PAKISTAN TEXTILE COUNCIL

Empowering Pakistan's Textile & Apparel Sector

Annual EXPORT PERFORMANCE REPORT

Pakistan's Textile & Apparel Exports

FY26 July 2025 – June 2026

A comprehensive review of Pakistan's textile & apparel export performance, key markets, and outlook.

Prepared by the Pakistan Textile Council

The Pakistan Textile Council is a not-for-profit public limited company that represents 28 leading textile and apparel exporters.

Our mission is to help shape a path of sustainable growth for Pakistan's textile and apparel sector and deliver economic and societal impact, putting Pakistan first. We aim to work on industry-level topics with key stakeholders of the textile and apparel sector in Pakistan and overseas.

The opinions expressed in this document are those of the Pakistan Textile Council and do not necessarily reflect the views of its member companies.

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Pakistan Textile Council

The Pakistan Textile Council (PTC) is a not-for-profit organization serving as a research, advocacy and impact-acceleration platform for Pakistan's textile and apparel sector. Our mission is to help shape a path of sustainable growth — delivering economic and societal impact and putting Pakistan first.

PTC brings together relevant stakeholders, establishes key facts, and facilitates effective decision-making at home and abroad on the topics that matter most for the sector's sustainable development.

OBJECTIVES

1 Attract Investment

Enable increased local and foreign investment in growth, innovation and sustainability — making Pakistan a sourcing destination of choice.

2 Decent Work & Equality

Generate employment and sustenance with decent-work standards and gender equality, contributing to economic and social development.

3 Global Competitiveness

Make the sector internationally competitive and globally compliant to spur exports and contribute to a stable, prosperous future.

Our approach. Independent, evidence-based and collaborative — PTC convenes industry, government and international partners around a shared, data-driven agenda for the sustainable growth of Pakistan's textile and apparel sector.

PTC Membership

AKHTAR
alkaram
AKTI
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AGI DENIM ARTISTIC
AL RAHIM Textile Industries Manufacturer and Exporter of Home Textile Products
Artistic Milliners DENIM COMPANY OF THE FUTURE
GulAhmed Textile Mills Limited

FCML FAZAL CLOTH MILLS LIMITED
ARSHAD GROUP
FEROZE1888
mtm Masood Textile Mills

KMLG Kohinoor Maple Leaf Group
LIBERTY
MG apparel
Sadaqat

INTERLOOP
MASOOD ROOMI
NISHAT CHUNIAN LTD.
SOORTY DENIMKIND

NISHAT
MUSTAQIM
STYLERS
Sapphire

NAVEENA GROUP
STYLE TEXTILE
US APPAREL & TEXTILES
UTOPIA INDUSTRIES

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Message from the Chairman

> *FY26 marked another structural shift in Pakistan's textile and apparel exports. Even as the country's overall exports contracted, textile & apparel held its ground and gained share — carried by our value-added products. Our task now is to convert that resilience into sustained, competitive growth.*

Fawad Anwar

Chairman, Pakistan Textile Council

Pakistan's textile and apparel exports reached USD 18.0 billion in FY26 with a decent growth trajectory even as national exports fell 5.9%. The sector now accounts for roughly 60% of the country's total exports, underscoring its central role in the national economy.

This resilience was carried by value-added products. Home and other made-up textiles & Apparel (Chapters 61–63) grew to USD 14.98 billion, while Raw Materials & Intermediates (Chapters 50–60) declined to USD 3.03 billion — a clear signal of the sector's move up the value chain, alongside persistent weakness in upstream; cotton; yarns; and fabrics.

Increasing this momentum will require decisive policy support: regionally competitive taxation with faster refunds, regionally competitive energy rates, widely accessible financing, secured and expanded market access, competitive shipping and logistics, and a revived cotton base. With the right measures, Pakistan can turn a year of resilience into a durable expansion of its global market share.

List of Acronyms

Acronym	Description	Acronym	Description
BRA	Balochistan Revenue Authority	**NEPRA**	National Electric Power Regulatory Authority
CAGR	Compound Annual Growth Rate	**PBS**	Pakistan Bureau of Statistics
Ch	Chapter	**PCCC**	Pakistan Central Cotton Committee
DCTS	Developing Countries Trading Scheme (UK)	**PNSC**	Pakistan National Shipping Corporation
EFS	Export Facilitation Scheme	**PRA**	Punjab Revenue Authority
EPA	Environmental Protection Agency	**PSW**	Pakistan Single Window
EU	European Union	**PTC**	Pakistan Textile Council
FBR	Federal Board of Revenue	**SBP**	State Bank of Pakistan
FTA	Free Trade Agreement	**SME**	Small and Medium-sized Enterprise
FY	Fiscal Year	**SRB**	Sindh Revenue Board
GSP+	Generalised Scheme of Preferences Plus	**T&A**	Textile & Apparel
HS / HS-8	Harmonised System (8-digit code)	**TDAP**	Trade Development Authority of Pakistan
KPRA	Khyber Pakhtunkhwa Revenue Authority	**UK**	United Kingdom
MoFA	Ministry of Foreign Affairs	**US**	United States
MoM	Month-on-Month	**USD / $**	United States Dollar
MoNFS&R	Ministry of National Food Security & Research	**YoY**	Year-on-Year

OVERVIEW

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Executive Summary

Pakistan's exports contracted in FY26, but textile & apparel held its ground and gained share — carried entirely by value-added segments.

▼ $30.14B	▲ $18.0B	▲ ~60%
−5.9%	+0.3%	
National Exports	**Textile & Apparel**	**Share of National**
All sectors, FY26	Ch 50–63, FY26	Textile & apparel
vs $32.04B FY25	vs $17.95B FY25	share rose as exports fell

JUNE 2026 SNAPSHOT

National $2.25B — −9.3% YoY (from $2.48B) · −16.4% MoM (from $2.69B)
Textile & apparel $1.27B — −17% YoY (from $1.53B) · −23% MoM (from $1.65B)

Data Source: PSW & PBS

WITHIN TEXTILE & APPAREL

Raw Materials & Intermediates · Ch 50–60

$3.03B −3.4%

Down from $3.13B. Cotton and other Raw Materials & Intermediate lines continue their multi-year decline.

Value-added · Ch 61–63

$14.98B +1.1%

Up from $14.82B — value-added continues to sustain export performance:

Ch 62 · Non-knit apparel		+3.9%
Ch 63 · Made-up articles		+0.6%
Ch 61 · Knitwear		−0.7%

TOP EXPORT DESTINATIONS · FY26

EU-27	USA	UK	China	Bangladesh
$7.10B	$4.85B	$1.73B	$0.64B	$0.62B
largest market	Second	third	raw material	raw material

Destinations were broadly stable. Core markets continue to anchor performance, but concentration risks persist — underscoring the need for diversification.

THE BOTTOM LINE

Textile & Apparel exports show resilience and growth in value-added categories, while persistent declines continue in cotton and other raw materials. Turning this into durable growth depends on improving energy competitiveness, easing exporters' access to finance and refunds, safeguarding preferential market access, improving shipping and logistics, and strengthening the cotton base.

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SECTION 01

National Export Overview

IN THIS SECTION

- Total National Exports (FY25 vs FY26)
- Textile & Apparel share of National Exports
- Monthly Momentum: June year-on-year & month-on-month

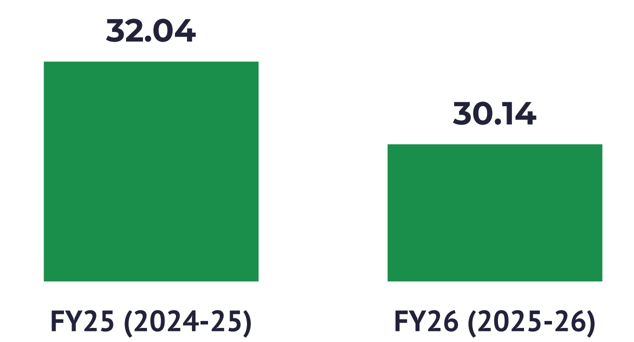
Total Exports at a Glance

Pakistan's exports stood at $30.14B in FY26, a 5.9% decline from $32.04B in FY25, with textile & apparel the dominant contributor.

