



Country Report: United States of America

A study of US-Pakistan trade relations and Top Potential Items for Export to the US Market.

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Executive Summary

Pakistan's current overall trade balance stands at USD -30 billion with exports amounting to USD 22 billion and imports amounting to USD 53 billion during 2017. As per the data from State Bank, Pakistan's exports of goods to the US were recorded at USD 3.7 billion while imports from USA were recorded at USD 2.8 billion. Pakistan's exports to the US have declined over the past 5 years, having witnessed their highest point during 2015 at USD 3.910 Mn as shown below:

PAKISTAN BILATERAL TRADE WITH USA (USD MN)			
Years	Exports	Imports	Balance
2013	3,887.60	1,645.80	2,241.81
2014	3,869.19	1,512.13	2,357.06
2015	3,909.84	1,837.51	2,072.33
2016	3,618.68	2,107.52	1,511.16
2017	3,762.71	2,809.14	953.57

(SOURCE: TRADE MAP)

Using the parameters mentioned below and the Export Competitiveness Index of Pakistan in the US market from 2013 to 2017, this report identifies top 10 items which have further export potential in the US market.

- 1) Pakistan's export of the items to the world are greater than USD 100 million.
- 2) USA's import of the items from the world greater than USD 100 million.
- 3) Market share of the identified Pakistani item is less than 10% in USA's market.

Using these parameters the top 10 items with further export potential for export to the US market are as follows:

1. HS-620462 Women's trousers and shorts of cotton
2. HS-620342 Men's trousers and shorts of cotton
3. HS-610510 Men's shirts of cotton, (excluding nightshirts, T-shirts, singlets and other vests)
4. HS-901890 Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.
5. HS-610910 T-shirts, singlets and other vests of cotton
6. HS-420310 Articles of apparel, of leather or composition leather
7. HS-100630 Semi-milled or wholly milled rice
8. HS-950662 Inflatable Balls
9. HS-420321 Sports gloves of leather
10. HS-390761 Poly"ethylene terephthalate"

This report also provides information on the Average Unit Price, Export Competitiveness Index, Tariffs and Non-Tariff Barriers for the aforementioned items in order to assist exporters and manufacturers. The

report also identifies activities of Pakistan's trade missions in USA. The report highlights market initiatives by TDAP such as exhibitions and fairs scheduled for 2018 for the benefit of exporters.

In conclusion, the report reiterates the top items identified for export to the US and concludes the input of the Commercial Section for further training in conjunction with fashion institutes and designers to cater to the US market demands.

Introduction

Economic Overview

The US economy started to recover in 2017 with a growth of ~2% for the year 2017. With resurgence in trade and economic activity, the US economy witnessed an increase of 7% in imports and over 6% in exports. The economy is projected to grow at 2.3% during 2018 (International Monetary Fund, 2018). Average inflation is expected to be 2.1% in 2018. According to IMF sources, the US current account deficit is expected to increase to -2.7% of GDP during 2018 and 2019 amid increase in goods import. An economic snapshot of USA's economy is provided below:

Population (2017)	325 million
GDP 2016	USD 18.57 trillion
GDP Projected (2018)	USD 19.36 trillion
GDP Growth 2018 Projected	2.3%
GDP Per Capita (2016)	USD 57,466.79
GDP Per Capita Projected (2018)	USD 61,687.41
International Reserves (December 2017)	USD 119.6 billion
GDP share of the world	15%
Consumer Price Index Projected (2018)	2.1%
FDI net	USD 167,833 Mn
Corporate Income Tax	21%
Withholding Tax (non-resident)	30%
Value Added Tax	NA
Average Exchange Rate	USD 1= 115.8 PKR

(International Monetary Fund, 2018)

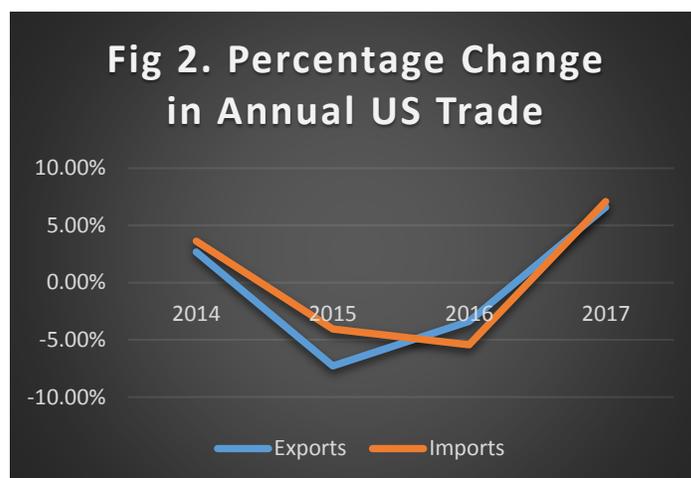
US Trade Balance

The US trade balance witnessed an increase as imports outpaced exports over the last 5 years. Imports to the US witnessed a decline in 2016 to USD 2,188 Mn due to global slowdown in trade, however imports witnessed a resurgence in 2017 to USD 2,343 Mn as global economic activity picked up.



