSE DYES & PREPARATIONS BASED THEREON)	13,730	4.7	16,415
82	320412	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (ACID DYES W/N PREMETALSD & PRPTNS BASED THERON MORDNT DYES & PRPTNS BASED THRON)	7,770	46.6	121,701

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
83	320413	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (BASIC DYES AND PREPARATIONS BASED THEREON)	4,023	24.5	23,546
84	320415	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (VAT DYES (INCL THOSE USABLE IN THAT STATE AS PIGMNTS & PREPRATIONS BASED THEREON)	14,490	3.9	33,855
85	320416	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (REACTIVE DYES & PREPTNS BASED THEREON)	44,503	19.0	181,614
86	320417	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (PIGMENTS & PREPTNS BASED THEREON)	19,388	7.9	233,064

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
87	320419	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (OTHR INCL MIXR OF COLRNG MATR OF TWO OR MORE OF SUB-HDNG 320411 TO 320419)	10,401	7.0	75,406
88	320490	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (OTHR SYNTHETIC ORGANIC COLORING MATTER)	492	29.1	22,358
89	340219	Organic surface-active agents (other than soap), surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of Heading 3401 (OTHR ORNGC SRFCE-ACTV AGNTS W/N FOR RTL SL)	2,530	1.2	6,820
90	350510	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches (DEXTRINS & OTHER MODIFIED STARCHES)	1,958	2.1	9,318
91	380210	Activated carbon; activated natural mineral products; animal black, including spent animal black (ACTIVATED CARBON)	1,488	3.8	38,665

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
92	380400	Residual lyes for the manufacture of wood pulp, whether or not concentrated, desugared or chemically treated, including lignin sulphonates, but excluding tall oil of Heading 3803 (RSDUL LYES FROM MNFCTR OF WOOD PULP-W/N CNCNTRTD,DESUGRD/CHMCLY TRTD, INCL LIGNIN SLPHNTS-BUT EXCL TALL OIL OF HDG 3803)	856	0.0	241
93	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include (PRPNS USD IN TXTL INDUSTRY)	19,224	3.0	15,847
94	381512	Reaction initiators, reaction accelerators and catalytic preparations, not elsewhere specified or included (SUPPRTD CATALYSTS WTH PRCUS MTL/ITS CMPNDS)	2,921	0.1	8,187
95	382490	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included (CHEMICAL PRODUCTS NES)	50,777	1.7	47,372
96	520100	Cotton, not carded or combed (COTTON, NOT CARDED OR COMBED)	477,043	31.1	1,027,028
97	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	2,075	98.3	360,019

Table 6.5 (continued)

S no.	Primary inputs of imports	Description	Pakistan's average global imports (US$ '000)	Pakistan's imports from Bangladesh, Sri Lanka and India (%)	Global exports of Bangladesh, Sri Lanka and India (US$ '000)
98	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	61,566	0.1	100,303
99	540269	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHER YARN, MULTIPLE (FOLDED) OR CABLED)	1,710	1.1	4,107
100	550320	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (STAPLE FIBRES OF POLYESTER NT CRD/ CMBD)	61,873	0.0	122,227
101	550410	Artificial staple fibres, not carded, combed or otherwise processed for spinning (VISCOSE RAYON STAPLE FIBRES NT CRD/ COMBD)	46,658	5.6	34,837
102	690100	Bricks, blocks, tiles and other ceramic goods, of siliceous fossil meals (for example, kieselguhr, tripolite or diatomite or of similar siliceous earths (BRICKS,BLOCKS ETC OF SILICEOUS FOSSIL MEAL (KIESELGUHR ETC)/OF SMLR SILICEOUS EARTHS)	633	1.4	3,891
103	790310	Zinc dust, powders and flakes (ZINC DUST)	225	0.0	8,067

6.4 Participation of Sri Lanka in 3-stage and 2-stage supply chains

The 3-stage and 2-stage potential supply chains identify eight products of Sri Lanka for final export which have the potential to form regional supply chains (Table 6.6). These are the where Sri Lanka is the highest or second highest global exporter in the region. They are also the products where Sri Lanka exports products with a total value of over US$100,000 and where regional exports total more than US$100,000. The products are mainly from chapters 61 (articles of apparel and clothing accessories, knitted or crocheted) and chapter 62 (articles of apparel and clothing accessories, not knitted or crocheted).

Thirty-four inputs are identified as stage I inputs that may be imported from the region; of these 28 are from the T&C sector. These are mainly cotton, not carded or combed; cotton yarn; woven fabrics of cotton; and synthetic filament yarn. However, unlike the other countries in the region, Sri Lanka imports to a large extent from the region. Regional imports in 24 out of 34 products make up over 10 per cent of total imports. Sri Lanka's regional imports of cotton, not carded or combed (HS 520100) form less than 3 per cent, while the region has high global exports of cotton, not carded or combed. For some tariff lines in woven fabrics, regional supply capacity is limited, as Sri Lanka's global imports are much higher than the region's global exports.

There are 36 unique products that Sri Lanka can import regionally in either 2-stage or 3-stage identified supply chains. These products are listed in Appendix Table A.4. The table reports the top exporter of the product to Sri Lanka, together with the export unit values of the top exporter and the other three suppliers in the region. It should be reiterated that the export unit values are indicative in nature and may not reflect the true differences in price, as quality differences may not be captured at 6-digit disaggregation. Except for synthetic filament yarn (HS 540220), which Sri Lanka imports from the

Republic of Korea, the export unit value of all products in the case of one of the three regional suppliers is lower than the export unit value of the top exporter to Sri Lanka. None of the identified inputs are in Sri Lanka's sensitive list in SAFTA. This is indicative of the existing potential for regional imports for Sri Lanka.

Table 6.6. Output and inputs of potential exports and potential imports in the identified 3-stage and 2-stage supply chains for Sri Lanka (average for 2005–2007)

S no.	Final output for exports	Description	Sri Lanka's average global exports (US$'000)	Sri Lanka's share in south Asia's exports (%)	Share of south Asia in world exports (%)
1	600632	Other knitted or crocheted fabrics (OTHR KNITD OR CROCHETD FBRCS OF SYN FIBRS, DYED)	487	31	0
2	610819	Women's or girls' slips, petticoats, briefs, panties, night dresses, pyjamas, negligees, bathrobes, dressing gowns and similar articles, knitted or crocheted (SLIPS & PETTICOATS OF OTHER TXTL MATRLS)	1,733	11	20
3	610831	Women's or girls' slips, petticoats, briefs, panties, night dresses, pyjamas, negligees, bathrobes, dressing gowns and similar articles, knitted or crocheted (NIGHTDRESSES AND PYJAMAS OF COTTON)	30,537	13	16
4	611420	Other garments, knitted or crocheted (OTHER GARMENTS OF COTTON)	1,776	1	10
5	611519	Pantyhose, tights, stockings, socks and other hosiery, including graduated compression hosiery(for example, stockings for varicose veins) and footwear applied soles, knitted or crocheted (PANTY HOSE & TIGHTS OF OTHR TXTL MATRLS)	7,509	55	3

Table 6.6 (continued)

S no.	Final output for exports	Description	Sri Lanka's average global exports (US$'000)	Sri Lanka's share in south Asia's exports (%)	Share of south Asia in world exports (%)
6	611599	Pantyhose, tights, stockings, socks and other hosiery, including graduated compression hosiery (for example, stockings for varicose veins) and footwear without applied soles, knitted or crocheted (OTHER HOSIERY OF OTHER TEXTILE MATERIALS)	4,231	18	11
7	611692	Gloves, mittens and mitts, knitted or crocheted (OTHER GLOVES ETC OF COTTON)	2,872	8	12
8	621790	Other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading 62 12 (PARTS OF GARMENTS/ OF CLOTHNG ACCESSORIES)	1,673	25	1

S no.	Stage 1 inputs of imports	Description	Sri Lanka's average global imports (US$ '000)	Sri Lanka's average imports from Pakistan, Bangladesh and India (%)	Global exports of Pakistan, Bangladesh and India (US$ '000)
1	320411	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (DISPERSE DYES & PREPARATIONS BASED THEREON)	1,169	9.2	16,442
2	320415	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph(VAT DYES (INCL THOSE USABLE IN THAT STATE AS PIGMNTS & PREPRATIONS BASED THEREON)	596	30.7	33,900

Table 6.6 (continued)

S no.	Stage 1 inputs of imports	Description	Sri Lanka's average global imports (US$ '000)	Sri Lanka's average imports from Pakistan, Bangladesh and India (%)	Global exports of Pakistan, Bangladesh and India (US$ '000)
3	320416	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (REACTIVE DYES & PREPTNS BASED THEREON)	7,419	2.3	182,124
4	320419	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (OTHR INCL MIXR OF COLRNG MATR OF TWO OR MORE OF SUB-HDNG 320411 TO 320419)	1,111	43.6	75,501
5	320420	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (SYNTHETIC ORGANIC PRDCTS OF A KIND USED AS FLUORESCENT BRIGHTENING AGENS)	888	23.5	40,866
6	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include (PRPNS USD IN TXTL INDUSTRY)	10,230	10.6	16,087

Table 6.6 (continued)

S no.	Stage 1 inputs of imports	Description	Sri Lanka's average global imports (US$ '000)	Sri Lanka's average imports from Pakistan, Bangladesh and India (%)	Global exports of Pakistan, Bangladesh and India (US$ '000)
7	520100	Cotton, not carded or combed (COTTON, NOT CARDED OR COMBED)	2,532	2.5	1,088,919
8	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	18,852	99.7	506,932
9	520811	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRCS CONTNG >=85 per cent BY WT OF COTN, UNBLEACHED PLAIN WEAVE WEIGING <=100 G/M^2)	12,175	94.7	182,534
10	520812	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRCS CONTNG >=85 per cent BY WT OF COTN UNBLEACHD PLAINWEAVE WEIGING > 100 G/M^2)	5,710	45.8	74,334
11	520813	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN UNBLCHD 3/4 THRED TWILL INCL CROSS TWILL WEIGHNG NOT MORE THN 200 GM PER SQ M)	797	84.3	25,719
12	520819	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (OTHER COTN FABRICS UNBLEACHED CONTNG 85 per cent OR MORE BY WT OF COTN WEIGHING<=200 GM PER SQM)	18,806	95.1	382,207

Table 6.6 (continued)

