

Pakistan Knitwear & Sweater Exporters Association

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Textile, apparel exports

PTC raises its concern at slump



The Pakistan Textile Council (PTC) has expressed serious concern over the recent decline in Pakistan's export performance, particularly in the textile and apparel sector, despite its central role in sustaining the country's foreign exchange earnings.

According to PTC's latest monthly report on textile & apparel exports (July–August 2025), Pakistan's total exports stood at USD5.1 billion, reflecting a negligible growth of 0.65 percent compared to the same period last year. Alarmingly, exports fell by 12.5 percent year-on-year in August 2025, with a 10 percent month-on-month decline, underscoring continued volatility in external trade.

The textile and apparel sector, which accounts for nearly 63 percent of Pakistan's total exports, recorded \$3.21 billion in July–August 2025, up 10 percent compared to the previous year. However, in August 2025, exports plunged to USD1.53 billion, marking a 7 percent year-on-year decline and a 9 percent month-on-month fall.

According to PTC, key areas of concern are ;(i) traditional textiles (HS 50–60): Persistent decline continues, falling from USD685 million in FY22 to only USD523 million in FY26, with cotton exports alone dropping 3.5 percent and knitted fabrics down 32.7 percent ;(ii) value-added textiles (HS 61–63): Although showing long-term resilience, value-added exports also dipped in August 2025, with knitwear, non-knit apparel, and made-ups collectively falling 13 percent month-on-month ; and (iii) export destinations: While the EU remains Pakistan's largest market at USD1.3 billion, exports to the United States have stagnated over the past five years at \$878 million, reflecting lost competitiveness PTC's Policy Recommendations

PTC has emphasised that the current export trajectory is unsustainable without urgent structural reforms. The Council urges the Government of Pakistan to adopt the following measures without delay: (i) regionally competitive and predictable energy pricing for export industries ;(ii) liquidity and tax reforms, including automated 72-hour refunds and zero-rating of inputs under the Export Facilitation Scheme ;(iii) alignment of wage and labour policies with competitor economies to restore cost competitiveness ;(iv) support for HS 50–60 sectors, including cotton quality improvements and lower costs for spinning/weaving ;(v) financing facilitation, including strengthening EXIM Bank and expanding Export Finance (EFS) and Long-Term Financing Facilities (LTFF) and ;(vi) policy stability, with a legally backed 5-year textile and apparel export strategy, monitored transparently with monthly KPIs.

“The numbers clearly show that Pakistan’s export engine is losing momentum, particularly in August 2025, where sharp declines have been recorded across key categories,” said the Pakistan Textile Council. “The government must act urgently to implement regionally competitive policies and remove bottlenecks if Pakistan is to safeguard its global market share, protect jobs, and sustain foreign exchange inflows.”

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