In an attempt to protect local industries, the US opted to raise tariffs on Chinese imports during 2018. This ‘protectionist’ policy was introduced leading to a trade war with China as China reciprocated with similar tariff hikes on US goods. Around 20 percent of China’s exports go to the US (The Washington Post, 2018).

The total US imports, exports and resulting trade balance figures are given below:



	2013	2014	2015	2016	2017
Exports	1,577,587	1,619,742	1,501,845	1,451,010	1,546,761
Imports	2,326,590	2,410,855	2,313,424	2,187,804	2,342,911
Trade Balance	(749,002)	(791,112)	(811,578)	(736,794)	(796,149)

NOTE: All figures are in millions of U.S. dollars on a nominal basis, not seasonally adjusted unless otherwise specified. Details may not equal totals due to rounding.

Pakistan’s Imports

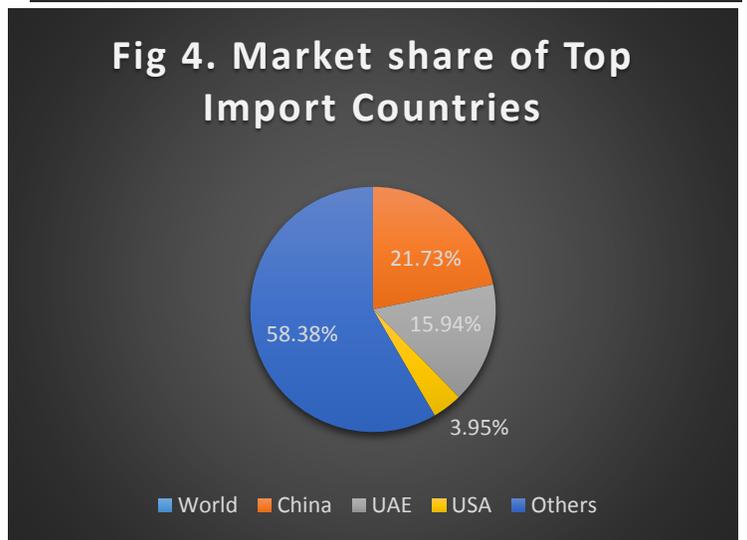
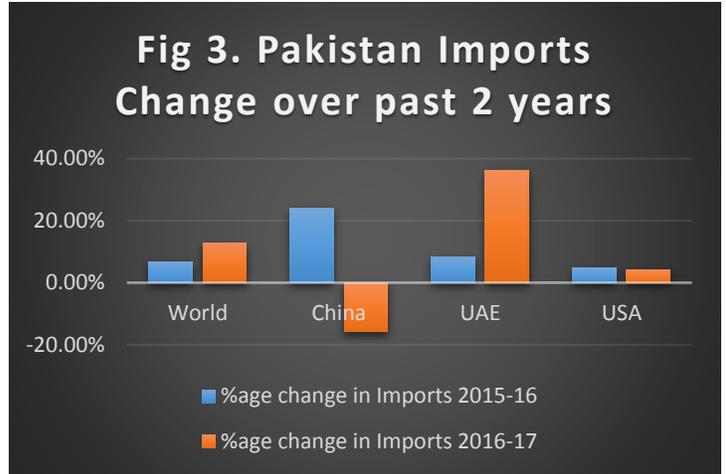
Pakistan’s total imports during 2017, Jan to Dec, amounted to USD 52,973 Mn (State Bank of Pakistan, 2018). Out of a total of 223 trade partners, USA ranks as the 3rd largest supplier to Pakistan with a market share of 3.95%. The largest supplier to Pakistan was China with its exports to Pakistan amounting to USD 11,511 Mn.

Rank	Exporters	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017*
	World	43,775	47,544	43,989	46,998	52,973
1	China	6,626	9,588	11,019	13,680	11,511
2	UAE	7,751	7,077	5,734	6,202	8,443
3	USA	1,669	1,799	1,916	2,006	2,091

(State Bank of Pakistan, 2018)

Pakistan's imports from the world increased in 2017 by 11% (Fig. 3). The major contributor to this increase was UAE. Majority of imports from UAE included plastics and polymers, precious stones, and scrap metal.

