

2023 ANALYSIS

Competitive Market Research

Pakistan Garment Exporters

 Eastern Garments (Karachi)

 Internship Project – June 2023

 Strategic Market Intelligence

Key Findings & Strategic Insights

Market Performance

Pakistan's textile exports declined to **\$16.5B in FY23** (from \$19.3B in FY22), representing a **14.5% contraction** driven by energy crisis, cotton shortage, and global recessionary pressures.

Top 5 Exporters

Control **\$1.96B (11.9%)** of total textile exports. **Style Textile** leads at \$522M, followed by **Interloop** at \$423M—the only company achieving positive growth (+4%) amid industry-wide decline.



Competitive Insights

- ▶ **Value-added products** showing resilience—knitwear +28.7%, ready-made garments growing
- ▶ **Sustainability compliance** becoming critical differentiator for EU GSP+ market access
- ▶ **Operational scale** determining survival—30% industry capacity remained idle



Strategic Implications for Eastern Garments

- ▶ Focus on **niche knitwear segments** where growth persists
- ▶ Invest in **sustainability certifications** for competitive advantage
- ▶ Improve **operational efficiency** to manage energy cost pressures



Data Sources: Pakistan Bureau of Statistics, APTMA, Arif Habib Research | FY23 data (Jul 2022 – Jun 2023)

INDUSTRY LANDSCAPE

Pakistan Garment Export Industry Overview (2023)

\$16.5B

Total Textile Exports

FY23 (down 14.5%)

60%

of Total Exports

National share

10M+

Employment

Direct jobs

Key Export Destinations



United States

Largest Market



Germany

Major EU



European Union

GSP+



Netherlands

Distribution



United Kingdom

Growing



Middle East

UAE +100%

2023 Challenges

- ▶ **Energy Crisis:** Gas suspension, 14¢/kWh electricity
- ▶ **Cotton Shortage:** 4.5M bales (vs 7.3M needed)
- ▶ **Currency Devaluation:** PKR 225 → 280+ per USD
- ▶ **Import Restrictions:** Raw material supply disruptions
- ▶ **Global Recession:** Reduced demand from US/EU
- ▶ **Capacity Idle:** 30% industry capacity unused

Opportunities

- ▶ **Value-Added Growth:** Knitwear +28.7%
- ▶ **Sustainability Focus:** ESG-compliant exporters gaining share
- ▶ **GSP+ Advantage:** Duty-free EU market access

COMPETITIVE LANDSCAPE

Top 5 Garment Exporters – Competitor Profiles

01

Style Textile

Lahore

\$522M

-15% YoY

Products:

- Knitted garments
- Sportswear
- Casual apparel

Clients: Adidas, Nike, Levi's

02

Interloop

Faisalabad

\$423M

+4% YoY ★

Products:

- Hosiery
- Denim
- Activewear

Edge: Only growing exporter

03

Nishat Mills

Lahore

\$381M

-7% YoY

Products:

- Fabrics & garments
- Home textiles
- Towels, bed linen

Edge: Vertical integration

04

Artistic Milliners

Karachi

\$330M

0% YoY

Products:

- Denim fabrics (108M m)
- Denim garments
- Premium wovens

Edge: C2C Certified

05

Gul Ahmed

Karachi

\$302M

-1% YoY

Products:

- Fabrics & garments
- Home textiles
- 90% sustainable

Edge: Legacy since 1953

Comparative Scale & Capacity Analysis

Style Textile

10,001+ employees | Fully vertically integrated | End-to-end apparel solutions

Interloop

30,000+ employees | 7,000+ knitting machines | 25M kg yarn capacity

Artistic Milliners

108M meters denim | 30M garments | 100MW wind energy | LEED Platinum

Gul Ahmed

55,000 spindles | 600 looms | 15,000 sheet sets/day | 40 retail stores

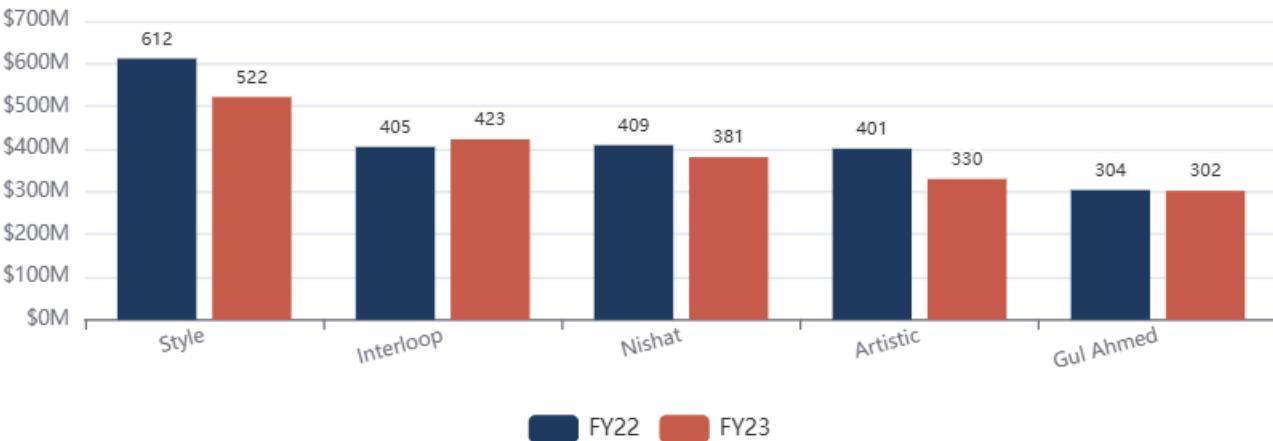


Data Source: Arif Habib Research, Company Annual Reports | FY23 (Jul 2022 – Jun 2023)

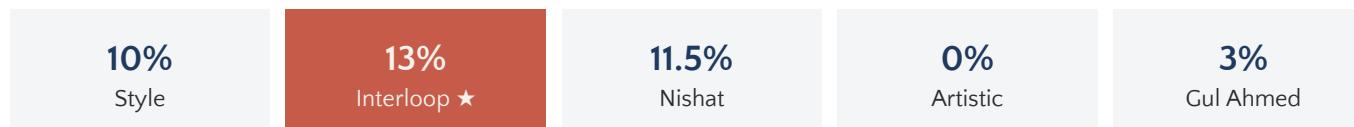
MARKET DYNAMICS

Market Share Analysis (2023)

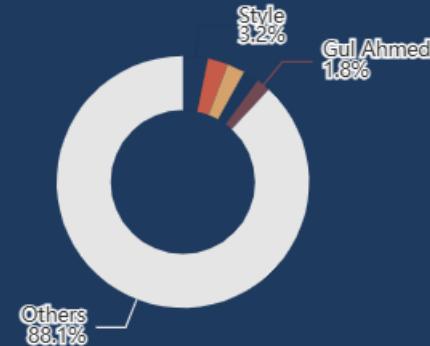
Export Value Comparison: FY22 vs FY23



3-Year CAGR Analysis (FY21-FY23)



Market Share Distribution



Top 5 Control: \$1.96B (11.9% of \$16.5B total)

Market Structure: Fragmented—Top 10 hold ~20%

Key Insights

- ▶ **Interloop's Resilience:** Only positive growth through diversification
- ▶ **Style Textile Decline:** -15% reflects customer concentration risk
- ▶ **Market Fragmentation:** Opportunity for consolidation
- ▶ **Growth Correlation:** Sustainability focus = better performance