S no.	Stage 1 inputs of imports	Description	Sri Lanka's average global imports (US$ '000)	Sri Lanka's average imports from Pakistan, Bangladesh and India (%)	Global exports of Pakistan, Bangladesh and India (US$ '000)
13	520821	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (BLECHD PLAIN WEAVE WEIGNG <=100 G/M^2)	4,290	66.9	48,597
14	520822	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >=85 per cent BY WT OF COTTON BLEACHD PLAIN WEAVE WEIGNG > 100 G/M^2)	2,628	15.0	12,501
15	520823	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG>=85 per cent BY WT OF COTN BLECHD, 3/4 THREAD TWILL INCL CROSS TWILL WEIGHING NOT MORE THN 200 GM PER SQM)	860	36.1	4,425
16	520829	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (OTHER COTTON FABRICS, BLEACHED CONTNG 85 per cent OR MORE BY WT OF COTTON WEIGHING NOT MORE THAN 200 GM PER SQM)	10,404	47.4	74,404
17	520831	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN DYED PLAIN WEAVE WEIGNG <=100 G/M^2)	14,917	41.3	66,860

Table 6.6 (continued)

S no.	Stage 1 inputs of imports	Description	Sri Lanka's average global imports (US$ '000)	Sri Lanka's average imports from Pakistan, Bangladesh and India (%)	Global exports of Pakistan, Bangladesh and India (US$ '000)
18	520832	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >= 85 per cent BY WT OF COTN DYED, PLAIN WEAVE WEIGHNG >=100 G/M^2)	29,853	4.91	17,283
19	520833	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >= 85 per cent BY WT OF COTN, DYED, 3/4 THRED TWILL INCL CROSS TWILL, WEIGHING NOT MORE THN 200 G/M^2)	10,147	5.6	4,829
20	520839	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (OTHER COTTON FABRICS, DYED CONTNG 85 per cent OR MORE WT OF COTTON WEIGNG NOT MORE THN 200 GM PER SQM)	15,592	44.9	53,491
21	520841	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >= 85 per cent BY WT OF COTN PLAIN WEAVE, WEIGHING NOT MORE THAN 100 GM PER SQM OF YARN OF DIFFERENT COLOURS)	2,362	56.1	6,202
22	520842	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN PLAIN WEAVE, WEIGHING MORE THAN 100 GM PER SQ M OF YARN OF DIFFERENT COLOURS)	45,208	3.9	13,120

Table 6.6 (continued)

S no.	Stage 1 inputs of imports	Description	Sri Lanka's average global imports (US$ '000)	Sri Lanka's average imports from Pakistan, Bangladesh and India (%)	Global exports of Pakistan, Bangladesh and India (US$ '000)
23	520843	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >85 per cent BY WT OF COTN 3-THREAD/4-THREAD TWILL INCL CROSS TWILL OF YARN OF DIFF CLRS WEIGHNG <= 200 GSM)	5,230	26.0	7,003
24	520849	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (OTHER COTN FABRICS OF YARN OF DIFFERENT COLOUR WITH COTN CONTENT MORE THN 85 per cent WEIGHNG NOT MORE THN 200 GM PER SQM)	4,357	1.3	6,850
25	520851	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN PRINTED PLAIN WEAVE WEIGNG <=100 G PER SQM)	8,179	46.2	74,211
26	520852	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >=85 per cent BY WT COTN PRINTED,PLAIN WEAVE WEIGHING >100 G/M^2)	13,535	21.3	41,862
27	520853	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN PRINTED 3/4-THREAD TWILL, INCL CROSS TWILL WEIGHING NOT MORE THN 200 GM PER SQM)	490	33.2	4,800

Table 6.6 (continued)

S no.	Stage 1 inputs of imports	Description	Sri Lanka's average global imports (US$ '000)	Sri Lanka's average imports from Pakistan, Bangladesh and India (%)	Global exports of Pakistan, Bangladesh and India (US$ '000)
28	520859	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (OTHR COTN FABRICS CONTNG>=85 per cent BY WT OF COTN, PRNTD, WEIGHING 200 G/M^2)	7,258	34.0	110,264
29	540220	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (HIGH TENACITY YARN OF POLYESTERS)	2,160	1.7	14,888
30	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	6,767	23.5	116,796
31	540269	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHER YARN, MULTIPLE (FOLDED) OR CABLED)	776	13.7	4,819
32	550320	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (STAPLE FIBRES OF POLYESTER NT CRD/CMBD)	1,314	1.1	127,274
33	550953	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale (OTHER YARN OF POLYSTER STAPLE FIBRS MIXED MAINLY/SOLELY WITH COTTON)	2,646	33.11	70,150
34	560410	Rubber thread & cord, textile covered; textile yarn, and strip and the like of heading 54 04 or 54 05, impregnated, coated, covered or sheathed with rubber or plastics (RUBBER THREAD AND CORD, TEXTILE COVERED)	2,066	0.05	355

Table 6.6 (continued)

S no.	Primary inputs of imports	Description	Sri Lanka's average global imports (US$ '000)	Sri Lanka's average imports from Pakistan, Bangladesh and India (%)	Global exports of Pakistan, Bangladesh and India (US$ '000)
1	310210	Mineral or chemical fertilisers, nitrogenous (UREA WHETHER OR NOT IN AQUEOUS SOLUTION)	39,462	0.03	76,073
2	740400	Copper waste and scrap (COPPER WASTE & SCRAP)	16,390	4.6	40,865

7 Broad Conclusions and Policy Implications

7.1 Broad conclusions

The textiles and clothing sector is a leading sector in terms of trade and employment in all major south Asian countries. It constitutes more than 40 per cent of total regional exports and provides employment to more than 10 million people in most of the countries. The steady rise in T&C exports from south Asia was arrested by the global economic crisis of 2008 and the sector's exports declined by 18 per cent, reducing its share of global exports from 7.7 per cent in 2007 to 6 per cent in 2009. There are growing competitive pressures on the sector in the region as a result not only of reduced global demand, but also the erosion of preferences caused by free trade agreements, the withdrawal of GSP+ schemes and other policy-related developments. This makes it important to improve the cost competitiveness of the sector so that all countries in the region are able to respond positively to the existing and forthcoming global challenges. One way to increase regional competitiveness is through the formation of regional production supply chains, whereby each country exports the products in which it is competitive and imports inputs from the countries within the region which have a cost advantage.

In this context, the main aim of this study is to identify the potential production supply chains that can be formed within the region so as to improve the cost competitiveness of the region as a whole. This may enable south Asia to increase its share in global T&C exports and benefit each of the countries in the region in terms of enhanced exports, output and employment. The study finds that there is a high potential for intra-industry trade in textiles and clothing in south Asia. Using the average for the period 2005–2007, the Grubel-Lloyd index for south Asia with respect to world trade in T&C is estimated to

be 27.3 per cent, while that with south Asia is estimated to be 16.6 per cent This indicates that in the T&C sector, south Asia's intra-industry trade with the world is much higher than that with the region.

What is interesting is that within south Asia, there exists both demand for and supply of T&C sector inputs within the region, as different countries specialise in different segments of the sector. Bangladesh and Sri Lanka have higher shares of clothing in their exports, while Pakistan has a higher share of textiles. India, on the other hand, produces and exports across the value chain. In order to identify the potential supply chains, the methodology adopted is based on a simple logic, which is to identify those inputs used in the T&C sector which a country imports globally but not from south Asia, although there exists a south Asian country which globally exports these inputs. For such inputs, which may be products that fall within or outside the T&C sector, both demand and supply exists in the region.

Using the input–output database constructed by UNCTAD (through its India Project Office) for the T&C sector (which identifies the inputs of each of the HS 6-digit codes), the analysis is undertaken at HS 6-digit level for chapters 50–63. For each of the four countries, the final product for global exports is identified. The criterion used is existing exports with a total value of over US$100,000 (using average exports for 2005–2007). For the identified final products for exports, the stage I inputs are identified that are globally imported by the country (more than US$100,000). Two south Asian countries which globally export this input with a value of over US$100,000 are identified. Using the same criterion, the study identifies the primary inputs to stage I inputs and identifies the potential exporters and importers of these inputs, forming a potential supply chain.

The number of stages of identified potential 3-stage supply chains in which a country may participate are 1,032 for India; 795 for Pakistan; 418 for Sri Lanka; and 245 for Bangladesh. These 3-stage potential supply chains are formed for the global

export of identified final output. Thirty-seven unique T&C tariff lines are identified as final product for export in the potential supply chain for India; 29 for Pakistan; 15 for Bangladesh; and 8 for Sri Lanka. It should be noted that the potential final output need not necessarily comprise clothing, but can also be raw materials such as fabrics or yarn. The largest number of unique stage I inputs which can be imported from within the region is that for Sri Lanka (34), closely followed by Pakistan (27), India (25) and Bangladesh (19). The number of unique primary inputs used in stage I inputs that can be imported is greatest for Pakistan (103), followed by Bangladesh (47), India (19) and Sri Lanka (2). These inputs comprise both T&C and non-textiles inputs such as chemicals. The study also identifies 2-stage supply chains where information on primary inputs used in stage I inputs is unavailable.

The existing trade flows in the identified 3-stage and 2-stage supply chains indicate that countries in south Asia have an import demand for inputs relevant for establishing supply chains in the T&C sector, but that this demand is met mainly from sources outside the region although the region has the supply capacity for exports. When one estimates the percentage share of a country's global imports of the identified inputs and compares it with the region's exports of these inputs, it is seen that Bangladesh's global imports of these identified inputs comprise only around 18 per cent of the region's exports of the inputs. For Sri Lanka the figure is around 9 per cent and for Pakistan around 7.5 per cent. This indicates that sufficient supply capacity exists within the region to meet the demand for the identified inputs. However, India's global imports of the identified inputs is around 350 per cent of the region's exports, showing that India's demand for the identified inputs is much greater than the region's export capacity.

A possible constraint to the formation of the potential supply chains that have been identified is the availability of lower-cost inputs from other global suppliers. To take this into account, the export unit values of each of the major south Asian countries, together with those of the major global

suppliers of the product, is reported. The study shows that for many of the products identified as inputs in the potential supply chain, countries within the region have lower export unit values than the major global suppliers. In spite of the existence of a lower-cost exporter in the region, in all the countries under review global imports of many of the identified inputs are higher than imports from within the region.

Many of the identified inputs in the potential supply chains are identified as products in countries' SAFTA sensitive lists, with tariffs of over 5 per cent. This indicates that at national level each country has policy tools to form the identified supply chains and lower its import unit values from the region as compared to the world. SAFTA has a very important role in making the potential supply chain work. The lowering of tariffs and removal of the identified products of imports from a country's sensitive list under SAFTA can help not only to improve the cost competitiveness of a country's imports, but also to make its exports more globally competitive.