▼ $30.14B	▼ −9.3%	▼ −16.4%
National Exports	**June 2026 (YoY)**	**June 2026 (MoM)**
All sectors, FY26	$2.25B vs $2.48B	$2.25B vs $2.69B May
vs $32.04B FY25	Year-on-year	Month-on-month

Values in USD Billion · FY25 = 2024-25, FY26 = 2025-26 (July–June).

Fig 1.1: National Exports (USD Billion)



~60%

of national exports constitute textile & apparel

At $18.0B in FY26, the sector remains Pakistan's single largest export earner and the anchor of its external trade.

Context. The FY26 national contraction reflects broad external headwinds — global demand softness and cost pressures — including the adverse impact of the US–Iran conflict on global trade dynamics. Against this backdrop, textile & apparel's marginal growth stands out as a point of relative strength.

Note: Exports reached an exceptional post-pandemic peak in 2021-22; therefore, Pakistan's US$19.55 billion textile and apparel exports in 2021-22 should not be treated as a normal benchmark for assessing subsequent export performance. (Refer to Explainer 2.1)

INDUSTRY INSIGHTS

Freight and routing carry a measurable cost. *"Transit times have been lengthened by 15-20 days; Pakistan–US voyages have increased from 50 to 70 days, while inbound Chinese material has added a further 7–10 days".* Similarly, it was widely reported that *freight rates to the US are up over 200 percent on some routes, as the Iran war disrupts lanes and raises war-risk, insurance and fuel costs.*

Energy: *"Pakistan's energy costs remain a binding constraint on export competitiveness, with costs reportedly much higher than competitors, significantly increasing production costs and limiting the industry's ability to compete in global markets."*

SECTION 02

Textile & Apparel Exports

IN THIS SECTION

- Headline performance & monthly momentum
- Five-year export trajectory (2021-22 to 2025-26)
- Raw Material vs value-added composition

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A Resilient Sector

Textile & apparel exports (Ch 50–63) rose 0.3% to $18.0B in FY26 — a four-year high — even as national exports fell.

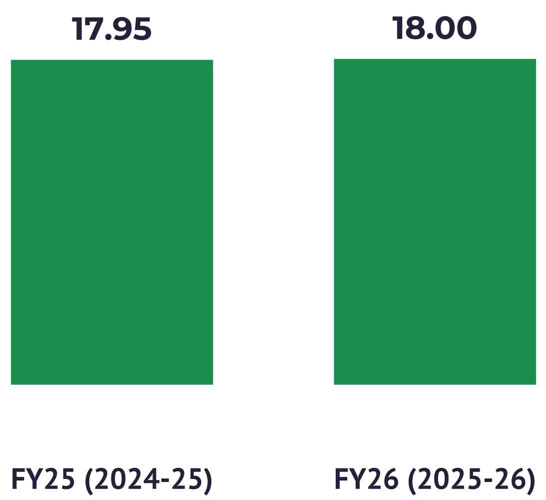
▲ $18.0B FY26

Ch 50–63 (Jul–Jun)

vs $17.95B FY25

Values in USD Billion · FY26 = 2025-26 (July–June).

Fig 2.1: Textile & Apparel Exports (USD Billion)



Monthly snapshot — June 2026

▼ $1.27B

Textile & apparel exports

−17% YoY

vs June 2025 ($1.53B)

−23% MoM

vs May 2026 ($1.65B)

The headline story. While June's monthly exports softened on global demand, the full-year total edged up to a four-year high. Textile & apparel gained share of national exports precisely as the wider economy contracted — evidence of the sector's structural resilience and its move toward higher-value output.

Explainer 2.1

Global merchandise trade rebounded exceptionally in 2021 following the COVID-19 shock, with trade volume growing by 9.7% and trade value by 26.1%. Unusually strong consumer demand, a shift in spending from services to physical goods, large-scale government stimulus packages and inventory building, together with price effects, made 2021 an exceptional post-pandemic peak. Therefore, Pakistan's US$19.55 billion textile and apparel exports in 2021-22 should not be treated as a normal benchmark for assessing subsequent export performance.

Source: World Trade Statistical Review (2022); ECB Economic Bulletin (2024).

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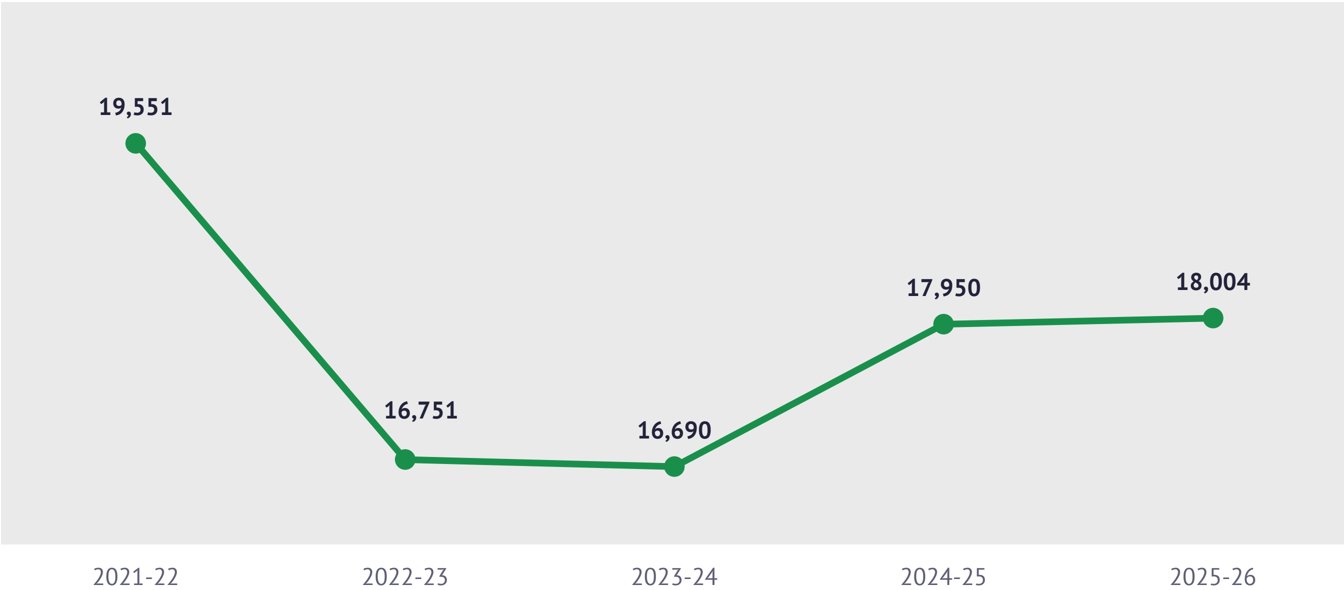
Moderate Growth

After the abnormal spike of 2021-22, sector exports gradually increased from $16.7B (2022-23) to $18.0B in FY26.

Fig 2.2: Textile & Apparel Exports — Five-Year Trajectory (USD Million, July–June)



INDUSTRY INSIGHTS

Pakistan's export growth is constrained by high energy costs, high cost of capital, heavy taxation, and longer lead times, preventing the country from increasing exports beyond a certain level.

"Shipping rates have increased globally, but the increase on some routes from Pakistan is disproportionately high, exporters were being forced to absorb a substantial additional cost". "Karachi-Jebel Ali route, where freight charges previously stood at $100-200 had risen to around $4,000-5,000. A container shipment from Karachi to New York that once cost around $2,000 is now being quoted at $8,000 to $9,000. The added cost is undermining the competitiveness of Pakistani products".