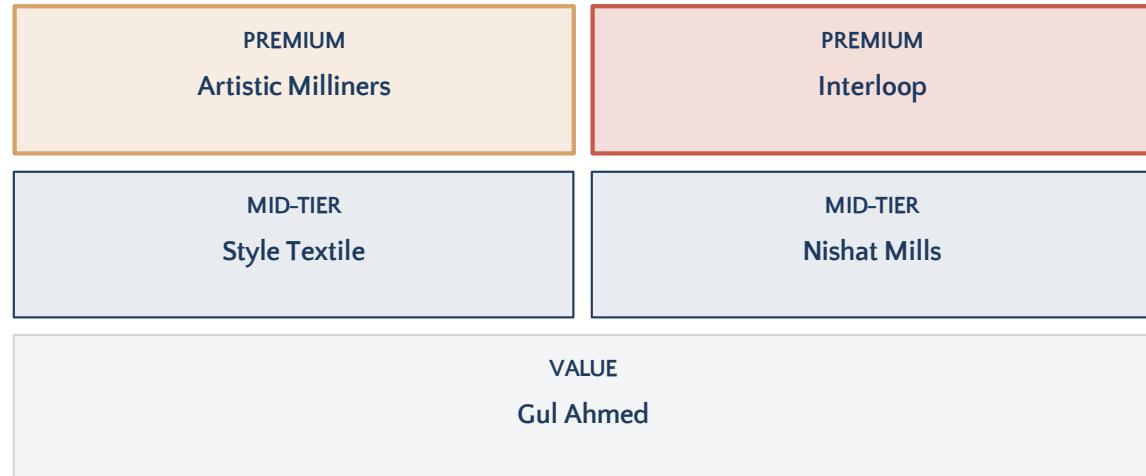
Performance Metrics

Data Analytics & Insights

Export Performance by Product Category

Category	Revenue (\$B)	YoY Change (%)
Knitwear	\$5.1B	+28.7%
Ready-Made Garments	\$4.1B	+15.9%
Bedwear	\$3.3B	-17.5%
Cotton Yarn	\$1.8B	-36.7%

Pricing Positioning Matrix



Comparative Performance Metrics

Company	Style	Interloop	Nishat	Artistic	Gul Ahmed
Metric					
Revenue/Employee	\$52K	\$14K	\$38K	\$33K	\$30K
Capacity Util.	75%	85%	70%	80%	78%
Sustainability	Medium	High	Medium	High	High

STRATEGIC ANALYSIS

Competitive Positioning

Style Textile

STRENGTHS

- Largest exporter
- Brand partnerships
- Vertical integration

WEAKNESSES

- Declining growth (-15%)
- Customer concentration

Artistic Milliners

STRENGTHS

- Sustainability pioneer
- Renewable energy
- Premium positioning

WEAKNESSES

- Flat growth (0%)
- Narrow denim focus

Interloop Limited ★

STRENGTHS

- Only growing exporter
- Diversified portfolio
- Sustainability leader

WEAKNESSES

- Heavy hosiery reliance
- Complex global ops
- Margin pressure

Gul Ahmed Textile

STRENGTHS

- Legacy brand (since 1953)
- Retail presence
- 90% sustainable fibers

WEAKNESSES

- Limited growth (-1%)
- Domestic dependency

Nishat Mills

STRENGTHS

- Diversified business
- Vertical integration
- Retail partnerships

WEAKNESSES

- Conglomerate complexity
- Resource allocation

Comparative Matrix

Quality Ratings

Artistic > Interloop > Gul Ahmed > Nishat > Style

Delivery Performance

Interloop > Style > Artistic > Gul Ahmed > Nishat

Compliance (Certifications)

Artistic > Interloop > Gul Ahmed > Nishat > Style

Innovation Investment

Interloop > Artistic > Style > Gul Ahmed > Nishat

Analysis based on publicly available information ★ = Best performer

ACTION PLAN

Marketing & Business Recommendations

Market Expansion Priorities

- ▶ **Strengthen EU Presence:** Leverage GSP+ status for duty-free access—target Germany, Netherlands, Spain
- ▶ **Explore Middle East:** UAE market doubled to \$101M—opportunity for knitwear exports
- ▶ **Target Scandinavia:** Sustainability-focused markets align with certification investments
- ▶ **Maintain US Relationships:** 80% of exports currently to US/EU—diversify gradually