For 12 of the 13 inputs from the T&C sector that are globally imported by Bangladesh, the export unit value of at least one regional supplier is lower than that of the top exporter. For India, out of 38 potential inputs of imports from within the region, all tariff lines have import tariffs of more than 5 per cent and 12 tariff lines are on India's sensitive list under SAFTA. In Pakistan, in 43 of 117 potential inputs of imports from within the region, the export unit value of at least one regional supplier is lower than that of the top exporter. All tariff lines have import tariffs of 5 per cent or more and 17 tariff lines are on Pakistan's sensitive list under SAFTA. For Sri Lanka, out of 36 potential inputs of imports from within the region, in 35 products, the export unit value of at least one regional supplier is lower than that of the export unit value of the top exporter. However, none of the tariff lines have import tariffs of more than 5 per cent and none of the tariff lines are on Sri Lanka's sensitive list under SAFTA.

7.2 Issues to consider and policy implications

The above analysis brings to the forefront an important conclusion: despite the existence of strong potential for the formation of regional supply chains in the T&C sector in south Asia, market forces on their own have not been successful in developing these supply chains. Intra-regional trade remains very low and complementarities in the region have been ignored in favour of competition, which has denied south Asian countries the opportunity to lower the production costs of their global exports.

Regional supply chains, if put in place, offer not only a reduction in production costs, but also the advantages of economies of scale and lowering lead times for global deliveries. However, the formation of supply chains gives rise to an important concern: they could undermine countries' efforts to develop their own domestic backward linkage industries. In order to address this concern, the methodology for this study has been devised in such a way as to rule out such a possibility. A basic consideration in the analysis is whether the countries are already importing from the rest of the world and, if so, whether regional sourcing can replace those supplies. Therefore if, for example, a country is sourcing all its import requirements from its internal backward linkage industries, there is no scope for developing regional supply chains. In other words, since global imports already exist, there is no reason to believe that regional imports will hurt domestic industries.

It is also important to point out that the analysis only considers regional imports for use in the export-oriented sector and not for domestic consumption. As a result, regional supply chains – at least in the way they have been presented in the study – do not pose a threat to domestic industry.

Following from the above, it is worth mentioning that the sensitive list under SAFTA may not be a constraint on regional supply chains. In most cases, the export-oriented sectors procure their raw materials from the cheapest possible global sources. Even when the relevant domestic import competing

sectors operate under the shield of tariffs and other support measures, exporters are allowed duty free import of raw materials or to make use of such facilities as duty drawback and bonded warehouses to protect their competitiveness by importing inputs from globally efficient suppliers. From this perspective, the sensitive lists maintained by the countries of the region should not be a problem in allowing their exporters to source raw materials from the region. This is an issue that deserves the attention of policy-makers and businesses.

There may be some apprehension about compromising the export sector's competitiveness by using raw materials and primary inputs manufactured in the region. Another related concern is whether the regional supply chains could lead to trade diversions, triggering welfare costs. However, as pointed out above, south Asian countries already export many of these items to the world market and compete well with other major global suppliers; in light of this, the concern about undermining the competitiveness of the export sector may not be justified in a range of product lines. On the other hand, it is important to note that the study does not advocate trade policy induced measures (such as tariff concessions for regional partners) to promote regional trade or supply chains. The south Asian T&C industry is overwhelming globally market-oriented and exporters must have access to raw material supplies at world prices. Therefore, any suggestion of discriminatory tariffs on input supplies by source is not considered, thereby eliminating the possibility of trade diversion. Nevertheless, it does not rule out the scope of policy interventions by south Asian countries, as they can be more ambitious in integrating their T&C industries across the region. This, however, has not been considered by the current study.

There are other factors associated with competitiveness where regional supply chains can exert beneficial effects. Unlike in traditional trade theories, there is now robust evidence that transport costs reduce tradable volumes. In ideal circumstances, supplies procured within the region will involve lower transport costs, thus improving individual south Asian

countries' competitiveness. With regard to the exports of textiles and apparels, most south Asian countries suffer from high lead times (i.e. the time from the receipt of an export order to its delivery at the importer's designated port). Regional sourcing of raw materials, particularly for apparels, can greatly help mitigate this problem.

The distribution of regional export gains may also attract the attention of some observers. As some countries within the region have a larger supply capacity than others, concerns may be raised about unequal distribution of gains from regional supply chains. This argument is misconceived. According to the methodology adopted, countries import intermediate inputs in order to increase their exports. If countries could not experience increased export earnings, regional imports would not rise. In addition, one should not focus only on the distribution of regional exports; what is more important is the growth of overall exports to global markets.

However, one important caveat about the supply chain assessment must be acknowledged. Despite the use of highly disaggregated data, it has not been possible to take into account quality variations across various suppliers. There is no denying that the quality of inputs will determine a supplier's ability to cater for a particular market. In the case of apparels, in particular, many importers provide strict specifications for the inputs to be used and their preferred sources. This can somewhat reduce the scope for regional sourcing. Nevertheless, the study has provided detailed and disaggregated product level information on where potential for developing regional supply chains exists. Based on this, industry stakeholders can more precisely assess any likely effects of product heterogeneity on regional sourcing and exports.

It goes without saying that much of the existing scope for exploiting supply chains largely depends on the progress made on overall co-operative efforts among the south Asian nations. The existence of bilateral political differences has affected the advancement of regional economic co-operation. It has been found that when it comes to regional partners, south Asian

countries are more restrictive than in their trade regimes with the rest of the world. Together with tariff barriers, a plethora of non-tariff measures seriously constrain intra-regional trade and investment flows. Due to lack of political will, the region also suffers from relatively poor trade facilitation and high transaction costs associated with cross-border exchange. All this will naturally have serious implications for the promotion of regional supply chains.

Nevertheless, the study identifies inputs in which the countries in the region are exporting globally or have the potential to export, but they may not be the least-cost supplier in the region. There is a need to develop the potential of these products within countries in order to increase their supply capacity and competitiveness. Apart from high tariffs and inclusion of products in countries' sensitive lists, other reasons for the lack of supply chains in this sector in the region could be the existence of non-tariff barriers. Stakeholder consultations are needed to identify specific non-tariff barriers that designed in a manner such a way that they impede imports from within the region, which lowers the possibility of the formation of supply chains. The importance of trade facilitation for improving the competence and competitiveness of the region in forming supply chains and emerging as a more cost competitive supplier needs urgent attention.

To conclude, the study brings out the potential of south Asia to emerge as a globally more competitive supplier of textiles and clothing through identified potential supply chains that can be formed within the region. However, there is a need for policy intervention in terms of a detailed examination of the sensitive lists of each country under SAFTA; a re-examination of tariffs for the identified products under SAFTA; the removal of non-tariff barriers; and emphasis on trade facilitation.

Appendix

Table A.1. Export unit values of inputs identified for imports in potential supply chains for Bangladesh

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff, 2007	Bangladesh's sensitive list under SAFTA
1	510529	Wool and fine or coarse animal hair, carded or combed (including combed wool in fragments) (WOOL TOPS AND OTHER COMBED WOOL)	1.98	Malaysia	50.47	8.43	8.37			5	
2	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO)	8.69	India	94.75	2.71	2.71	2.00		12	
3	520942	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing more than 200 g/m^2 (DENIM)	75.63	China	37.81	4.55	4.55	4.55		25	SL
4	530890	Yarn of other vegetable textile fibres; paper yarn (OTHER VEG TEXTL YARN)	24.13	China	69.40	3.47	1.99			12	
5	550320	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (STAPLE FIBRES OF POLYESTER NT CRD/CMBD)	30.65	Taiwan, China	27.21	1.44	1.31	1.34		0	

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
	550410	Artificial staple fibres, not carded, combed or otherwise processed for spinning (VISCOSE RAYON STAPLE FIBRES NT CRD/COMBD)	12.06	India	89.03	2.27	2.27	1.79		0	
7	550620	Synthetic staple fibres, carded combed or otherwise processed for spinning (STAPLE FIBRS OF POLYESTERS, CARDED/COMBED)	15.17	Thailand	50.43	1.18	1.13	1.58		0	
8	550630	Synthetic staple fibres, carded combed or otherwise processed for spinning (STAPLE FIBRES OF ACRYLC/MODACRYLC, CRD/CMBD)	19.40	India	75.74	2.18	2.18	1.62		0	
9	560122	Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and mill neps (WADDING OF MAN-MADE FIBRES)	273.93	European Union	38.88	8.49			2.91	25	
10	581100	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 5810 (QUILTED TXTL PRDCTS IN THE PIECE CMPSD OF ONE/MORE LAYERS OF TXTL MATRLS ASSMBLD WTH PDDNG BY STICHING ETC EXCPT HDG 5810)	6.92	China	38.74	4.39	10.83	3.97	16.77	25	SL

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
11	500200	Raw silk (not thrown) (RAW SILK (NOT THROWN))	138.17	China	100.00	24.51	29.37			12	SL
12	500500	Yarn spun from silk waste, not put up for retail sale (YRN SPN FRM SLK WST NT PUT UP FR RETAL SLE)	34.62	China	100.00	21.11	27.47			12	
13	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	26.32	Thailand	36.90	1.75	1.86	2.23		25	SL
14	250100	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti-caking or free flowing agents; Sea water (SALT (INCL TABLE SALT & DENATRD SALT) & PURE SODIM CHLRDE W/N AQS SOLN SEA WTR)	8.36	India	77.24	0.02	0.02	0.07	6.93	18.43	SL
15	280920	Diphosphorus pentaoxide; phosphoric acid and polyphosphoric acids whether or not chemically defined (PHOSPHORIC ACID & POLYPHOSPHORIC ACIDS)	165.31	Morocco	50.17	0.47	0.30			12	
16	281511	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (SOLID SODIUM HYDROXIDE (CAUSTIC SODA))	265.93	China	92.28	0.33	0.41	0.32		25	SL

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
17	282739	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides (OTHER CHLORIDE; NES)	2.21	Japan	47.40	4.78	3.03			12	
18	283640	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (POTASSIUM CARBONATES)	32.20	Korea, Rep.	44.97	0.56	0.23			12	
19	290410	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (DRVTVS CNTNG ONLY SULPHO GROUPS, THEIR SALTS AND ETHYL ESTERS)	2.04	Singapore	55.04	6.30	2.99			8.5	
20	291735	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (PHTHALIC ANHYDRIDE)	4.84	Korea, Rep.	95.14	1.21	1.30	0.98		5	
21	291739	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHR ARMTC PLYCRBOXYLC ACIDS THR ANHYDRDS HALIDES PEROXIDES PEROXYACDS & THR DRVTVS)	0.48	China	71.39	2.66	2.58			25	