$16.75B
FY 2022-23

$16.69B
FY 2023-24 lowest

$18.0B
2025-26
Modest Growth
▲ +7.9% vs low

Source: *PSW & PBS.*

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Value-Added Now Leads

Value-added apparel & Home Textile made-ups (Ch 61–63) reached 83% of textile exports in FY26 — up from 77% in 2021-22. The trend below shows the steady shift.

Fig 2.3: FY26 SPLIT

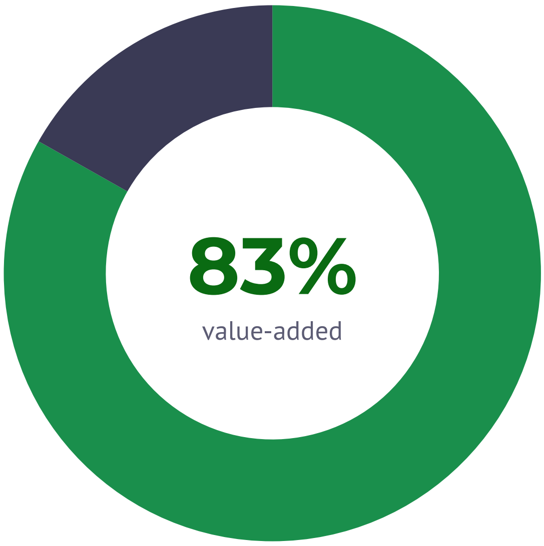
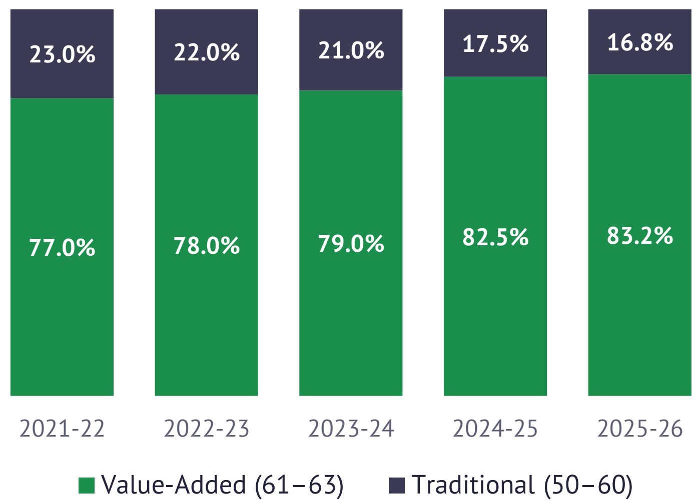


Fig 2.4: Value-Added Share of Textile Exports — 5-Year Trend



A steady structural shift. Value-added's share of textile exports has risen consistently — from 77.0% in 2021-22 to 83.2% in FY26 — as apparel and made-ups grew while raw materials and intermediates declined, leaving upstream cotton, yarn and fabric increasingly exposed.

▲ **$14.98B**

Value-Added 61–63

83% of textile

+1.1% vs FY25

▼ **$3.03B**

Raw Material & Intermediates 50–60

17% of textile

−3.4% vs FY25

▲ **$18.0B**

Total Textile

Ch 50–63

+0.3% vs FY25

INDUSTRY INSIGHTS

The shift from Cotton to man-made fibre.

"Buyers are moving away from basic cotton and poly-cotton items toward microfiber, flannel, and value-added finishes. Plain, undifferentiated product is losing shelf space."

SECTION 03

Raw Materials & Intermediates (Ch 50–60)

IN THIS SECTION

– Annual & monthly performance

– Five-year declining trend

– Chapter-wise breakdown (Table 3.1)

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A Persistent Decline

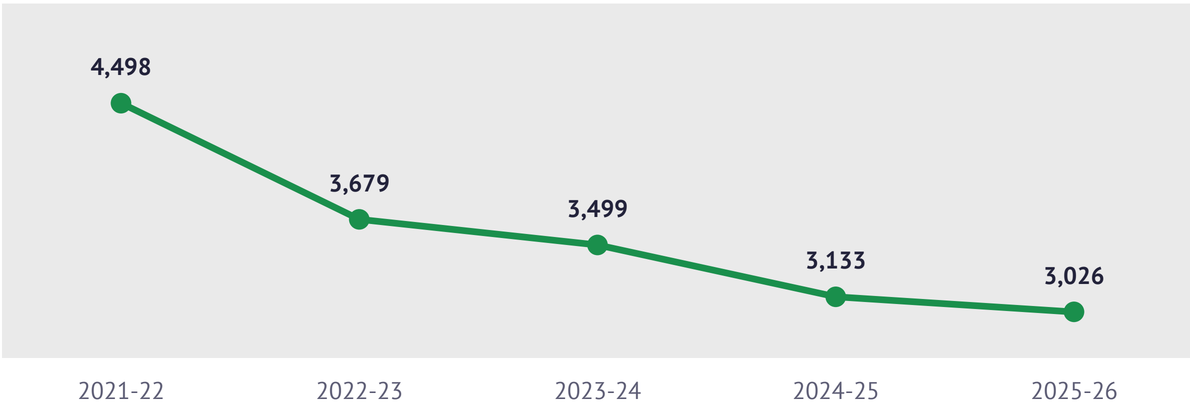
Raw materials and intermediates fell to $3,026M in FY26 — the lowest in five years, down from $4,498M in 2021-22.

▼ $3,026M
Raw Materials FY26
Ch 50–60
vs $3,133M FY25

▼ −10.8%
June 2026 (YoY)
$214M vs $240M
Year-on-year

▼ −16.4%
June 2026 (MoM)
$214M vs $256M May
Month-on-month

Fig 3.1: Five-Year Trend — (Raw Material and Intermediate Goods, HS 50–60) (USD Million)



Values in USD Million · peak $4,498M (2021-22) → low $3,026M (2025-26).

Only two chapters grew. Across Chapters 50–60, growth was recorded only in special woven fabrics (Ch 58, +15.3%) and wool & fine animal hair (Ch 51, +10.8%). Declines dominated elsewhere — cotton, man-made fibres, carpets and knitted fabrics all fell — reflecting persistent weakness in Pakistan's commodity-grade textile base.

INDUSTRY INSIGHTS:
The spinning and weaving sectors are highly energy-intensive, making rising energy costs a major factor behind the decline in their export share. A significant portion of spinning capacity remains idle, resulting in operational inefficiencies and mounting losses. The situation is further aggravated by the imposition of a minimum turnover tax on industry even when they are operating at a loss. Reducing energy costs and rationalizing the tax burden are critical to restoring the competitiveness and viability of the sector.

5.5M
Bales, last season
Lowest in three decades

14.8M
Bales, 2011-12 peak
▼ close to −70% since

Imports
Now structural
Gap has to be met externally

Upstream supply. Heat stress during the June–July flowering period and acute water shortages in Sindh and South Punjab cut the national crop to a three-decade low.
Data Source: Pakistan Central Cotton Committee

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Chapter-wise Raw Materials (Ch 50-60)

Table 3.1 — Exports by HS chapter (50–60), FY25 vs FY26, ranked by FY26 value.