Pricing Strategy

- ▶ **Mid-Tier Value Positioning:** Between premium (Artistic) and volume leaders (Style)
- ▶ **Quality-to-Price Ratio:** Emphasize value proposition in marketing
- ▶ **Flexible Pricing:** Offer competitive rates for long-term partnerships
- ▶ **Premium for Sustainability:** 5-10% markup for certified products

Product Focus Recommendations

- ▶ **Double Down on Knitwear:** Only segment with persistent growth (+28.7%)
- ▶ **Sustainable Materials:** Organic cotton, recycled fibers—meet buyer requirements
- ▶ **Seamless Activewear:** Follow Interloop's diversification strategy

Branding Initiatives

- ▶ **Sustainability Certifications:** Pursue OEKO-TEX, GOTS, BSCI for EU access
- ▶ **Karachi Port Advantage:** Highlight logistics efficiency in marketing
- ▶ **Heritage Positioning:** Leverage 47+ years of manufacturing experience



Renewable Energy

Offset high electricity costs



Water Recycling

Sustainability & cost savings



Digital Sampling

Faster design collaboration



Supply Chain Traceability

Meet buyer compliance

Conclusion

Summary of Key Takeaways

- ▶ **Market Contraction:** Pakistan's textile exports declined to \$16.5B in FY23 (from \$19.3B), driven by energy crisis, cotton shortage, and global recession
- ▶ **Divergent Strategies:** Top 5 exporters show different approaches—Interloop's diversification enabled +4% growth while others declined
- ▶ **Value-Added Resilience:** Knitwear (+28.7%) and ready-made garments growing despite overall decline—indicating path forward
- ▶ **Sustainability Imperative:** ESG compliance becoming critical differentiator for EU GSP+ market access and buyer selection

Strategic Relevance to Eastern Garments

- ▶ **Position Alignment:** Knitwear specialization aligns with only growing segment in declining market
- ▶ **Location Advantage:** Karachi port access provides logistics edge over inland competitors
- ▶ **Investment Needs:** Sustainability certifications essential to compete for EU market share
- ▶ **Market Share Opportunity:** Ranked #55 with -2% share—significant room for growth through strategic focus

Key Success Factors

- ▶ **Vertical Integration:** Control supply chain from yarn to finished goods
- ▶ **Sustainability Focus:** ESG compliance for market access and premium pricing
- ▶ **Operational Efficiency:** Manage energy costs through renewable investments
- ▶ **Value-Add Products:** Focus on knitwear, technical fabrics over commodities

Eastern Garments at a Glance

Ranking	#55
Market Share	-2%
Location	Karachi S.I.T.E.
Focus	Knitwear
Capacity	300K kg/mo



Appendix / Data Sources

Primary Data Sources

- ▶ **Pakistan Bureau of Statistics (PBS):** Textile export data FY21-FY23
- ▶ **APTMA Annual Reports:** Industry performance and policy analysis
- ▶ **Arif Habib Research:** Exporter rankings and financial analysis
- ▶ **State Bank of Pakistan:** Economic outlook and trade statistics
- ▶ **World Bank WITS:** Export destination analysis
- ▶ **Company Annual Reports:** Style Textile, Interloop, Nishat, Artistic, Gul Ahmed
- ▶ **PACRA Credit Ratings:** Eastern Garments financial profile

Industry Publications

- ▶ **The Textile Think Tank:** Pakistan export analysis and rankings
- ▶ **Business Recorder:** Industry news and ESG coverage
- ▶ **Pakistan Today:** Export performance and policy updates
- ▶ **TDAP:** Trade Development Authority market intelligence
- ▶ **Yarn Online Pakistan:** Top exporters listings

Key Assumptions

- ▶ Export values converted at average FY23 exchange rate (PKR 275/USD)
- ▶ Market share calculations based on total textile exports of \$16.5B
- ▶ Growth rates calculated year-over-year FY22-FY23

Research Methodology

- ▶ Secondary research from published industry reports
- ▶ Trade data analysis and trend identification
- ▶ Competitive benchmarking against top 5 exporters
- ▶ Financial ratio analysis and performance metrics
- ▶ Market trend synthesis and strategic implications