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
22	292090	Esters of other inorganic acids of non-metals (excluding esters of hydrogen halides) and their salts; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTR ESTERS OF OTR INORGNC ACDS; THRSLTS ETC)	0.68	United States	35.43	4.35	0.86			8.5	
23	292119	Amine function compounds (OTHR ACYCLIC MONOAMINES & THEIR DERIVATIVES SALTS THEREOF)	2.64	European Union	50.39	2.99	2.76			5	
24	292151	Amine function compounds (O-M-P-PHENYLENEDIAMINE DIAMINOTOLUENE AND THEIR DRVTVS SALTS THEREOF)	0.76	India	83.24	4.46	4.46			5	
25	292429	Carboxyamide-function compounds; amide-function compounds of carbonic acid (OTHR CYCLC AMIDES (INCL CYCLC CRBAMATES) & THEIR DERIVATIVES & SALTS THEREOF)	20.21	China	87.44	5.20	4.94			5	
26	300420	Medicaments (excluding goods of heading 3002,3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylacic uses, put up in measured doses (inc. those in the form of transdermal administration systems) or in forms or packings for (MEDICAMENTS CONTAINING OTHER ANTIBIOTICS AND PUT UP FOR RETAIL SALE)	1.15	India	68.36	38.81	38.81	8.92		5	SL

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
27	320417	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (PIGMENTS & PREPTNS BASED THEREON)	3.63	China	29.76	5.11	6.20	4.44	3.14	5	
28	320420	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (SYNTHETIC ORGANIC PRDCTS OF A KIND USED AS FLUORESCENT BRIGHTENING AGENS)	7.03	Korea, Rep.	35.32	3.60	2.78	1.43		5	
29	340311	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of (PRPNS FOR THE TRTMNT OF TXTL MATRLS LEATHER FURSKINS/OTHER MATERIALS CONTNG PETROLEUM OILS/ OIL OBTND FROM BITMNS MNRLS)	112.27	European Union	32.68	1.94	1.35			5	

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
30	382200	Diagnostic or laboratory reagents on a backing and prepared diagnostic or laboratory reagents whether or not on a backing, other than those of heading 3002 or 3006 certified reference materials (COMPST DIAGNOSTIC/LABRTRY REAGNTS EXCL GOODS OF HDG. NO. 3002/3006)	44.81	European Union	40.43	60.34	34.99			5	
31	390750	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallylesters and other polyesters, in primary forms (ALKYD RESINS)	21.24	Malaysia	60.79	1.49	1.22			5	
32	760110	UNWROUGHT ALUMINIUM (ALUMINIUM – NOT ALLOYED)	9.78	Singapore	50.29	3.32	2.75	2.57		5	
33	281000	Oxides of boron;boric acids (OXIDES OF BORON BORIC ACIDS)	35.30	United States	71.39	0.50	0.96			12	
34	281512	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (NAOH IN AQS SOLN (SODA LYE OR LQD SODA))	170.53	China	96.77	0.19	0.32			25	SL
35	281520	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (POTASSIUM HYPROXIDE (CAUSTIC POTASH))	4.51	China	53.43	0.57	0.8			25	

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
36	283210	Sulphites; thiosulphates (SODIUM SULPHITE)	17.69	China	47.99	0.26	0.89			12	
37	283620	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (DISODIUM CARBONATE)	74.03	China	66.98	0.17	0.2	0.3		5	SL
38	284700	Hydrogen peroxide, whether or not solidified with urea (HYDROGEN PEROXIDE W/N SOLIDIFIED WITH UREA)	676.55	Korea, Rep.	43.16	0.39	0.41			12	SL
39	290330	Halogenated derivatives of hydrocarbons (FLUORNTD,BRMNTD/ IODINATED DERIVATIVES OF ACYCLIC HYDROCARBONS)	24.03	European Union	38.68	6.56	8.17			12	
40	290420	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (DRVTVS CNTNG ONLY NITRO/NITROSO GRPS)	10.43	China	55.18	1.57	2.6			12	
41	290511	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED METHANOL (METHYL ALCOHOL))	25.31	Singapore	71.73	0.43	0.9			12	
42	290512	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED PROPAN-1OL(PROPYL ALCOHOL) AND PROPAN-2-OL (ISOPROPYL ALCOHOL))	24.53	Singapore	70.46	1.11	1.12			12	

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
43	290513	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED BUTAN-1-OL (N-BUTYL ALCOHOL))	4.44	Singapore	87.36	1.34	1.99			12	
44	290516	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATRTD OCTNL (OCTYL ALCHL) & ISMRS THEREOF)	322.01	Malaysia	66.91	1.55	3.2			12	
45	290629	Cyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER AROMATIC ALCOHOL)	1.25	China	46.55	5.62	6.65			12	
46	290711	Phenols; phenol-alcohols (PHENOL (HYDROXYBENZENE) AND ITS SALTS)	3.37	Korea, Rep.	72.33	1.31	2.59			5	
47	290930	Ethers, ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides, ether peroxides, ketone peroxides (whether or not chemically defined), and their halogenated, sulphonated, nitrated or nitrosated derivatives (ARMTC ETHRS & THR HALGNTD SLPHNTD NITRATED OR NITROSATED DERIVATIVES)	1.53	China	89.87	6.61	7.16			5	

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
48	291469	Ketones and Quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER QUINONES)	11.05	China	84.14	7.79	11.66			12	
49	291521	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (ACETIC ACID)	41.36	Taiwan, China	45.34	0.65	0.89			25	
50	291524	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (ACETIC ANHYDRIDE)	79.38	Singapore	58.09	1.13	1.2			12	
51	291539	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER ESTERS OF ACETIC ACID)	3.31	United Kingdom	47.16	2.02	3.68			12	
52	291550	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (PROPIONIC ACID ITS SALTS AND ESTERS)	7.79	China	58.77	1.41	19.9			8.5	

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
53	291631	Unsaturated acyclic monocarboxylic acids, cyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (BENZOIC ACID ITS SALTS AND ESTERS)	5.77	China	73.74	1.57	7.19			5	
54	291830	Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (CRBXYLC ACIDS WTH ALDHYD/ KETONE FNCTN BUT WTHOUT OTHR OXYGN FNCTN THR ANHYDRDS HALDS PEROXIDES PEROXYACIDS & THR DRVTVS)	48.29	China	70.11	6.15	19.27			12	
55	291890	Other carboxylic acids with oxygen function, their anhydrides, halides	21.21	China	55.50	6.86	9.65			5	
56	292142	Amine function compounds (ANILINE DERIVATIVES AND THEIR SALTS)	0.58	China	99.32	2.31	2.54			5	
57	292229	Oxygen-function amino-compounds (OTHR AMINO-NAPTHLS & OTHR AMINO-PHNLS THR ETHRS & ESTRS OTHR THN THOSE CNTNG MORE THN ONE KND OF EXYGN FNCTN SLTS THEREOF)	5.23	China	75.20	2.95	6.01			8.5	

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
58	292419	Carboxyamide-function compounds; amide-function compounds of carbonic acid (OTHER ACYCLIC AMIDES & THR DRVTVS, SALTS)	1.67	European Union	90.21	2.52	3.45			5	
59	292700	Diazo-, azo- or azoxy- compounds (DIAZO-AZO-OR AZOXY-COMPOUNDS)	6.54	China	78.37	2.05	4.58			12	
60	293349	Heterocyclic compounds with nitrogen hetero-atom(s) only (OTHE CMPNDS CNTNG IN STRUCTURE A QUINOLINEOR ISOQUINOLINE RING SYSTEM (W/N HYDRGNTD), NOT FURTHER FUSED)	20.21	China	79.98	7.73	21.81			5	
61	320411	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (DISPERSE DYES & PREPARATIONS BASED THEREON)	56.17	China	34.04	3.31	5.08			5	

Table A.1 (continued)

S no.	Tariff line	Description	Share of Bangladesh's global imports in south Asia's global exports (%)	Top exporter to Bangladesh in 2007	Share of top exporter in Bangladesh's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	Bangladesh's tariff 2007	Bangladesh's sensitive list under SAFTA
62	320415	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (VAT DYES (INCL THOSE USABLE IN THAT STATE AS PIGMNTS & PREPRATIONS BASED THEREON)	15.68	China	53.36	5.00	15.93			5	
63	340211	Organic surface-active agents (other than soap), surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of Heading 3401(ANIONIC W/N FOR RTL SALE)	21.71	Korea, Rep.	38.75	1.17	1.28			18.5	SL
64	380610	Rosin and resin acids, and derivatives thereof; rosin spirit and rosin oils; run gums (ROSIN AND RESIN ACIDS:)	6.89	Vietnam	67.08	1.10	1.44			25	
65	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include (PRPNS USD IN TXTL INDUSTRY)	258.35	Taiwan, China	23.34	1.51	1.93	1.85	1.58	5	SL

Table A.2. Export unit values of inputs identified for imports in potential supply chains for India

S no.	Tariff line	Description	Share of India's global imports in south Asia's global exports (%)	Top exporter to India in 2007	Share of top exporter in India's global imports in 2007 (%)	Top exporter (export unit value)	Bangladesh's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	India's tariff 2007	India's sensitive list under SAFTA
1	510129	Wool, not carded or combed: (OTHR DEGRESD WOOL NT CRBNSD NOR CRDED/CMBD)	3668.70	Turkey	42.02	1.42		0.84		15	
2	510910	Yarn of wool or fine animal hair, put up for retail sale (YARN OF WOOL/OF FINE ANML HAIR CONTNG>=85 per cent BY WT OF WOOL, PUT UP FOR RETAIL SALE)	152.27	European Union	66.00	36.19		26.1		12.5	
3	520100	Cotton, not carded or combed (COTTON, NOT CARDED OR COMBED)	112.53	Bangladesh	59.94	1.30	1.30	1.11		10	SL
4	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	0.34	Pakistan	60.61	2.00	2.19	2.00		12.5	SL
5	520942	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing more than 200 g/m^2 (DENIM)	35.47	European Union	44.06	10.30	3.08	4.55		12.5	

Table A.2 (continued)

S no.	Tariff line	Description	Share of India's global imports in south Asia's global exports (%)	Top exporter to India in 2007	Share of top exporter in India's global imports in 2007 (%)	Top exporter (export unit value)	Bangladesh's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	India's tariff 2007	India's sensitive list under SAFTA
6	540269	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHER YARN, MULTIPLE (FOLDED) OR CABLED)	783.50	China	73.35	4.20		3.13		12.5	
7	550410	Artificial staple fibres, not carded, combed or otherwise processed for spinning (VISCOSE RAYON STAPLE FIBRES NT CRD/COMBD)	1861.49	China	92.05	2.28		1.79		12.5	
8	550510	Waste (including noils, yarn waste and garnetted stock) of man-made fibres (WASTE ETC.OF SYNTHETIC FIBRES)	5616.13	European Union	43.43	0.98	1.91	0.48		12.5	
9	550690	Synthetic staple fibres, carded combed or otherwise processed for spinning (OTHR SYNTHTC STAPLE FIBRES, CARDED/COMBED)	18.36	European Union	80.12	5.43		1.18		12.5	
10	550953	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale (OTHER YARN OF POLYSTER STAPLE FIBRS MIXED MAINLY/SOLELY WITH COTTON)	3.51	Vietnam	43.93	2.51		2.16		12.5	
11	560122	Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and mill neps (WADDING OF MAN-MADE FIBRES)	467.86	European Union	48.76	8.49	3.45		2.91	12.5	

