

## Pakistan Equity | Textile

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REP-057

# Textile Exports at record high of US\$17.6bn in 11MFY22

## Textile Exports at US\$1.6bn in May-22, down 6% MoM



CFA Society  
Pakistan  
Best Local Brokerage  
House 2015-16, FY2020

**ASIAMONEY**  
Best Local Brokerage House  
Brokers Poll 2011-14, 2016-21



COUNTRY  
AWARDS  
FOR ACHIEVEMENT  
2018  
**FinanceAsia**  
Best Brokerage  
House 2018,19-20



2019  
INTERNATIONAL  
FINANCE  
BROKERAGE AWARDS  
Best Research  
House 2019-20

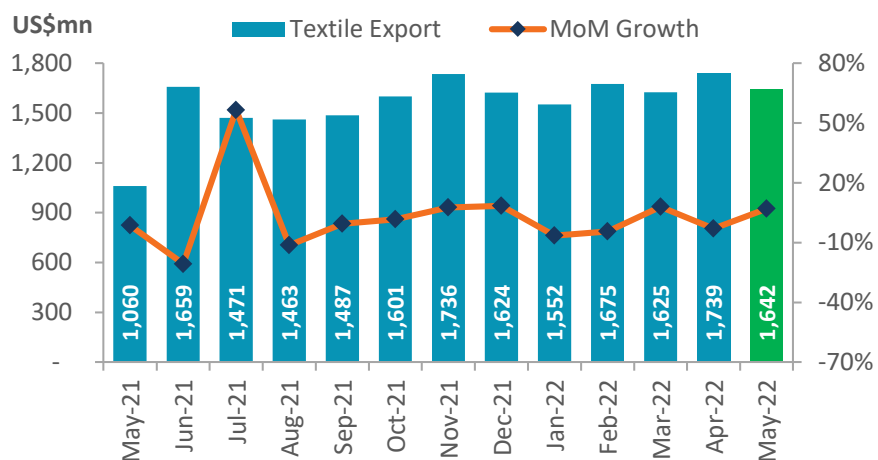


ASSET ASIAN AWARDS 2019  
TRIPLE A  
Best Brokerage  
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# Textile Exports down 6% MoM due to Eid Holidays & Energy shortages

Pakistan Textile Exports: Monthly trend



Source: PBS, Topline Research

Pakistan Textile Exports May Summary

US\$mn	May-22	YoY	MoM	11MFY22	YoY
Cotton Cloth	231	72%	10%	2,237	30%
Other basic	113	53%	9%	1,182	28%
<b>Basic Textile</b>	<b>344</b>	<b>65%</b>	<b>10%</b>	<b>3,418</b>	<b>29%</b>
Knitwear	428	51%	-12%	4,646	36%
Bed Wear	281	55%	1%	3,009	22%
Towels	92	49%	-15%	1,020	22%
Readymade Garments	322	65%	-8%	3,536	31%
<b>Value-added Textile</b>	<b>1,124</b>	<b>56%</b>	<b>-8%</b>	<b>12,211</b>	<b>30%</b>
Other Textile	174	43%	-13%	1,994	19%
<b>Total Textile Exports</b>	<b>1,642</b>	<b>56%</b>	<b>-6%</b>	<b>17,624</b>	<b>28%</b>

Source: PBS, Topline Research

- As per Pakistan Bureau of Statistics, Pakistan textile exports recorded a decline of 6% MoM clocking in at US\$1.6bn in May-22 after witnessing record high exports last month.
- Value added exports witnessed a decline of 8% MoM. Major decline was witnessed in Knitwear exports, down 12% MoM to US\$428mn. Other value-added segments such as Ready-made garments and Towel also posted decent drop in exports to US\$322mn (down 8% MoM) and US\$92mn (down 15% MoM), respectively.
- Major reason behind drop in exports are fall in volumetric sales (down 4%) which was mainly led by (i) Eid holidays in the first week of May and (ii) Energy shortages due to non-availability of LNG.
- Interestingly, all items in basic textiles witnessed a positive MoM change in May-22 to US\$344mn (+10% MoM and +65% YoY), where major contribution came from cotton cloth which touched US\$231mn (+10% MoM and +72% YoY).
- In comparison with May-21, Pakistan textile exports are up by 56% YoY (+99% YoY in PKR terms to Rs321bn) in May-22 due to major growth seen in value-added segments, mainly in Knitwear (+51% YoY) followed by Ready-made Garments (+65% YoY) and Bedwear (+55% YoY).
- Furthermore, textile sector exports reached to record high in 11MFY22 to US\$17.6bn, up by 28% YoY. In PKR terms, the same has clocked in at Rs3trn, up by 40% YoY.
- 1/3rd of the overall increase in textile exports in 11MFY22 was due to Knitwear exports (+36% YoY to US\$4.6bn) followed by Ready-made garments (+31% YoY to US\$3.5bn) and Bed Wear (+22% YoY to US\$3bn).
- Pakistan is likely to achieve its Textile exports target of close to US\$20b set by government for FY22E. For FY23F, we expect Textile exports to grow by ~13% to around US\$22bn.

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