The majority of imports from China consisted of heavy machinery, telephone sets and products of alloy steel. Imports from China marked a slight decrease in 2017 as per SBP data.



Pakistan's Major Exports

The major export destinations for Pakistan are USA, UK and China.

The majority of Pakistan's exports consist of textile articles, rice and leather articles.



List of products exported by Pakistan				
Unit : US Dollar Mn				
Code	Product label	2015	2016	2017
'TOTAL	All products	22,089.02	20,533.79	23,104.
'63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	3,759.72	3,803.99	3,952.89
'52	Cotton	4,040.27	3,497.37	3,455.74
'61	Articles of apparel and clothing accessories, knitted or crocheted	2,359.61	2,347.47	2,552.71
'62	Articles of apparel and clothing accessories, not knitted or crocheted	2,127.46	2,253.02	2,390.76
'10	Cereals	1,942.27	1,717.09	1,686.75
'42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles ...	687.62	644.93	674.59
'25	Salt; sulphur; earths and stone; plastering materials, lime and cement	507.57	448.06	446.90
'03	Fish and crustaceans, molluscs and other aquatic invertebrates	328.73	336.38	420.03
'90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical	369.21	364.22	418.48
'39	Plastics and articles thereof	284.13	267.04	390.94
'41	Raw hides and skins (other than furskins) and leather	425.09	349.00	363.67
'08	Edible fruit and nuts; peel of citrus fruit or melons	415.33	435.23	314.81

(International Trade Centre, 2018)

The US is one of the major trading partners of Pakistan. The export base of Pakistan is, however, narrow with heavy reliance on textiles and apparels for export to the US market. In view of the continued stagnant US imports of these products, Pakistan's export earnings from the US market can only be increased with greater supply of value added products and diversification in our export base. It is thus encouraging to note that exports of products other than textiles and apparels exhibited improved growth during 2017, as highlighted in the next table:

Products	Jan-Nov 2017	Jan-Nov 2016	% Change from 2016
Textiles and textile products including apparels	2,796	2,747	2%
Others	778	697	12%
Total	3574	3444	4%

In terms of exports of textiles and textile articles including apparels to the US, Pakistan continued to remain at seventh position during the first eleven months of the year 2017. Its share in those exports also remained stagnant at 2.54% by the end of December 2017. Reliance on better product designing, specialization and quality improvement can bring increased revenues from the US market as Pakistan still has the comparative advantage in these items in terms of raw materials and labor costs.

Analysis of item-wise exports during 2017 and its comparison with last year reveal that some of the major export items witnessed increase in volume. Notable amongst those are; woven cotton men's/ boy's trousers, overall and shorts (+15%); woven cotton women's/ girls' trousers, overalls, shorts (+12%); cotton woven bed sheets/ pillow cases/bed linen (+2%); knitted or crocheted bed sheets, pillow cases and bed linen (+11%); cotton terry towels and household linen of cotton terry fabrics (+2%); industrial shop towels (+4%); articles of jewelry precious metals (+5%); and leather gloves Mittens and Mitts – Not for sports (+4%).

Potential Trade Scenario

Pakistan's top export items to USA at HS 6 digit level

The export of toilet and kitchen linen made of terry cotton to USA have continuously fetched the highest export value for Pakistan, which has increased by 1.9% during 2017 from USD 523 Mn to USD 533 Mn.

Women's trousers and shorts of cotton (HS 620462) exhibited the highest increase of 12% during 2017. Consequently exports under this sub-heading increased from USD 197 Mn to USD 221 Mn. Exports of Men's trousers and shorts of cotton (HS 620342) increased by 15% during 2017 from USD 178 Mn to USD 206 Mn.

Exports of T-shirts, singlets and other vests cotton (HS 610910) exhibited the greatest decrease at 15% from USD 147 Mn to USD 125 Mn. The second greatest decrease was in export of men's shirts of cotton (HS 610510) at 13% from USD 97 Mn to USD 84 Mn. Polyethylene terephthalate (HS 390761) increased from USD 41 Mn to USD 55 Mn as USA imported the raw material used for making PET bottles. In October 2017, the US Department of Commerce placed anti-dumping duties on Pakistan after allegations of PET resin being dumped in the United States. The estimated dumping margins ranged from 25% to 43.4%.

Details of the top 15 products exported by Pakistan to the US are given in Annexure I. Figure 6 shows the graphical representation of Pakistan's top 15 exports to USA during the past 3 years.