Table A.2 (continued)

S no.	Tariff line	Description	Share of India's global imports in south Asia's global exports (%)	Top exporter to India in 2007	Share of top exporter in India's global imports in 2007 (%)	Top exporter (export unit value)	Bangladesh's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	India's tariff 2007	India's sensitive list under SAFTA
12	581100	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 5810 (QUILTED TXTL PRDCTS IN THE PIECE CMPSD OF ONE/MORE LAYERS OF TXTL MATRLS ASSMBLD WTH PDDNG BY STICHING ETC EXCPT HDG 5810)	25.77	European Union	63.58	16.80	3.37	3.97	16.77	12.5	
13	600191	Pile fabrics, including "long pile" fabrics and terry fabrics, knitted or crocheted (OTHER PILE FABRICS OF COTTON)	71.86	China	78.02	7.84	4.05			12.5	SL
14	611780	Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories (OTHER CLOTHNG ACCESSORIES, KNITD/CRCHTD)	187.12	Singapore	38.63	33.84	5.8	28.96	16.77	12.5	SL
15	500720	Woven fabrics of silk or of silk waste (OTHER WOVEN FABRICS, CONTAINING >=85 per cent BY WT OF SILK OR OF SILK WASTE OTHR THN NOIL SLK)	69799.17	China	98.73	119.63				12.5	SL

Table A.2 (continued)

S no.	Tariff line	Description	Share of India's global imports in south Asia's global exports (%)	Top exporter to India in 2007	Share of top exporter in India's global imports in 2007 (%)	Top exporter (export unit value)	Bangladesh's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	India's tariff 2007	India's sensitive list under SAFTA
16	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	86.04	China	53.11	1.70		2.23		12.5	
17	550320	Synthetic staple fibres, not carded combed or otherwise processed for spinning (STAPLE FIBRES OF POLYESTER NT CRD/CMBD)	475.41	China	61.65	1.15		1.34		12.5	
18	550340	Synthetic staple fibres, not carded combed or otherwise processed for spinning (STAPLE FIBRS OF POLYPROPYLENE NT CRD/CMBD)	327.91	Saudi Arabia	45.62	2.10				12.5	
19	560410	Rubber thread & cord, textile covered; textile yarn, and strip and the like of heading 54 04 or 54 05, impregnated, coated, covered or sheathed with rubber or plastics (RUBBER THREAD AND CORD, TEXTILE COVERED)	354.89	European Union	60.89	8.48				12.5	
20	250100	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti-caking or free flowing agents; Sea water (SALT (INCL TABLE SALT & DENATRD SALT) & PURE SODIM CHLRDE W/N AQS SOLN SEA WTR)	22.22	Pakistan	56.22	0.07		0.07	6.93	12.5	

Table A.2 (continued)

S no.	Tariff line	Description	Share of India's global imports in south Asia's global exports (%)	Top exporter to India in 2007	Share of top exporter in India's global imports in 2007 (%)	Top exporter (export unit value)	Bangladesh's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	India's tariff 2007	India's sensitive list under SAFTA
21	271019	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 per cent or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic cons (OTHER PETROLEUM OILS AND OILS OBTAIND FROM BITUMINOUS MINERALS ETC)	313.96	Singapore	37.16	0.55	0.27	0.61	1.6	10	SL
22	291735	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (PHTHALIC ANHYDRIDE)	1263.36	Korea, Rep.	57.51	1.21		0.98		12.5	
23	300420	Medicaments(excluding goods of heading 3002,3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for (MEDICAMENTS CONTAINING OTHER ANTIBIOTICS AND PUT UP FOR RETAIL SALE)	559.40	European Union	52.53	124.94	10.1	8.92		12.5	SL

Table A.2 (continued)

S no.	Tariff line	Description	Share of India's global imports in south Asia's global exports (%)	Top exporter to India in 2007	Share of top exporter in India's global imports in 2007 (%)	Top exporter (export unit value)	Bangladesh's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	India's tariff 2007	India's sensitive list under SAFTA
24	310210	Mineral or chemical fertilisers, (UREA WHETHER OR NOT IN AQUEOUS SOLUTION)	818.31	China	44.46	0.28	0.2			12.5	
25	320416	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (REACTIVE DYES & PREPTNS BASED THEREON)	2883.72	Singapore	30.33	8.04		3.2		12.5	SL
26	320417	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (PIGMENTS & PREPTNS BASED THEREON)	1962.13	China	34.84	5.11		4.44	3.14	12.5	SL

Table A.2 (continued)

S no.	Tariff line	Description	Share of India's global imports in south Asia's global exports (%)	Top exporter to India in 2007	Share of top exporter in India's global imports in 2007 (%)	Top exporter (export unit value)	Bangladesh's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	India's tariff 2007	India's sensitive list under SAFTA
27	320420	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (SYNTHETIC ORGANIC PRDCTS OF A KIND USED AS FLUORESCENT BRIGHTENING AGENTS)	7220.97	Switzerland	41.39	4.07		1.43		12.5	
28	320649	Other colouring matter; Preparations as specified in Note 3 to this Chapter, other than those of Headings 3203,3204 or 3205; Inorganic products of a kind used as luminophores, whether or not chemically defined (OTHR COLRNG MATR AND OTHR PRPTNS)	1306.00	European Union	29.06	4.81		2.55	0.56	12.5	SL
29	350510	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches (DEXTRINS & OTHER MODIFIED STARCHES)	3258.84	European Union	49.67	1.06		0.81		50	SL
30	380210	Activated carbon; activated natural mineral products; animal black, including spent animal black (ACTIVATED CARBON)	45.03	European Union	57.50	3.13			1.23	12.5	

Table A.2 (continued)

S no.	Tariff line	Description	Share of India's global imports in south Asia's global exports (%)	Top exporter to India in 2007	Share of top exporter in India's global imports in 2007 (%)	Top exporter (export unit value)	Bangladesh's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	India's tariff 2007	India's sensitive list under SAFTA
31	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include (PRPNS USD IN TXTL INDUSTRY)	2563.17	Singapore	45.47	6.03		1.85	1.58	12.5	
32	382490	Prepared binders for foundry or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included (CHEMICAL PRODUCTS NES)	7551.96	European Union	55.29	2.97		1.7		12.5	
33	690100	Bricks, blocks, tiles and other ceramic goods, of siliceous fossil meals (for example, kieselguhr, tripolite or diatomite or of similar siliceous earths (BRICKS,BLOCKS ETC OF SILICEOUS FOSSIL MEAL (KIESELGUHR ETC)/OF SMLR SILICEOUS EARTHS)	440.50	China	65.49	0.22	0.58	0.09		12.5	
34	740400	Copper waste and scrap (COPPER WASTE & SCRAP)	1181.13	European Union	48.21	2.96	5.42	1.08	5.48	12.5	

Table A.2 (continued)

S no.	Tariff line	Description	Share of India's global imports in south Asia's global exports (%)	Top exporter to India in 2007	Share of top exporter in India's global imports in 2007 (%)	Top exporter (export unit value)	Bangladesh's export unit value	Pakistan's export unit value	Sri Lanka's export unit value	India's tariff 2007	India's sensitive list under SAFTA
35	760110	UNWROUGHT ALUMINIUM (ALUMINIUM – NOT ALLOYED)	16111.23	South Africa	75.32	2.60		2.57		12.5	
36	283620	Carbonates; peroxocarbonates (percarbonates); commercial carbonate containing ammonium carbamate (DISODIUM CARBONATE)	2912.33	European Union	66.97	0.17		0.3		12.5	
37	320419	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (OTHR INCL MIXR OF COLRNG MATR OF TWO OR MORE OF SUB-HDNG 320411 TO 320419)	22117.14	China	40.01	1.72				12.5	SL
38	390410	Polymers of vinyl chloride or of other halogenated olefins, in primary forms (POLY (VINYL CHLORIDE), NOT MIXED WITH OTHR)	3163.66	China	53.58	0.88	0.9			12.5	

Table A.3. Export unit values of inputs identified for imports in potential supply chains for Pakistan

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff, 2007	Pakistan's sensitive list under SAFTA
1	510529	Wool and fine or coarse animal hair, carded or combed (including combed wool in fragments) (WOOL TOPS AND OTHER COMBED WOOL)	4.20	India	54.26	8.37		8.37		5	
2	520100	Cotton, not carded or combed (COTTON, NOT CARDED OR COMBED)	46.45	India	42.14	1.33	1.30	1.33		5	
3	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE(NT EXCDNG 14 MTRC NO))	0.58	India	91.39	2.71	2.19	2.71		5	
4	540269	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHER YARN,MULTIPLE (FOLDED) OR CABLED)	41.64	China	71.37	4.20		3.19		10	
5	550510	Waste (including noils, yarn waste and garnetted stock) of man-made fibres (WASTE ETC.OF SYNTHETIC FIBRES)	18.84	European Union	89.01	0.98	1.91	0.71		10	
6	550620	Synthetic staple fibres, carded combed or otherwise processed for spinning (STAPLE FIBRS OF POLYESTERS, CARDED/COMBED)	189.28	China	84.07	1.56		1.13		10	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
7	550630	Synthetic staple fibres, carded combed or otherwise processed for spinning (STAPLE FIBRES OF ACRYLC/MODACRYLC, CRD/CMBD)	108.84	European Union	100.14	2.92		2.18		10	
8	550953	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale (OTHER YARN OF POLYSTER STAPLE FIBRS MIXED MAINLY/SOLELY WITH COTTON)	0.34	United Arab Emirates	70.36	2.66		2.35		10	
9	600191	Pile fabrics, including "long pile" fabrics and terry fabrics, knitted or crocheted (OTHER PILE FABRICS OF COTTON)	6.86	China	100.00	7.84	4.05	3.02		25	
10	520300	Cotton, carded or combed (COTTON CARDED OR COMBED)	60.35	Tanzania	32.01	0.94	1.85	1.40		5	
11	540220	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (HIGH TENACITY YARN OF POLYESTERS)	3.02	Saudi Arabia	72.58	2.54		3.09	8.29	10	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
12	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	61.38	China	55.72	1.70		1.86		10	
13	550130	Synthetic filament tow C (SYNTHT FILAMNT TOW, ACRYLIC/MODACRYLIC)	263.75	Russian Federation	42.83	1.88		2.85		10	
14	550320	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (STAPLE FIBRES OF POLYESTER NT CRD/CMBD)	50.62	China	76.47	1.15		1.31		10	
15	550410	Artificial staple fibres, not carded, combed or otherwise processed for spinning (VISCOSE RAYON STAPLE FIBRES NT CRD/COMBD)	133.93	Taiwan, China	57.07	2.21		2.27		5	
16	560410	Rubber thread & cord, textile covered; textile yarn, and strip and the like of heading 54 04 or 54 05, impregnated, coated, covered or sheathed with rubber or plastics (RUBBER THREAD AND CORD, TEXTILE COVERED)	181.84	China	37.00	2.42		4.42		10	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
17	250100	Salt (including table salt and denatured salt) and pure sodium chloride, whether or not in aqueous solution or containing added anti-caking or free flowing agents; Sea water (SALT (INCL TABLE SALT & DENATRD SALT) & PURE SODIM CHLRDE W/N AQS SOLN SEA WTR)	0.72	European Union	65.15	0.09		0.02	6.93	20	
18	260700	Lead ores and concentrates (LEAD ORES & CONCENTRATES)	0.30	Morocco	86.81	1.68		0.09		5	
19	271019	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 per cent or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic cons (OTHER PETROLEUM OILS AND OILS OBTAIND FROM BITUMINOUS MINERALS ETC)	0.83	Singapore	38.09	0.55	0.27	0.59	1.60	14	
20	280540	Alkali or alkaline-earth metals; rare-earth metals, scandium and yttrium, whether or not intermixed or interalloyed; mercury (MERCURY)	134.82	European Union	100.08	16.31		7.65		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
21	281119	Other inorganic acids and other in-organic oxygen compounds of non-metals (OTHER INORGANIC ACIDS)	7.18	European Union	49.84	2.62		1.22		10	
22	282300	Titanium oxides (TITANIUM OXIDES)	19.01	European Union	73.87	2.61		1.20		5	
23	282580	Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; other metal oxides, hydroxides and peroxides (ANTIMONY OXIDES)	29.21	Japan	100.00	7.22		5.46		5	
24	282739	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides (OTHER CHLORIDE; NES)	6.11	India	23.84	3.03		3.03		5	
25	283325	Sulphates; alums; peroxosulphates (persulphates) (COPPER SULPHATE)	53.20	China	62.11	1.92		1.75		5	
26	283630	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (SODIUM HYDROGEN CARBONATE (SODIUM BICARBONATE))	69.98	China	65.57	0.15		0.17		20	SL