HS	Chapter Description	FY25 ($M)	FY26 ($M)	% Change
52	Cotton	2,523.8	**2,485.7**	-1.5%
55	Man-made staple fibres	369.9	**337.3**	-8.8%
54	Man-made filaments; strip and the like of man-made textile materials	67.8	**50.1**	-26.2%
58	Special woven fabrics; tufted textile fabrics; lace; tapestries	40.1	**46.3**	+15.3%
57	Carpets and other textile floor coverings	57.2	**45.8**	-19.8%
60	Knitted or crocheted fabrics	45.0	**35.7**	-20.7%
56	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes	10.8	**10.0**	-7.5%
59	Impregnated, coated, covered or laminated textile fabrics	8.4	**7.0**	-16.1%
53	Other vegetable textile fibres; paper yarn and woven fabrics	7.8	**5.1**	-34.2%
51	Wool, fine/coarse animal hair; horsehair yarn and woven fabric	2.1	**2.4**	+10.8%
50	Silk	0.2	**0.1**	-22.1%
	Total — (Ch 50–60)	**3,133**	**3,026**	**-3.4%**

Cotton dominates — and drags. Cotton (Ch 52) alone accounts for over 80% of Raw Materials &Intermediates exports at $2,485.7M, so its 1.5% decline sets the segment's direction. The steepest percentage falls were in other vegetable fibres (−34.2%), man-made filaments (−26.2%), silk (−22.1%) and knitted fabrics (−20.7%).

Values in USD Million · FY25 = 2024-25, FY26 = 2025-26. Source: PSW & PBS.

INDUSTRY INSIGHTS

Domestic cotton is failing on specification, not on supply. *"Exporters are substituting locally grown cotton with imported varieties due to type, moisture and thread-count grounds. Some companies are using 50% imported cotton against 35–40% local cotton suggesting a domestic quality problem".*

SECTION 04

Value-Added Apparel & Home Textile Made-ups (Ch 61–63)

IN THIS SECTION

- Annual, monthly & five-year performance
- Chapter-wise breakdown (Table 4.1)
- Product-level deep-dives: Ch 63, 61 & 62

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The Growth Engine

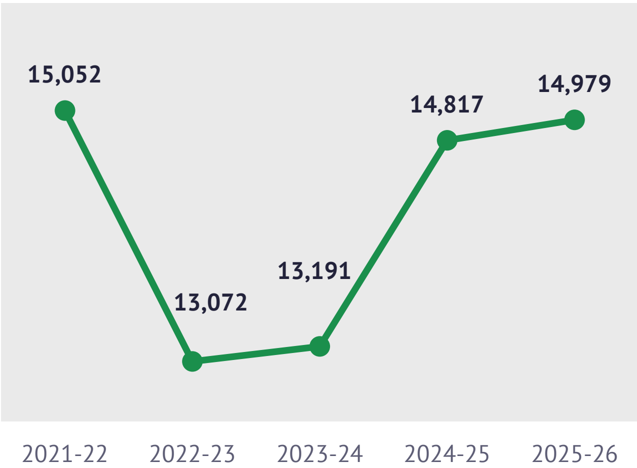
Value-added apparel rose 1.1% to $14,979M in FY26, regaining toward 2021-22 anomalous-level and driving the sector's overall gain.

▲ $14,979M
Value-Added FY26
Ch 61–63
vs $14,817M FY25

▼ −18%
June 2026 (YoY)
$1,058M vs $1,294M
Year-on-year

▼ −24%
June 2026 (MoM)
$1,058M vs $1,389M May
Month-on-month

Fig 4.1: Five-Year Export Trend (USD Million)



Non-knit led the gains. Growth was driven by non-knit apparel (Ch 62, +3.9%) and made-ups (Ch 63, +0.6%), while knitwear (Ch 61) slipped 0.7%. Made-ups (Ch 63) remain the largest single chapter at $5,705M, followed by knitwear at $4,979M and non-knit at $4,295M.

Table 4.1 — Chapter-wise Textile-Clothing Exports – % Change

Ch	Chapter Description	FY25 ($M)	FY26($M)	% (Change)
61	Articles of apparel, accessories, knit or crochet	5,016	**4,979**	-0.7%
62	Articles of apparel and clothing accessories, not knitted or crocheted	4,132	**4,295**	+3.9%
63	Other made textile articles, sets, worn clothing etc	5,670	**5,705**	+0.6%
	TOTAL	14,817	14,979	+1.1%

INDUSTRY INSIGHTS

Growth is attributed to demand for value-added products. *"Buyers are moving away from basic cotton and poly-cotton items toward microfiber, flannel, and value-added finishes — plain, undifferentiated product is losing shelf space."*

The inputs are taxed too. *Export Facilitation Scheme (EFS) leaves out many specialised chemicals and fibres — so import duty falls on exactly the materials these higher-value printed and finished lines need, raising their cost.*

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Ch 63 — Home Textile and Made-Up Articles

The largest value-added chapter at $5,705M, which grew steadily from 2022-23 level.

Fig 4.2: Five-Year Export Trend (USD M)

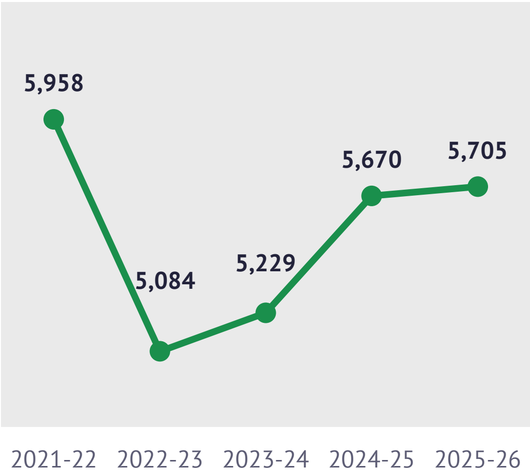
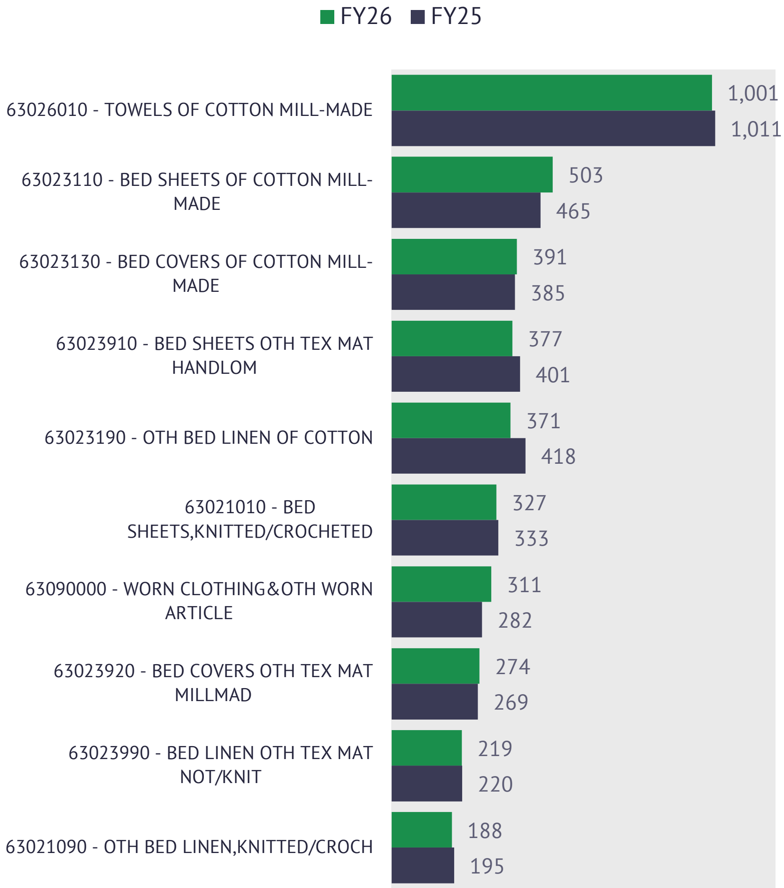


Fig 4.3: Top 10 Export Items — FY25 vs FY26 (USD M)



Top Export Items at HS-8 level · FY25 = 2024-25, FY26 = 2025-26.

THE GROWTH TREND GOES ON

As the post-pandemic home-textile demand normalised, the chapter grew steadily to $5,705M in FY26 — just below the peak — led by towels ($1,001M) and cotton bed sheets ($503M).