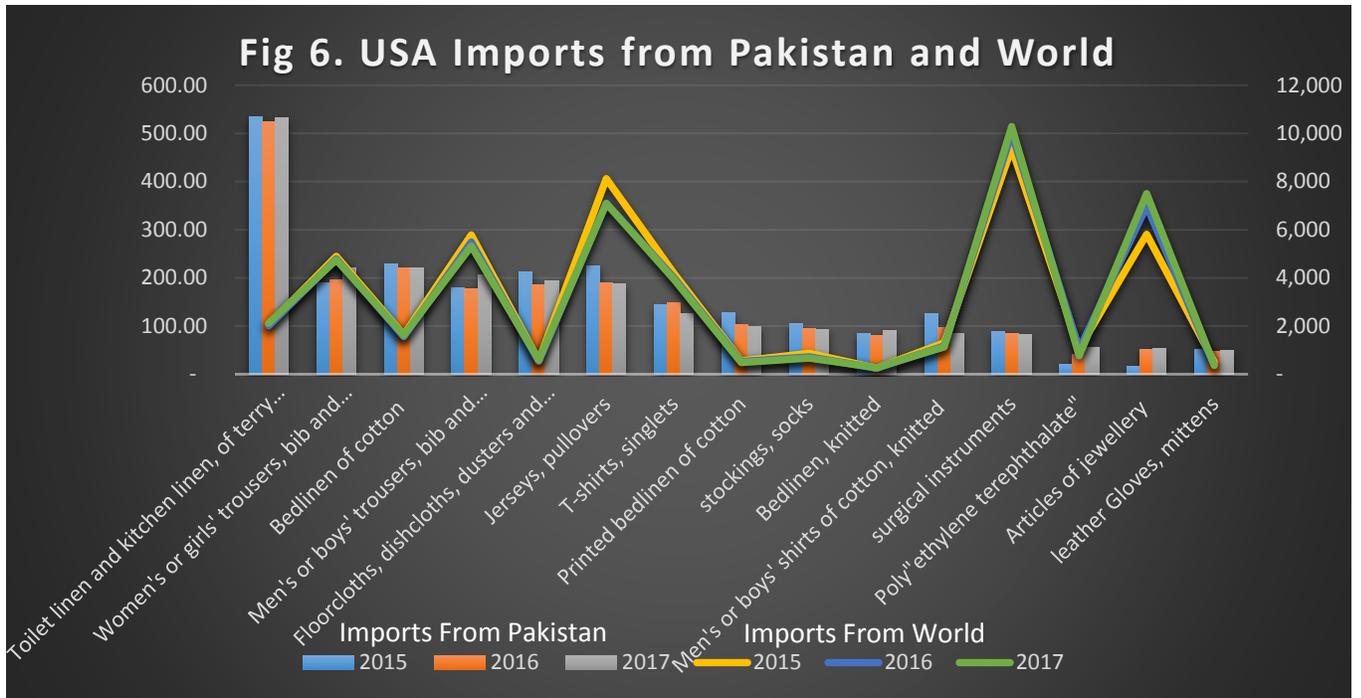
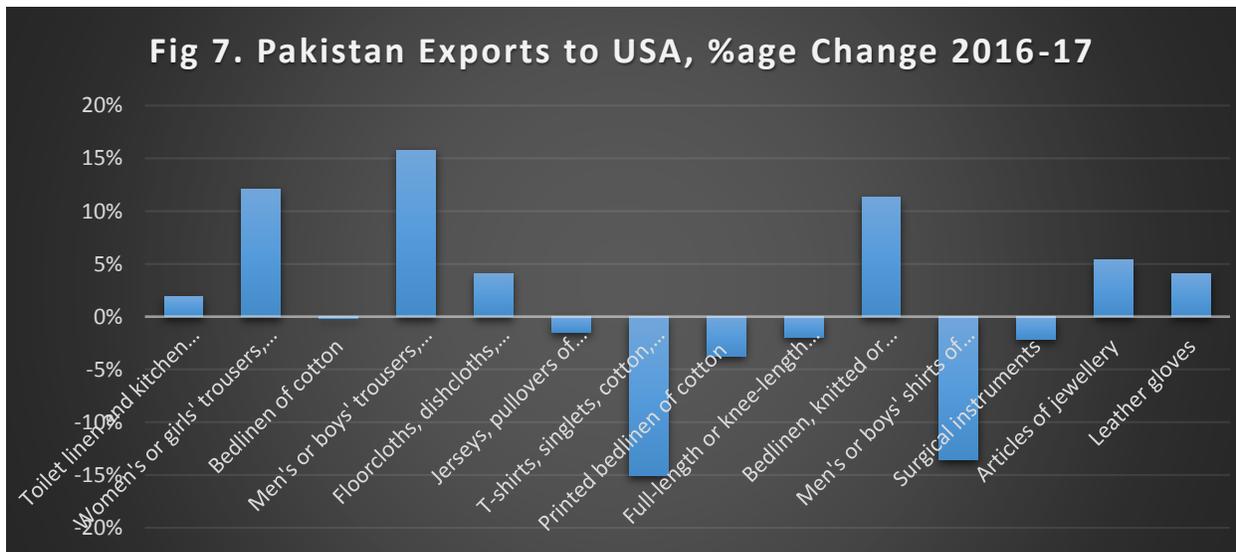