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
27	283640	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (POTASSIUM CARBONATES)	212.68	Thailand	58.49	0.55		0.23		5	
28	290241	Cyclic hydrocarbons (O-XYLENE)	11.50	India	85.02	1.05		1.05		5	
29	290290	Cyclic hydrocarbons (OTHER CYCLIC HYDROCARBONS)	5.07	China	83.36	5.64		2.26		10	
30	290410	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (DRVTVS CNTNG ONLY SULPHO GROUPS, THEIR SALTS AND ETHYL ESTERS)	2.99	India	71.89	2.99		2.99		8	
31	290490	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (OTHR SULPHONTD NITRTD/ NITRSTD DRVTVS)	1.52	China	56.93	2.13		2.09		5	
32	290512	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED PROPAN-1OL (PROPYL ALCOHOL) AND PROPAN-2-OL (ISOPROPYL ALCOHOL))	62.08	Taiwan, China	58.91	1.12		1.12		5	
33	290729	Phenols; phenol-alcohols (OTHER POLYPHENOLS)	0.83	India	51.21	6.77		6.77		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
34	291300	Halogenated, sulphonated, nitrated or nitrosated derivatives of products of heading 2912 (HALGNTD SLPHNTD NITRTD/ NITRSTD DRVTVS OF PRODUCTS OF HEADING NO. 2912)	4.35	Singapore	61.24	2.97		1.83		5	
35	291421	Ketones and Quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives (CAMPHOR)	20.48	China	93.82	2.14		1.98		5	
36	291470	Ketones and Quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives (HALGNTD, SULPHNTD, NITRTD/NITROSTD DRVTVS OF KETOKES AND QUINONES)	1.08	European Union	41.95	24.99		9.77		5	
37	291524	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (ACETIC ANHYDRIDE)	30.77	India	40.11	1.20		1.20		10	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
38	291639	Unsaturated acyclic monocarboxylic acids, cyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHR ARMTC MONOCRBOXYLC ACDS,THR ANHYDRDS HALIDES, PEROXIDES, PEROXYACIDS & THR DRVTVS)	74.89	European Union	43.66	15.21		7.77		12	SL
39	291719	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHR ACYLC PLYCRBOXYLC ACDS THR ANHYDRDS HALIDES, PEROXIDES, PEROXYACDS & THR DRVTVS)	5.15	India	32.73	1.76		1.76		5	
40	292111	Amine function compounds (MTHYLAMINE DI-OR TRIMTHYL AMINE & THR SLTS)	2.22	India	96.34	3.36		3.36		5	
41	292119	Amine function compounds (OTHR ACYCLIC MONOAMINES & THEIR DERIVATIVES SALTS THEREOF)	10.37	European Union	60.07	2.99		2.76		5	
42	292121	Amine function compounds (ETHYLENEDIAMINE AND ITS SALTS)	84.80	China	99.34	2.15		1.57		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
43	292130	Amine function compounds (CYCLANIC CYCLENIC/ CYCLOTRPNC MONO-OR POLYAMINS & THR DRVTVS; SLTS THEREOF)	22.44	China	47.94	9.03		6.95		5	
44	292143	Amine function compounds (TOLUIDINES AND THEIR DRVTVS SLTS THEREOF)	2.16	China	67.37	3.35		2.60		5	
45	292149	Amine function compounds(OTHR ARMTC MONO AMNS & THR DRVTVS AND SLTS)	30.15	China	67.88	4.99		3.84		5	
46	292429	Carboxyamide-function compounds; amide-function compounds of carbonic acid (OTHR CYCLC AMIDES (INCL CYCLC CRBAMATES) & THEIR DERIVATIVES & SALTS THEREOF)	71.06	China	56.61	5.20		4.94		9	SL
47	293331	Heterocyclic compounds with nitrogen hetero-atom(s) only (PYRIDINE AND ITS SALTS)	0.27	India	63.93	5.23		5.23		5	
48	293339	Heterocyclic compounds with nitrogen hetero-atom(s) only (OTHR CMPNDS CNTNG AN UNFUSED PYRDN RING (W/N HYDRGNTD) IN THE STRUCTURE)	26.48	European Union	56.80	54.99	20.16	13.09		8	
49	293500	Sulphonamides (SULPHONAMIDES)	17.93	European Union	46.78	146.84	57.96	8.91		14	SL

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
50	320300	Colouring matter of vegetable or animal origin (including dyeing extracts but excluding animal black), whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on colouring matter of vegetable or animal origin (COLRNG MATR OF VEGTBL/ANML ORGN(INCL DYNG EXTRCT EXCL ANML BLCK) W/N CMCLY DFND)	52.12	India	83.99	0.95		0.95		23	
51	320412	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (ACID DYES W/N PREMETALSD & PRPTNS BASED THERON MORDNT DYES & PRPTNS BASED THRON)	6.38	India	50.33	4.40		4.40		15	SL
52	320413	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (BASIC DYES AND PREPARATIONS BASED THEREON)	17.09	China	48.58	4.39		3.69		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
53	320416	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (REACTIVE DYES & PREPTNS BASED THEREON)	24.50	Korea, Rep.	30.87	4.69		3.80		15	SL
54	320417	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (PIGMENTS & PREPTNS BASED THEREON)	8.32	China	47.38	5.11		6.20	3.14	15	SL
55	320490	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (OTHR SYNTHETIC ORGANIC COLORING MATTER)	2.20	China	48.34	5.20		4.37		20	SL

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
56	320649	Other colouring matter; Preparations as specified in Note 3 to this Chapter, other than those of Headings 3203, 3204or 3205; Inorganic products of a kind used as luminophores, whether or not chemically defined (OTHR COLRNG MATR AND OTHR PRPTNS)	21.72	European Union	24.87	4.81		1.64	0.56	10	
57	340219	Organic surface-active agents (other than soap), surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of Heading 3401 (OTHR ORNGC SRFCE-ACTV AGNTS W/N FOR RTL SL)	37.10	China	58.96	1.30		1.16	1.26	10	
58	340311	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of (PRPNS FOR THE TRTMNT OF TXTL MATRLS LEATHER FURSKINS/ OTHER MATERIALS CONTNG PETROLEUM OILS/OIL OBTND FROM BITMNS MNRLS)	284.49	European Union	54.51	1.94		1.35		20	SL

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
59	350510	Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches (DEXTRINS & OTHER MODIFIED STARCHES)	21.01	European Union	46.84	1.06		0.66		17	SL
60	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include (PRPNS USD IN TXTL INDUSTRY)	121.31	European Union	44.60	2.59		1.93	1.58	15	SL
61	381512	Reaction initiators, reaction accelerators and catalytic preparations, not elsewhere specified or included (SUPPRTD CATALYSTS WTH PRCUS MTL/ITS CMPNDS)	35.68	United States	54.99	48.87		24.52		5	
62	382490	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included (CHEMICAL PRODUCTS NES)	107.19	European Union	64.37	2.97		1.19		8	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
63	690100	Bricks, blocks, tiles and other ceramic goods, of siliceous fossil meals (for example, kieselguhr, tripolite or diatomite or of similar siliceous earths (BRICKS, BLOCKS ETC OF SILICEOUS FOSSIL MEAL (KIESELGUHR ETC)/OF SMLR SILICEOUS EARTHS)	16.27	China	71.46	0.22	0.58	0.10		25	
64	250300	Sulphur of all kinds, other than sub-limited sulphur, precipitated sulphur and colloidal sulphur (SULPHUR OF ALL KNDS OTHR THN SUBLIMED SULPHUR PCPTD SULPHUR & COLLOIDAL SULPHUR)	9.14	Saudi Arabia	52.76	0.09		0.32		5	
65	280200	Sulphur, sublimed or precipitated; colloidal sulphur (SULPHUR SUBLIMD/PRECPTATED COLLDL SULPHUR)	10.30	Korea, Rep.	79.37	0.42		1.11		5	
66	281000	Oxides of boron;boric acids (OXIDES OF BORON BORIC ACIDS)	80.27	United States	53.54	0.50		0.96		10	
67	281511	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (SOLID SODIUM 6 HYDROXIDE (CAUSTIC SODA))	53.08	China	38.67	0.33		0.41		25	SL