Bed linen & towels lead. Towels ($1,001M) and cotton bed sheets ($503M) dominate the chapter. Notable declines were in other bed linen of cotton (6302.3190, $418M→$371M) and handloom bed sheets (6302.3910, $401M→$377M).

INDUSTRY INSIGHTS

Made-ups demand is shifting rather than shrinking, with towel preferences moving from basic 100% cotton toward microfiber, digitally printed, and embellished products, while mattress protectors continue to grow as a consistent product line amid declining demand for cotton bed linen.

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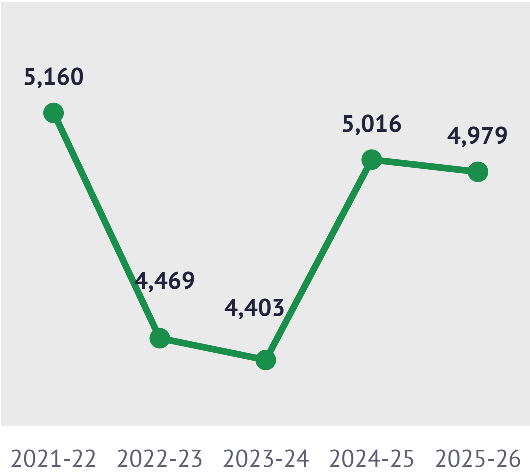
Ch 61 — Knitwear (Knit/Crochet)

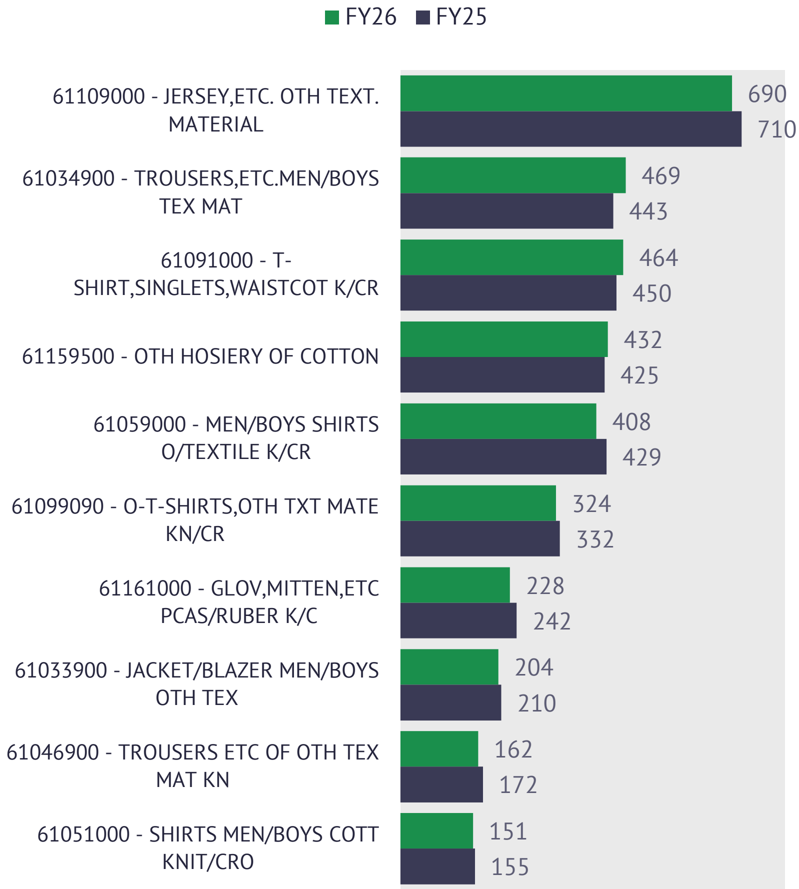
The second-largest chapter at $4,979M in 2025-26, fell slightly (−0.7%) from $5,016M in 2024-25

Fig 4.4: Five-Year Export Trend (USD M)



A dip, then rebound. Knitwear slightly dropped from $4,469M in 2022-23 to a $4,403M low in 2023-24 as global demand and orders softened post pandemic, before climbing to $4,979M in FY26 — still just below last year's peak, with jerseys ($690M) and trousers ($469M) driving the growth.

Fig 4.5: Top 10 Export Items — FY25 vs FY26 (USD M)



Top Export Items at HS-8 level · FY25 = 2024-25, FY26 = 2025-26.

Jerseys & trousers anchor the mix. Jerseys ($690M) lead, followed by textile trousers ($469M) and cotton T-shirts ($464M). The largest declines were in men's/boys' shirts (61059000, $429M→$408M) and jerseys (61109000, $710M→$690M).

INDUSTRY INSIGHTS

Buyers rank quality and delivery above price. *Compliance is a go/no-go threshold before buyers can proceed with placing orders."*

Ch 62 — Non-Knit Apparel

The star performer: posting strongest growth — up 3.9% to $4,295M over five years from $3,934M (2021-22), an all–time high in FY26.

Fig 4.6: Five-Year Export Trend (USD M)

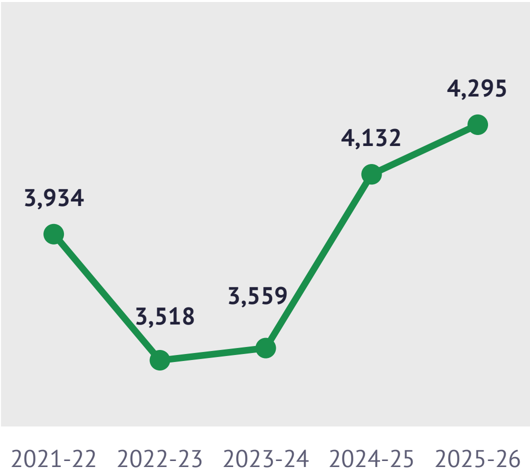
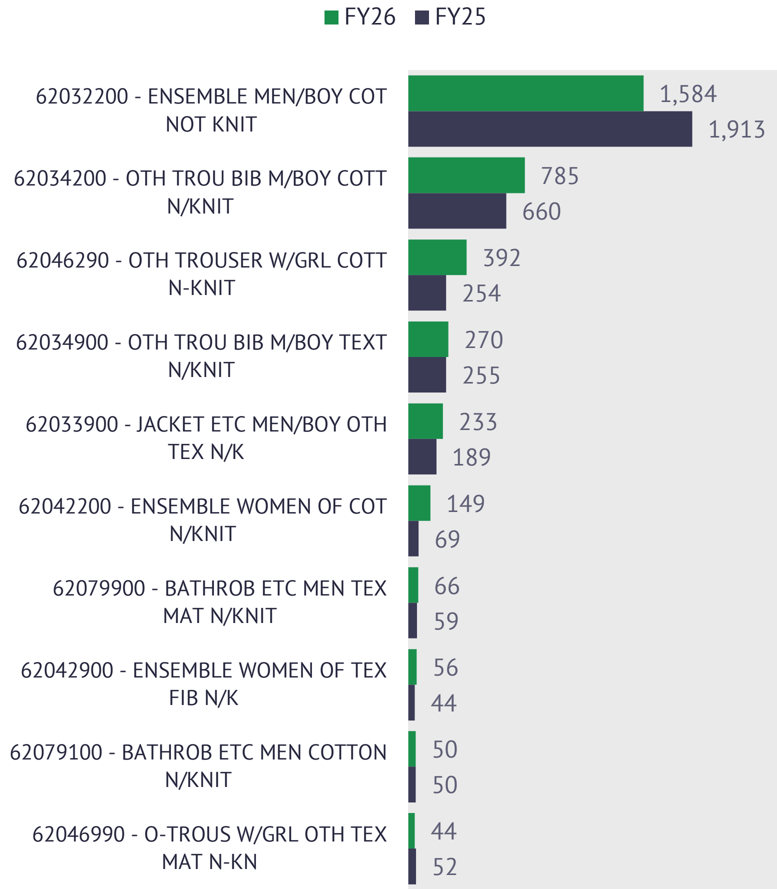


Fig 4.7: Top 10 Export Items — FY25 vs FY26 (USD M)



Top Export Items at HS-8 level · FY25 = 2024-25, FY26 = 2025-26.

