



**PAKISTAN
LEATHER GARMENTS
MANUFACTURERS & EXPORTERS
ASSOCIATION**

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**TO GETHER
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LEATHER**

Pakistan's Leather Garment Industry:

Pakistan's leather industry, is the second largest export industry after textiles, contributing around 5.4% to exports. At HS-06 level, "Articles of apparel, of leather or composition leather..." (HS-420310) was the highest export under the leather industry, with market share of almost 28.0% which indicates the importance of leather garments in the Pakistani economy.

Germany, USA and the Netherlands were the top three export destinations for Pakistan's leather garment exports, with market shares of 31.4%, 13.0% and 8.7%, respectively. However, exports to these destinations have declined in the last ten years. Pakistan's leather garment exports are mainly concentrated in the European region, with a combined market share of around 80.5%. The second largest region is the America region, followed by Asia. Pakistan's leather garment exports thus have a high concentration risk.

This report focuses on potential markets for expansion which reveals that Pakistan has the highest untapped potential worth \$52.2 million for exporting leather garments to the USA. Other top potential markets include China and European countries which can be penetrated through better marketing, and participation

marketing, and participation in trade fairs and exhibitions. The country's main competitors for these markets are India and Italy.

Pakistan's leather garment exports had a higher ten-year CAGR (-4.83%) and annual growth rate (-8.17%) than the world average. These growth rates are higher than those for both Italy and India.

The government of Pakistan provides support to the leather garment industry by exempting custom duties on imports, enhancing duty drawback rates on leather garments, decreasing regulatory duties and initiating the project of Sialkot Tannery Zone. Automation of customs procedure has also been a welcome step by the industry. However, there is still a lot of work that needs to be done before the industry is able to flourish again.

Pakistan's exports of leather-made products decreased by 16.99% during the last three months of the fiscal year compared to the corresponding period of last year.

As per PBS data, the leather products exports were recorded at \$3,752 thousand in December 2022 – February 2023 against the exports of \$4,520 thousand in December 2021 – January 2022. The leather commodities that contributed to trade growth included leather garments.

The exports of leather garments decreased by 10.80% to \$70,874 thousand in the last three months of the fiscal year, compared to \$79,464 thousand in the same period of the last fiscal year.

On year on year basis, leather garments exports decreased by 22.91% in January 2023 compared to the same month last year. Exports in February 2023 were recorded at \$18,004 thousand against the exports of \$23,355 thousand in February 2022.

Pakistan's leather garments exports decreased by 31.00% on month-on-month (MoM) basis to \$18,004 thousand in February 2023, as compared to \$26,196 thousand in January 2022.

Leather jacket Exports from Pakistan:

As per Volza's Pakistan Export data, Leather jacket export shipments from Pakistan stood at 24.2K, exported by 1,171 Pakistan Exporters to 3,355 Buyers.

Pakistan exports most of its Leather jacket to Germany, United States and United Kingdom and is the 2nd largest exporter of Leather jacket in the World.

The top 3 exporters of Leather jacket are India with 348,375 shipments followed by Pakistan with 24,190 and China at the 3rd spot with 13,484 shipments.

Planning Minister for adopting export-oriented policies:

ISLAMABAD, Feb 7 2023: Federal Minister for Planning Development and Special Initiatives Ahsan Iqbal on Tuesday reiterated that the government is committed to facilitate the country's exports and urged them to adopt export-oriented policies for the public and the private sectors to accelerate export-led growth. The Minister made these remarks while chairing a roundtable with country's exporters to review the progress of the exports and issues being faced by them, organized by the Planning Ministry, said a press release issued here.

The roundtable was attended by the representatives of Federal Board of Revenue FBR, State Bank of Pakistan, Ministry of Commerce and Industry and several exporters related to various industries.

"Increasing exports is the only solution to get rid of the crisis and every sector should set a target to increase exports," said the Minister, while assuring them that the government will facilitate and remove all bottlenecks in this regard.

The Minister while acknowledging their contribution said that exports are the backbone of the country's economy and the government is taking concrete steps to facilitate them.

Planning Minister informed the audience that the government will organize a conference soon while inviting the country's 50 brands to highlight their work globally.

While referring to the two crises which had faced the government since it came into power in April 2022, the Minister said that flood-2022 has affected the country badly and the poor economic situation.

The incumbent government took hard decisions to bring the country on the path of

stability. Prof Iqbal further added that economic stability is linked with political stability and there is a dire need of time for political stability in the country.