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
68	281520	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium (POTASSIUM HYPROXIDE (CAUSTIC POTASH))	16.55	Korea, Rep.	48.51	0.59		0.80		5	
69	282410	Lead oxides; red lead and orange lead (LEAD MONOXIDE (LITHARGE,MASSICOT))	40.58	China	85.81	2.34		2.45		5	
70	282710	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides (AMMONIUM CHLORIDE)	15.17	China	40.44	0.11		0.36		5	
71	282731	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides (CHLORIDES OF MAGNESIUM)	37.31	China	74.20	0.11		0.40		5	
72	283110	Dithionites and sulphoxylates (DITHONITES AND SULPHOXYLATES OF SODIUM)	86.51	China	77.74	0.69		1.42		5	
73	283210	Sulphites; thiosulphates (SODIUM SULPHITE)	71.15	Thailand	48.08	0.35		0.89		5	
74	283311	Sulphates; alums; peroxosulphates (persulphates) (DISODIUM SULPHATE)	379.05	China	98.75	0.07		0.15		15	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
75	283319	Sulphates; alums; peroxosulphates (persulphates) (OTHER SODIUM SULPHATES)	15.64	China	40.01	0.17		0.25		10	
76	283410	Nitrites; nitrates (NITRITES)	15.10	China	64.79	0.33		0.72		5	
77	283525	Phosphinates (hypophosphites), phosphonates (phosphites), phosphates and polyphosphates whether or not chemically defined (CALCIUM HYDROGENORTHO PHOSPHATE ("DICALCIUM PHOSPHATE"))	242.68	China	94.27	0.32		1.19		5	
78	283529	Phosphinates (hypophosphites), phosphonates (phosphites), phosphates and polyphosphates whether or not chemically defined (OTHER PHOSPHATES)	63.67	Saudi Arabia	59.48	0.70		2.05		5	
79	283650	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (CALCIUM CARBONATE)	52.38	Jordan	29.82	0.08		0.32		10	
80	283699	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate (OTHER CARBONATES PERCARBONATES)	227.78	Kenya	55.12	0.18		1.37		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
81	284290	Other salts of inorganic acids or peroxoacids (including alumino-silicates whether or not chemically defined), other than azides (OTHR SALTS OF INORGANIC ACIDS/ PEROXOACIDS)	17.38	European Union	56.95	1.54		1.93		5	
82	284700	Hydrogen peroxide, whether or not solidified with urea (HYDROGEN PEROXIDE W/N SOLIDIFIED WITH UREA)	2204.48	Korea, Rep.	43.48	0.39		0.41		5	
83	290420	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated (DRVTVS CNTNG ONLY NITRO/ NITROSO GRPS)	9.72	Oman	73.10	1.86		2.60		5	
84	290511	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED METHANOL (METHYL ALCOHOL))	123.09	Saudi Arabia	91.77	0.22		0.90		5	
85	290513	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATURATED BUTAN-1-OL (N-BUTYL ALCOHOL))	13.23	Malaysia	87.13	1.39		1.99		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
86	290516	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (SATRTD OCTNL (OCTYL ALCHL) & ISMRS THEREOF)	120.84	Malaysia	98.96	1.55		3.20		5	
87	290711	Phenols; phenol-alcohols (PHENOL (HYDROXYBENZENE) AND ITS SALTS)	73.92	Korea, Rep.	52.74	1.31		2.59		5	
88	290715	Phenols; phenol-alcohols (NAPHTHOLS AND THEIR SALTS)	11.80	China	85.86	2.82		4.35		5	
89	290810	Halogenated derivatives of phenols or phenol-alcohols, their salts	9.93	China	81.47	2.67		3.18		5	
90	291469	Ketones and Quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER QUINONES)	33.68	China	88.89	7.79		11.66		5	
91	291511	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (FORMIC ACID)	1048.40	China	81.14	0.61		2.07		25	SL
92	291521	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (ACETIC ACID)	131.82	Malaysia	72.52	0.55		0.89		25	SL

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
93	291522	Sodium acetate	11.45	Taiwan, China	100.00	0.38		0.50		5	
94	291539	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHER ESTERS OF ACETIC ACID)	6.79	Japan	35.51	3.38		3.68		5	
95	291590	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHR SATRTD ACYLC,MNOCRBOXYLC ACDS & THR ANHYDRDS, HALDS, PEROXDS, PEROXY ACIDS & THR HALGNTD SLPHNTD NITRTD & NITRSTD DRVTVS)	16.01	Singapore	23.62	4.79		5.20		5	
96	291735	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (PHTHALIC ANHYDRIDE)	5.65	Korea, Rep.	71.90	1.21		1.30		10	SL
97	291739	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (OTHR ARMTC PLYCRBOXYLC ACIDS THR ANHYDRDS HALIDES PEROXIDES PEROXYACDS & THR DRVTVS)	18.01	Japan	94.95	2.20		2.58		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
98	291830	Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (CRBXYLC ACIDS WTH ALDHYD/ KETONE FNCTN BUT WTHOUT OTHR OXYGN FNCTN THR ANHYDRDS HALDS PEROXIDES PEROXYACIDS & THR DRVTVS)	45.55	European Union	38.05	6.47		19.27		5	
99	292141	Amine function compounds (ANILINE AND ITS SALTS)	0.90	China	61.36	1.29		2.86		5	
100	292142	Amine function compounds (ANILINE DERIVATIVES AND THEIR SALTS)	1.75	China	78.34	2.31		2.54		5	
101	292145	Amine function compounds (1-NAPHTHYLAMINE 2-NAPHTHYLAMINE AND THEIR DERIVATIVES; SALTS THEREOF)	12.91	China	48.80	3.11		5.43		5	
102	292151	Amine function compounds (O-M-P-PHENYLENEDIAMINE DIAMINOTOLUENE AND THEIR DRVTVS SALTS THEREOF)	4.82	European Union	48.82	4.26		4.46		5	
103	292211	Oxygen-function amino-compounds (MONOETHANOLAMINE AND ITS SALTS)	60.08	European Union	67.74	1.79		2.27		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
104	292212	Oxygen-function amino-compounds (DIETHANOLAMINE AND ITS SALTS)	83.07	European Union	84.19	1.48		2.58		5	
105	292221	Oxygen-function amino-compounds (AMNOHYDRXYNPHTHLENESLPHNC ACDS & THR SLTS)	10.12	China	53.86	4.89		5.88		5	
106	292229	Oxygen-function amino-compounds (OTHR AMINO-NAPTHLS & OTHR AMINO-PHNLS THR ETHRS & ESTRS OTHR THN THOSE CNTNG MORE THN ONE KND OF EXYGN FNCTN SLTS THEREOF)	7.47	China	84.49	2.95		6.01		5	
107	292700	Diazo-, azo- or azoxy- compounds (DIAZO-AZO-OR AZOXY-COMPOUNDS)	50.71	China	57.49	2.05		4.58		5	
108	293090	Organo-sulphur compounds (OTHER ORGANO-SULPHUR COMPOUNDS)	73.24	China	62.38	2.72		11.36		5	
109	293319	Heterocyclic compounds with nitrogen hetero-atom(s) only (OTHR HTRCYCLC CMPNDS CNTNG AN UNFUSED PYRZL RING (W/N HYDRGNTD) IN THE STRUCTURE)	6.23	China	66.24	9.31		11.08		5	
110	293369	Heterocyclic compounds with nitrogen hetero-atom(s) only (OTHR CMPNDS CNTNG AN UNFUSED TRIAZINE RING (W/N HYDROGENATED) IN THE STRUCTURE)	30.89	China	41.07	1.77		16.28		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
111	320411	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (DISPERSE DYES & PREPARATIONS BASED THEREON)	83.64	China	77.06	3.31	10.72	5.08		15	SL
112	320415	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (VAT DYES (INCL THOSE USABLE IN THAT STATE AS PIGMNTS & PREPRATIONS BASED THEREON)	42.80	European Union	48.02	5.11		15.93		5	
113	320419	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph(OTHR INCL MIXR OF COLRNG MATR OF TWO OR MORE OF SUB-HDNG 320411 TO 320419)	13.79	China	61.35	1.72		5.71		5	

Table A.3 (continued)

S no.	Tariff line	Description	Share of Pakistan's global imports in south Asia's global exports (%)	Top exporter to Pakistan in 2007	Share of top exporter in Pakistan's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Bangladesh's export unit value	India's export unit value	Pakistan's tariff 2007	Pakistan's sensitive list under SAFTA
114	320420	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (SYNTHETIC ORGANIC PRDCTS OF A KIND USED AS FLUORESCENT BRIGHTENING AGENTS)	6.16	China	54.46	1.99		2.78		20	SL
115	380210	Activated carbon; activated natural mineral products; animal black, including spent animal black (ACTIVATED CARBON)	3.85	China	39.74	0.77		1.08	1.23	10	
116	380400	Residual lyes for the manufacture of wood pulp, whether or not concentrated, desugared or chemically treated, including lignin sulphonates, but excluding tall oil of Heading 3803 (RSDUL LYES FROM MNFCTR OF WOOD PULP-W/N CNCNTRTD,DESUGRD/ CHMCLY TRTD,INCL LIGNIN SLPHNTS-BUT EXCL TALL OIL OF HDG 3803)	355.19	Russian Federation	72.02	0.14		1.28		5	
117	790310	Zinc dust, powders and flakes (ZINC DUST)	2.79	South Africa	74.79	4.18		4.24		5	

Table A.4. Export unit values of inputs identified for imports in potential supply chains for Sri Lanka

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
1	520100	Cotton, not carded or combed (COTTON, NOT CARDED OR COMBED)	0.23	United States	82.13	1.41	1.33	1.11	1.30	0.0	
2	520511	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale (SNGL YRN OF UNCMBD FBRS MEASURNG 714.29 DCTX/MORE (NT EXCDNG 14 MTRC NO))	3.72	India	96.19	2.71	2.71	2.00	2.19	0.0	
3	520811	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRCS CONTNG >=85 per cent BY WT OF COTN, UNBLEACHED PLAIN WEAVE WEIGING <=100 G/M^2)	6.67	India	84.90	14.42	14.42	14.42	3.98	0.0	
4	520812	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRCS CONTNG >=85 per cent BY WT OF COTN UNBLEACHD PLAINWEAVE WEIGING > 100 G/M^2)	7.68	Thailand	29.70	4.35	3.48	3.48	3.08	0.0	

Table A.4 (continued)

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
5	520813	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN UNBLCHD 3/4 THRED TWILL INCL CROSS TWILL WEIGHNG NOT MORE THN 200 GM PER SQM)	3.10	Pakistan	79.58	4.80	4.80	4.80	2.52	0.0	
6	520819	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (OTHER COTN FABRICS UNBLEACHED CONTNG 85 per cent OR MORE BY WT OF COTN WEIGHING <=200 GM PER SQM)	4.92	Pakistan	84.53	8.69	8.69	8.69	2.99	0.0	
7	520821	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (BLECHD PLAIN WEAVE WEIGNG <=100 G/M²)	8.83	China	43.10	18.12	18.12	18.12	8.19	0.0	
8	520822	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS CONTNG >=85 per cent BY WT OF COTTON BLEACHD PLAIN WEAVE WEIGNG > 100 G/M²)	21.02	China	50.78	8.81	8.81	8.81	12.35	0.0	