A strong climb to a new high. Non-knit is the strongest performer, rising ~9% from $3,934M in 2021-22 to a five-year high of $4,295M in FY26. Men's ($785M) and women's ($392M) cotton trousers drove the gain, partly offsetting a sharp fall in cotton ensembles ($1,913M to $1,584M).

Trousers surged; ensembles slipped. Men's cotton trousers ($785M, +19%) and women's cotton trousers ($392M, +54%) drove growth, while cotton ensembles/suits (6203.2200) fell sharply from $1,913M to $1,584M — the chapter's largest single decline.

INDUSTRY INSIGHTS

Growth is being won on capability, not price. *Gains are attributed to product quality, range diversity and vertical integration; many companies are investing in blended and 100% polyester lines that rely on imported raw material — so this move up the value chain also raises import intensity.*

SECTION 05

Market Destination Analysis

IN THIS SECTION

– Top-five destinations at a glance

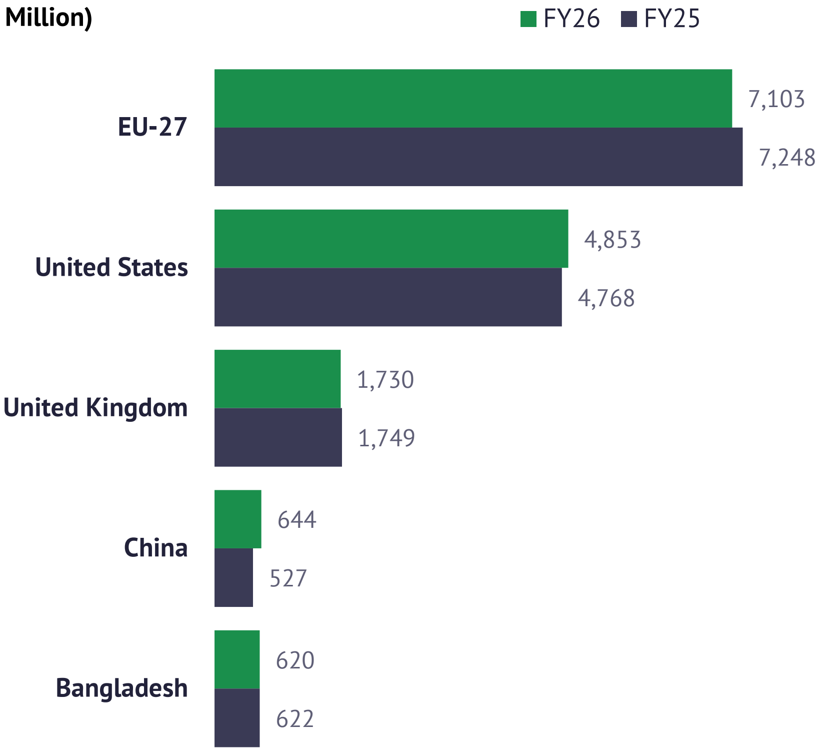
– EU, USA & UK — finished-goods markets

– China & Bangladesh — raw-material markets

Top Five Export Markets

The EU-27 remains the largest market at $7,103M, followed by the USA, UK, China and Bangladesh — broadly stable in FY26.

Fig 5.1: Top Five Export Markets (USD Million)



FY26 RANKING

1	EU-27	$7,103M
2	USA	$4,853M
3	UK	$1,730M
4	China	$644M
5	Bangladesh	$620M

The EU-27, United States and United Kingdom together account for the overwhelming share of exports. While these core markets anchor performance, the concentration leaves the sector exposed to demand shocks in a few geographies — underscoring the strategic case for diversification into new markets.

Values in USD Million · FY25 = 2024-25, FY26 = 2025-26. EU-27 = European Union (27 member states).

INDUSTRY INSIGHTS

Market Diversification: *New markets should complement, not replace, traditional destinations. The EU, US and UK will remain core export markets, while greater market access in South America, Africa and the Far East should be pursued to diversify Pakistan's export base and create additional growth opportunities.*

European Union (27) €

With $7,103M in FY26, EU is Pakistan's largest destination. The fall from $7,248M in FY25 is noteworthy and deeply unsettling. Six of the top ten products in the EU declined this year.

Fig 5.2: Five-Year Export Trend (USD Million)

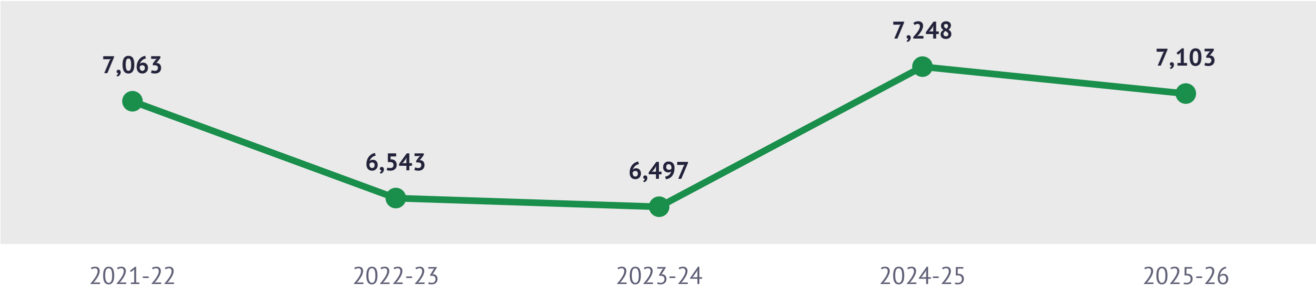


Table 5.1 — Top 10 exports to the EU-27 at HS-8 level, FY25 vs FY26, ranked by FY26 value.

#	HS-8	Product Description	FY25	FY26	% Chg
1	62032200	Ensemble men/boy cotton, not knit	925	**783**	-15.4%
2	63026010	Towels of cotton, mill-made	434	**428**	-1.6%
3	62034200	Oth trou bib m/boy cott n/knit	391	**411**	+5.0%
4	63023110	Bed sheets of cotton, mill-made	262	**279**	+6.6%
5	63023130	Bed covers of cotton, mill-made	273	**278**	+1.8%
6	63023190	Other bed linen of cotton	267	**250**	-6.1%
7	61109000	Jersey, etc. Oth text. Material	254	**233**	-8.4%
8	63021010	Bed sheets, knitted/crocheted	230	**228**	-0.9%
9	61034900	Trousers, etc., men/boys tex mat	222	**222**	+0.03%
10	61159500	Other hosiery of cotton	190	**183**	-3.5%

Cotton apparel and made-ups dominate. Towels and bed linen anchor the EU basket. The top decline was cotton ensembles (62032200, −15.4%), while cotton bed sheets and men's trousers gained.

INDUSTRY INSIGHTS

Non-continuity of GSP+ status is the single largest perceived risk which is further aggravated in context of EU-India FTA. The continuity of GSP+ status must be ensured. Meanwhile, all efforts should be made to enter into an FTA with EU.

United States $

With $4,853M in FY26, USA is second-largest and slowly growing market amid ever growing pressures. Compared with last year, seven out of top ten products are growing in US.