Time has come to leave aside the political differences and to focus on the country's economy to make Pakistan a 'prosper' country, said the Minister, while assuring the exporters to consider their recommendations and suggestions.

During the meeting, the exporters appreciated the Planning Ministry's initiatives for taking them onboard.

The exporters from various industries which include textile, leather, meat, surgical and others have also shared their issues which were addressed by the Minister and assured them that the Planning Ministry will play a key role to facilitate them and to resolve their issues.

PLGMEA Meeting with Mr. Ahsan Iqbal Planning Minister for Adopting Export-Oriented policies via Zoom Held on Feb. 07 2023



Pakistan Leather Goods Exports:

Pakistan's exports of leather goods decreased by 16.99 % in the last three months of the fiscal year as compared to the corresponding period of last year, according to Pakistan Bureau of Statistics (PBS).

As per PBS data, the leather products exports were recorded at \$3,752 thousand in December 2022-February 2023 against the exports of \$5,151 thousand in November 2022-January 2023. The country's monthly leather products exports decreased by 20.81% in January 2023, compared to December 2022. The exports of leather garments decreased by 13.44% to \$76,254 thousand in the last three months of the fiscal year, compared to \$88,095 thousand in the same period of the last fiscal year. On YoY basis, leather garments exports decreased by 5.00% in January 2023 compared to the same month last year. Exports in January 2023 were recorded at \$26,196 thousand against the exports of \$27,576 thousand in January 2022.

Pakistan's leather garments exports decreased by 1.79% on month-on-month (MoM) basis to \$26196 thousand in January 2023, as compared to \$26674 thousand in December 2022.

Pakistan's leather industry currently is one of the cou-

try's major earners of foreign exchange. Thousands of jobs are supported by this sector, which contributes 4% to national income from exports. There is a noticeable growth in Asian economies such as China and India despite changing circumstances around the world. It is also possible for Pakistan to grow at a faster rate, but the political scenario, socio-economic environment, and lack of updated technologies are the main obstacles.

The Pakistan Business Council's (PBC's) Make-in-Pakistan initiative aims to revive manufacturing in Pakistan, leading to jobs, an increase in value-added exports, import-substitution initially of labor-intensive products and an increase in tax collection.

This report titled "Enhancing the Competitiveness of Pakistan's Leather Garment Industry" has been prepared in collaboration with the Pakistan Leather Garments Manufacturers & Exporter Association (PLGMEA).

The Study is part of the PBC's Make-in-Pakistan initiative and relies on existing secondary research supplemented with field and online interviews of firms in the leather garment manufacturing sector.

Leather garments Exports from World:

As per Volza's Global Export data, Leather garments export shipments stood from World at 280.5K, exported by 2,938 World Exporters to 8,677 Buyers. World exports most of its Leather garments to Germany, Italy and United States.

The top 3 exporters of Leather garments are India with 238,897 shipments followed by China with 11,771 and Vietnam at the 3rd spot with 9,774 shipments.

Visit PLGMEA official website

All Members of PLGMEA can log on to PLGMEA website www.plgmea.pk and can make their mini website is Search Engine Optimized (SEO) like Google, Yahoo etc. The salient features of our website are as following:

- Update Members Directory
- Visa Recommendatory Letter
- Current Rebates SEOs & Circular
- Inter-member Trading

DO YOU HAVE SOMETHING TO SHARE ?

All members are cordially invited to share their personal experiences tips, useful websites, articles or anything beneficial to our members.

Any such information should be sent to PLGMEA NZ office which shall be scrutinized and the published in the next bulletin.

TARIQ ISMAIL

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The 4th Meeting of Executive Board of PLGMEA Northern Zone Held on January 24, 2023



The 5th Meeting of Executive Board of PLGMEA Northern Zone Held on February 25, 2023



Leather Sector Exports

July - Feb. 2021-22, July - Feb. 2022-23

Value = (Rupees in Million)
(US Dollars in Thousands)

	July - Feb. 2021-22	July - Nov. 2022-23	% Change
Leather Tanned	134,290	113,901	-15.18%
Leather Garments	218,550	200,255	-08.37%
Leather Gloves	191,312	190,719	-0.31%
Leather Footwear	83,211	101,281	21.72%
Leather Manufactures	12,514	10,631	-15.05%
Total Leather Products	505,587	502,886	-0.53%

The 3rd Meeting of Central Executive Committee of PLGMEA via Zoom Held on March 21, 2023



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