Table A.4 (continued)

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
9	520823	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN BLECHD, 3/4 THREAD TWILL INCL CROSS TWILL WEIGHING NOT MORE THN 200 GM PER SQM)	19.44	China	67.42	14.41	14.41	14.41		0.0	
10	520829	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (OTHER COTTON FABRICS, BLEACHED CONTNG 85 per cent OR MORE BY WT OF COTTON WEIGHING NOT MORE THAN 200 GM PER SQM)	13.98	European Union	52.70	30.49	19.88	19.88	2.38	0.0	
11	520831	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS CONTNG >=85 per centBY WT OF COTN DYED PLAIN WEAVE WEIGNG<=100 G/M²)	22.31	China	42.32	22.70	22.70	22.70		0.0	
12	520832	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN DYED, PLAIN WEAVE WEIGHNG >=100 G/M²)	172.73	China	40.25	11.87	11.87	11.87	9.34	0.0	

Table A.4 (continued)

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
13	520833	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN, DYED, 3/4 THRED TWILL INCL CROSS TWILL, WEIGHING NOT MORE THN 200 G/M^2)	210.13	Hong Kong, China	68.11	7.05	15.25	15.25	4.82	0.0	
14	520839	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (OTHER COTTON FABRICS, DYED CONTNG 85 per cent OR MORE BY WT OF COTTON WEIGNG NOT MORE THN 200 GM PER SQM)	29.15	Pakistan	56.98	17.04	17.04	17.04	3.55	0.0	
15	520841	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m^2 (COTN FABRICS CONTNG >= 85 per cent BY WT OF COTN PLAIN WEAVE, WEIGHING NOT MORE THAN 100 GMPER SQM OF YARN OF DIFFERENT COLOURS)	38.08	India	54.68	42.63	42.63	42.63	5.69	0.0	

Table A.4 (continued)

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
16	520842	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN PLAIN WEAVE, WEIGHING MORE THAN 100 GM PER SQM OF YARN OF DIFFERENT COLOURS)	344.57	China	66.03	22.14	22.14	22.14	22.14	0.0	
17	520843	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS COMTMG >85 per cent BY WT OF COTN 3-THREAD/4-THREAD TWILL INCL CROSS TWILL OF YARN OF DIFF CLRS WEIGHNG <=200 GSM)	74.68	China	42.74	31.85	31.85	31.85		0.0	
18	520849	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (OTHER COTN FABRICS OF YARN OF DIFFERENT COLOUR WITH COTN CONTENT MORE THN 85 per cent WEIGHNG NOT MORE THN 200 GM PER SQM)	63.61	China	70.62	25.09	25.09	25.09	9.58	0.0	19

Table A.4 (continued)

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
19	520851	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN PRINTED PLAIN WEAVE WEIGNG <=100 G PER SQM)	11.02	India	50.27	32.04	32.04	32.04		0.0	
20	520852	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS CONTNG >=85 per cent BY WT COTN PRINTED,PLAIN WEAVE WEIGHING >100 G/M²)	32.33	China	38.68	11.70	11.70	11.70		0.0	
21	520853	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (COTN FABRICS CONTNG >=85 per cent BY WT OF COTN PRINTED 3/4-THREAD TWILL, INCL CROSS TWILL WEIGHING NOT MORE THN 200 GM PER SQM)	10.21	Pakistan	92.47	12.19	12.19	12.19			
22	520859	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200 g/m² (OTHR COTN FABRICS CONTNG >=85 per cent BY WT OF COTN,PRNTD,WEIGHING 200 G/M²)	6.58	Pakistan	46.91	14.63	14.63	14.63		0.0	

Table A.4 (continued)

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
23	540233	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (TEXTURED YARN OF POLYESTERS)	5.79	Taiwan, China	26.03	2.04	1.86	2.23		0.0	
24	540269	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (OTHER YARN, MULTIPLE (FOLDED) OR CABLED)	16.10	China	66.77	4.20	3.19	3.13		0.0	
25	550320	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (STAPLE FIBRES OF POLYESTER NT CRD/CMBD)	1.03	Taiwan, China	44.85	1.44	1.31	1.34		0.0	
26	550953	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale (OTHER YARN OF POLYSTER STAPLE FIBRS MIXED MAINLY/SOLELY WITH COTTON)	3.77	Thailand	29.72	2.37	2.35	2.16		0.0	
27	560410	Rubber thread & cord, textile covered; textile yarn, and strip and the like of heading 54 04 or 54 05, impregnated, coated, covered or sheathed with rubber or plastics (RUBBER THREAD AND CORD, TEXTILE COVERED)	581.97	Taiwan, China	39.32	6.17	4.42			0.0	

Table A.4 (continued)

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
28	540220	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex (HIGH TENACITY YARN OF POLYESTERS)	14.51	Korea, Rep.	35.16	2.24	3.09			0.0	
29	310210	Mineral or chemical fertilisers, nitrogenous (UREA WHETHER OR NOT IN AQUEOUS SOLUTION)	51.87	Qatar	42.76	0.31	1.02		0.20	2.5	
30	320411	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (DISPERSE DYES & PREPARATIONS BASED THEREON)	7.11	Singapore	69.24	8.61	5.08		10.72	0.0	
31	320415	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (VAT DYES (INCL THOSE USABLE IN THAT STATE AS PIGMNTS & PREPRATIONS BASED THEREON)	1.76	India	54.22	15.93	15.93			0.0	

Table A.4 (continued)

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
32	320416	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (REACTIVE DYES & PREPTNS BASED THEREON)	4.07	Singapore	58.30	8.04	3.80	3.20		0.0	
33	320419	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (OTHR INCL MIXR OF COLRNG MATR OF TWO OR MORE OF SUB-HDNG 320411 TO 320419)	1.47	India	48.54	5.71	5.71			0.0	
34	320420	Synthetic organic coloring matter whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agens or as luminoph (SYNTHETIC ORGANIC PRDCTS OF A KIND USED AS FLUORESCENT BRIGHTENING AGENTS)	2.17	Singapore	63.60	7.21	2.78	1.43		0.0	

Table A.4 (continued)

S no.	Tariff line	Description	Share of Sri Lanka's global imports in south Asia's global exports (%)	Top exporter to Sri Lanka in 2007	Share of top exporter in Sri Lanka's global imports in 2007 (%)	Top exporter (export unit value)	India's export unit value	Pakistan's export unit value	Bangladesh's export unit value	Sri Lanka's tariff 2007	Sri Lanka's sensitive list under SAFTA
35	380991	Finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or include (PRPNS USD IN TXTL INDUSTRY)	63.59	European Union	29.60	2.59	1.93	1.85		2.5	
36	740400	Copper waste and scrap (COPPER WASTE & SCRAP)	40.11	Morocco	52.03	6.25	5.81	1.08	5.42	2.5	

Notes

1 Under the proposed tariff liberalisation programme (TLP), SAFTA will become fully effective for non-LDC member countries of SAARC by 2013 and by 2016 for LDC member countries.

2 This is computed based on the latest south Asian country-specific information and projections on global trade in textiles and clothing for the period 2010–2011.

3 World Bank (2010).

4 The threshold figure of US$100,000 is used to justify the existence of import demand and supply capacity in the products under consideration.

5 See note 2.

6 Tewari (2008).

7 Currently, south Asian countries face different trade preferential regimes in important textile and apparel importing markets. For example, as a least developed country, Bangladesh gets duty free market access to the EU and Canada. However, like all other countries in the region, its exports are subject to MFN tariffs in the USA. Sri Lanka previously enjoyed preferential market access in the EU under its GSP+ preferential system. Pakistan also has special arrangements giving it some preferential market access in the EU and USA.

8 The south Asian countries initiated a process of preferential trade liberalisation with the establishment of SAARC in 1985. It then took a decade for the region to take some practical measures to promote trade through a regional agreement. The South Asian Preferential Trade Agreement came into operation in 1996 with the expectation of moving towards a South Asian Free Trade Agreement, the implementation of which eventually began in 2006. Under the proposed tariff liberalisation programme, SAFTA will become fully effective for non-LDC member countries of SAARC by 2013 and by 2016 for LDC member countries.

9 For any particular product class *i*, an index of the extent of intra-industry trade in the product class *i* between countries *A* and *B* is given by the following ratio:

$$IIT_{i,AB} = \left[\frac{(X_i + M_i) - |X_i - M_i|}{(X_i + M_i)}\right] \cdot 100$$

This index takes the minimum value of zero when there are no products in the same class that are both imported and exported, and the maximum value of 100 when all trade is intra-industry (in this case *Xi* is equal to *Mi*).

10 Two different types of trade are mainly captured in measurements of intra-industry trade index: horizontal trade in similar products with differentiated varieties; and vertical specialisation of production that results in trade in similar goods at different stages of production.

11 Contributed by Danish A Hashim, Director, Economic Policy & Taxation, Confederation of Indian Industry, New Delhi, and Ajay Kumar, Economist, Confederation of Indian Textile Industry, New Delhi.
12 Derived from the Planning Commission's Employment estimates.
13 Shares are averaged over the period 2005/2006–2009/2010.
14 Contributed by Khalid Mahmood, Executive Director, Centre for Enterprise, Trade and Development (CETAD).
15 *Pakistan Economic Survey 2009–10*; *Textile Policy 2010*; State Bank Pakistan, *Annual Report 2009*.
16 *Textile Policy 2009–2014*.
17 Textile Commissioner's Office.
18 Tables 3.7 and 3.8 are taken from *Cost Competitiveness of Pakistan's Textiles and Apparel Industry*, USAID, 2009.
19 Textile Commissioner's Office, APTMA.
20 Textile Commissioner's Office.
21 Adopted from S Kelegama, 'Ready-Made Garment Industry in Sri Lanka: Preparing to Face the Global Challenges', *Asia-Pacific Trade and Investment Review*, 1(1), April 2005.
22 Weeraratne (2004).
23 Kelegama (2005).
24 Using the average for 2005–2007.

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Even though individual nations in South Asia are among the world's fastest growing economies it is, as a region, the least integrated. This pioneering study from UNCTAD, the Commonwealth Secretariat and the Centre for WTO Studies at the Indian Institute of Foreign Trade examines one of the leading manufacturing sectors in South Asia – textiles and clothing – to assess the prospects for developing production linkages through regional co-operation.

The findings show that there is significant unexploited scope for intra-regional trade which would enhance the competitiveness of the region overall. The insights gleaned from the study will also benefit other sectors and regions of the developing world, where regional integration and South–South co-operation might be important routes to trade-led development.

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