

## 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)**

Year	Bangladesh		India		Pakistan		Sri Lanka	
	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.

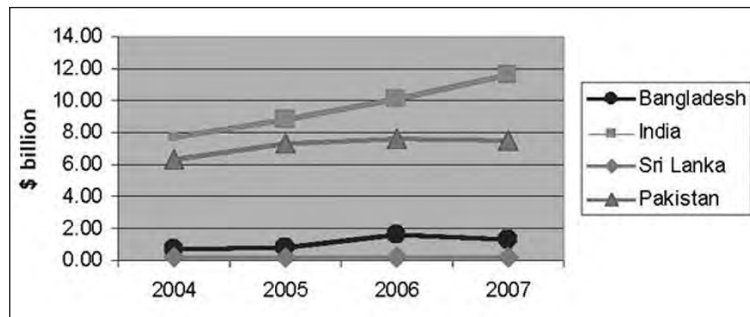
**Table 2.4. South Asian countries' exports of textiles and clothing, 2007**

	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

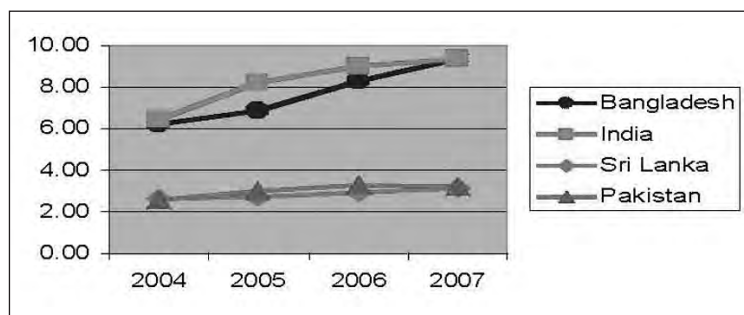
Source: COMTRADE

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)**