Fig 5.3: Five-Year Export Trend (USD Million)

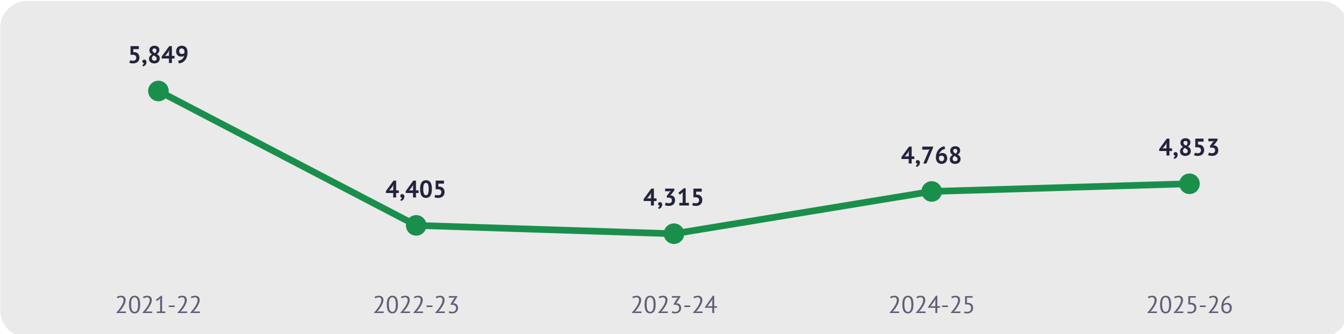


Table 5.2 — Top 10 exports to the United States at HS-8 level, FY25 vs FY26, ranked by FY26 value.

#	HS-8	Product Description	FY25	FY26	% Chg
1	62032200	Ensemble men/boy cot not knit	643	**490**	-23.8%
2	63026010	Towels of cotton, mill-made	346	**355**	+2.5%
3	61109000	Jersey, etc., oth. textile mat.	279	**298**	+6.8%
4	62034200	Oth trou bib m/boy cott n/knit	147	**209**	+42.2%
5	61099090	O-t-shirts, oth Textile mate kn/cr	201	**187**	-6.9%
6	61059000	Men/boys shirts o/textile k/cr	171	**174**	+2.0%
7	61091000	T-shirt, singlets, waistcot k/cr	160	**170**	+6.4%
8	61159500	Other hosiery of cotton	162	**168**	+3.7%
9	62046290	Oth trouser w/grl cott n-knit	87	**153**	+75.8%
10	63023110	Bed sheets of cotton, mill-made	123	**118**	-3.9%

Trousers surged. Strong gains in men's and women's cotton trousers (62034200 +42.2%, 62046290 +75.8%) partly offset a sharp fall in cotton ensembles (62032200, −23.8%).

INDUSTRY INSIGHTS

Order uncertainty: *Retailer destocking continues to suppress replenishment orders, while tariff uncertainty is causing buyers to either front-load orders or defer purchasing decisions. At the same time, forced-labour compliance requirements are increasing the need for certified non-Chinese-origin cotton, with tariff-related cost increases increasingly being passed back to suppliers.*
Pakistan must enter into an FTA with USA.

United Kingdom £

$1,730M in FY26 · third-largest market — this year's decline is concerning given the UK-India FTA. Compared to last year, seven of the top ten products have declined.

Fig 5.4: Five-Year Export Trend (USD Million)

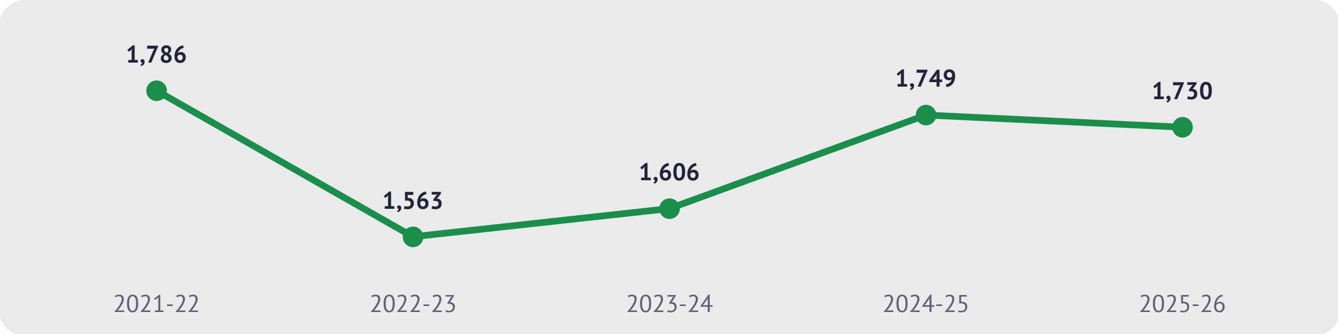


Table 5.3 — Top 10 exports to the United Kingdom at HS-8 level, FY25 vs FY26, ranked by FY26 value.

#	HS-8	Product Description	FY25	FY26	% Chg
1	62032200	Ensemble men/boy cotton, not knit	117	**110**	-6.0%
2	63026010	Towels of cotton, mill-made	106	**99**	-6.2%
3	61109000	Jersey, etc. Oth textile material	112	**97**	-13.0%
4	63023920	Bed covers, oth. tex, mat mill-made	80	**79**	-0.6%
5	63023910	Bed sheets oth tex mat handloom	75	**72**	-4.5%
6	63023130	Bed covers of cotton mill-made	65	**71**	+9.9%
7	61034900	Trousers, etc. men/boys tex mat	70	**71**	+2.0%
8	61059000	Men/boys shirts o/textile k/cr	86	**67**	-22.2%
9	63023110	Bed sheets of cotton, mill-made	49	**64**	+31.8%
10	63023190	Other bed linen of cotton	56	**40**	-28.9%

A softer year overall. Most top items eased, led by other bed linen of cotton (63023190, −28.9%) and men's/boys' shirts (61059000, −22.2%). The standout gainer was cotton bed sheets (63023110), up 31.8%.

INDUSTRY INSIGHTS

Preference Erosion: *Pakistan's competitive position in the UK market is facing increasing pressure from India's tariff-free access under the UK–India trade agreement, lower business costs and stronger government support for exporters. Ensuring continuity of Pakistan's DCTS status and pursuing an FTA with the UK are therefore critical to preserving and strengthening market access.*

China ¥

$644M in FY26 · a raw-material market — China mainly imports Pakistani cotton yarn. Yarn exports are highly sensitive to Chinese domestic production, inventories, domestic prices and relative prices of competitors. Pakistan cotton supply constraints matter substantially.

Fig 5.5: Five-Year Export Trend (USD Million)

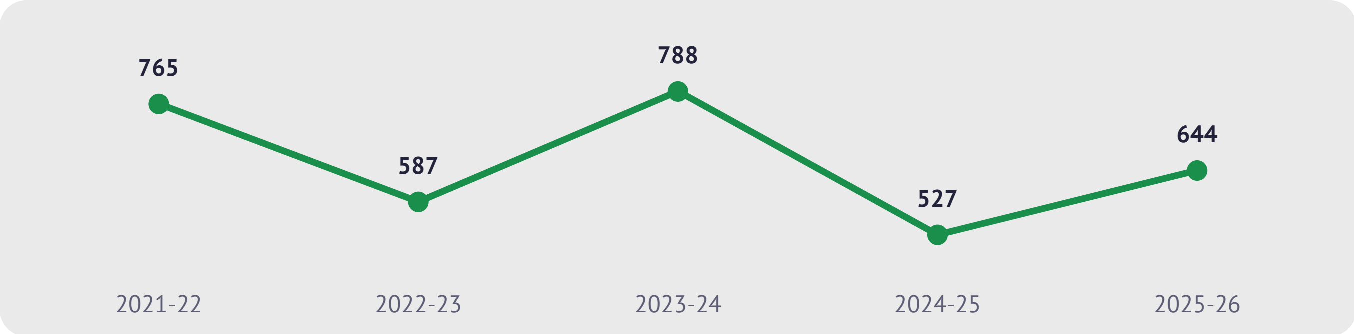


Table 5.4 — Top 10 exports to China at HS-8 level, FY25 vs FY26.

#	HS-8	Product Description	FY25	FY26	% Chg
1	52051100	Sin.cot.yar.u.com.fib.d-714.29	207.5	**276.4**	+33.2%
2	52051200	S-cot.yarn ucf.d-232.56-714.29	221.7	**266.7**	+20.3%
3	52081200	Wov fab cot wt>100g/sqm unblea	10.6	**21.6**	+103.9%
4	52091200	Cotton wov fab 3-4thread un-bl	5.7	**5.9**	+4.2%
5	61034200	Trousers, etc.men/boys cot/knit	5.1	**3.3**	-35.8%
6	61034900	Trousers, etc.men/boys tex mat	7.9	**3.0**	-62.3%
7	61091000	T-shirt, singlets, waistcot k/cr	7.2	**7.6**	+5.3%
8	61109000	Jersey, etc. Oth text. Material	7.5	**5.1**	-32.4%
9	61159500	Other hosiery of cotton	4.8	**4.0**	-16.0%
10	61161000	Glov, mitten, etc pcas/ruber k/c	3.4	**4.6**	+34.8%

Yarn & fabric drive demand. Cotton yarn (5205) and unbleached woven fabric lead, with woven fabric (52081200) up 103.9%. Apparel lines are small and mostly declining.

INDUSTRY INSIGHTS

A demand-pull, not a competitiveness win. *Chinese mills are turning to Pakistani cotton yarn as their own domestic supply tightens, helped by price competitiveness. This is driven by conditions on the Chinese side rather than any change in Pakistan's offering. Dumping by Chinese companies has also been reported; therefore, National Tariff Commission should immediately investigate the issue and impose anti-dumping duties on Chinese companies, if required.*

Bangladesh ৳

$620M in FY26 · a raw-material market — Bangladesh primarily imports Pakistani cotton yarn and denim/woven fabric.

Fig 5.6: Five-Year Export Trend (USD Million)

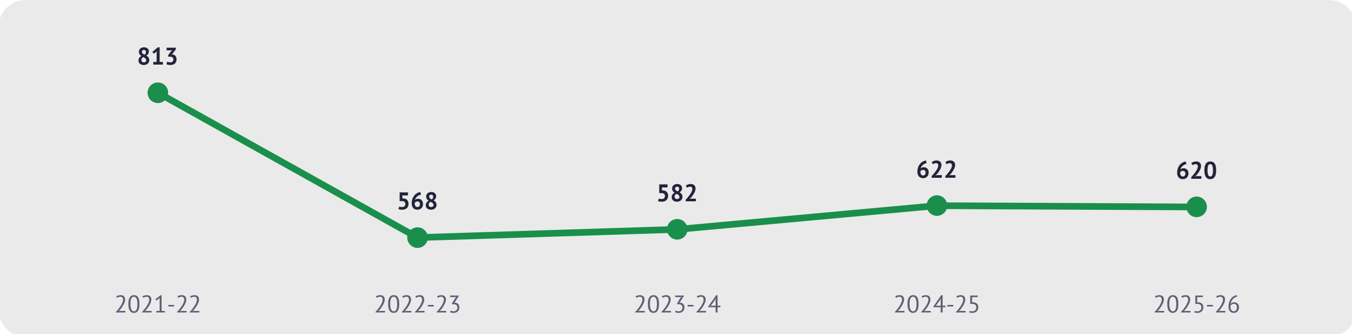


Table 5.5 — Top 10 exports to Bangladesh at HS-8 level, FY25 vs FY26, ranked by FY26 value.

#	HS-8	Product Description	FY25	FY26	% Chg
1	52094200	Cotton wov fab denim>200g/sqm	315.8	**334.9**	**+6.0%**
2	52114200	W-fab cot denm,mx mfw>200g/sqm	73.2	**66.9**	**-8.6%**
3	52093200	Cotton wov fab dyed 3-4 thread	56.7	**58.7**	**+3.6%**
4	52051200	S-cot.yarn ucf.d-232.56-714.29	29.8	**30.2**	**+1.5%**
5	52051100	Sin.cot.yar.u.com.fib.d-714.29	32.1	**22.7**	**-29.3%**
6	52092200	Cot wov fab 3/4thrd w>200g/sqm	9.8	**9.2**	**-6.1%**
7	52122300	Oth cot wov fab dyed>200g/sqm	10.4	**6.5**	**-37.2%**
8	52113200	Wov fab 3-4thread mix>200gdyed	5.2	**5.9**	**+13.2%**
9	52093900	Oth cot wov fab dyed>200g/sqm	6.7	**4.9**	**-27.0%**
10	52051300	S-cot.yarn ucf.d-192.31-232.56	6.3	**4.6**	**-27.6%**

Denim leads the basket. Cotton denim (52094200, +6.0%) is the single largest line. Denim and cotton woven fabric plus cotton yarn make up almost the entire Bangladesh basket.

INDUSTRY INSIGHTS

A capacity gap, not a price story. *Bangladesh's growing garment sector has created sustained, volume-driven demand for Pakistani fabric, supported by proximity and supply reliability. As Bangladesh continues to strengthen its own upstream supply chain to ensure faster and more reliable raw-material availability, Pakistan must safeguard the competitiveness and viability of its upstream textile sector by reducing energy and taxation-related costs.*

SECTION 06

Policy Recommendations

IN THIS SECTION

- Taxation and Financing schemes
- Energy, cotton & logistics
- Trade access & shipping

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Strategic Recommendations

Sequenced priorities emerging from the consultation

Table 6.1 — Strategic Recommendations

Key Area	Policy Recommendation	Relevant Ministry / Authority / Department
TAXATION	**1.** Reduce Corporate Income Tax to 15%. Pakistan's headline corporate income tax rate remains 29%, and this sits alongside Super Tax exposure for any exporter below the 80% export-ratio threshold. Regional and competitor economies are moving decisively in the opposite direction.	**Ministry of Finance, FBR and provincial revenue authorities**
	2. Accelerate sales tax and deferred sales tax refunds.	
	3. Automate the processing of income tax refunds.	
	4. Automate and integrate sales tax refunds administered by Provincial Revenue Authorities with FBR.	
ENERGY	**5.** The government must provide regionally competitive energy prices and reliable energy supply to the textile sector. It should also address energy-related constraints to improve the sector's overall competitiveness and operational reliability.	**Ministry of Energy (Power Division and Petroleum Division), NEPRA and OGRA**
FINANCING	**6.** Enhance budgetary allocation for recently announced financing schemes.	**Ministry of Finance, State Bank of Pakistan and EXIM Bank**
	7. Soften eligibility criteria for SMEs under financing schemes.	
	8. Extend financing schemes to indirect exporters.	
MARKET ACCESS	**9.** Secure long-term continuity of GSP+ and pursue additional trade agreements, including FTAs with USA and UK, to match preferential access available to competitor countries.	**Ministry of Commerce; Trade Development Authority of Pakistan (TDAP); Ministry of Foreign Affairs (MoFA)**
LOGISTICS	**10.** Ensure the provision of competitive freight rates and shorter lead times through engagement with shipping lines. Simultaneously, enhance the capacity of the Pakistan National Shipping Corporation to meet exporters' demand for shipments to markets of interest.	**Ministry of Maritime Affairs; Pakistan National Shipping Corporation (PNSC); FBR - Customs**
COTTON	**11.** Launch an integrated national cotton strategy covering seed quality, farmer digitization and traceability.	**Ministry of National Food Security & Research (MoNFS&R); Pakistan Central Cotton Committee (PCCC); Provincial Agriculture Departments**

Conclusion & Outlook

The bottom line

Pakistan's textile and apparel sector enters FY27 carrying real structural headwinds — energy costs, a declining domestic cotton base, financing delivery gaps, and shipping volatility — but also enters it with clear, convergent guidance from across the membership on where to act first. The consistency of these findings across export-oriented, balanced, and domestic-focused members alike gives PTC a mandate to pursue a coordinated, full-value-chain advocacy agenda for FY27, rather than a narrower one. The task now is to convert this consultation into sustained follow-through with government and industry stakeholders.

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