Figure 7 depicts the percentage change in the top 15 products exported by Pakistan to USA from 2016 to 2017. Further details of Pakistan's top 15 exports are provided in Annexure I. The highest increase was observed in polyethylene terephthalate (See Annexure I). Other notable increases were in women's trousers and shorts of cotton (HS 620462) and men's trousers and shorts of cotton (HS 620342) at 12% and 15% respectively.



The following table illustrates compounded annual growth rate (CAGR) of Pakistan's top 15 export items. Articles of jewelry of precious metals other than silver (HS 711319) and gloves, mittens and mitts of leather excluding special sports goods (HS 420329) showed the highest export growth at 10% over the past 5 years indicating that exports of these items under HS 711319 and HS 420329 have been increasing since 2013.

The main decrease of 9% was observed in Men's shirts of cotton (HS 610510). Printed bedlinen of cotton (HS 630221) decreased at a CAGR of 7.3% over the past 5 years indicating that exports for these products under HS 610510 and HS 630221 have been on the decline since 2013.

	Product code	Product label	United States of America's imports from Pakistan					
			2013	2014	2015	2016	2017	CAGR
1	'630260	Toilet linen and kitchen linen, of terry of cotton	527.31	542.95	534.98	523.43	533.18	0.22%
2	'620462	Women's trousers and shorts of cotton	210.06	183.47	188.75	196.85	220.68	0.99%
3	'630231	Bedlinen of cotton (excluding printed, knitted or crocheted)	235.83	240.62	229.96	220.29	219.89	-1.39%
4	'620342	Men's trousers and shorts, of cotton	176.70	157.76	180.21	178.06	206.15	3.13%
5	'630710	Floorcloths, dishcloths, dusters and similar cleaning cloths	185.11	192.48	211.55	186.13	193.73	0.91%
6	'611020	Cotton jerseys and pullovers	251.72	249.90	225.23	190.22	187.40	-5.73%
7	'610910	T-shirts, singlets and other vests of cotton	177.99	141.05	144.39	147.44	125.27	-6.78%
8	'630221	Printed bedlinen of cotton	145.23	120.95	127.01	103.29	99.42	-7.30%
9	'611595	Hosiery	100.12	105.12	105.40	94.83	92.96	-1.47%
10	'630210	Bedlinen, knitted or crocheted	78.75	82.27	83.55	80.98	90.13	2.74%
11	'610510	Men's shirts of cotton	134.60	137.02	125.19	97.52	84.30	-8.93%
12	'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	68.94	74.52	87.87	83.63	81.84	3.49%
13	'711319	Articles of jewellery and parts thereof, of precious metal other than silver	33.28	4.39	15.44	50.89	53.62	10.01%
14	'420329	Gloves of leather or composition leather (excluding special sports gloves)	31.14	39.21	51.45	48.26	50.23	10.03%

Identification of Potential Items

Following is the list of products that Pakistan can focus on to further increase their market share. The potential products have been identified based on 3 criteria:

- 1) Pakistan's exports to the world are greater than USD 100 million for each of the products.
- 2) USA's imports from the world greater than USD 100 million for each of the products.
- 3) Market share for the Pakistani product is less than 10% in USA's market.

Based on the abovementioned 3 criteria, the following 10 products were identified as having the best potential for export to the US from Pakistan:

HS code	Product Description	USA imports from Pakistan	USA imports from World	Pakistan export to World	Market Share
		2017	2017	2017	2017
'620462	Women's trousers and shorts of cotton	220.68	4,754.69	243.6	4.64%
'620342	Men's trousers and shorts, of cotton	206.15	5,325.46	387.8	3.87%
'610510	Men's shirts of cotton	84.30	1,132.48	177	7.44%
'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	81.84	10,284.50	300	0.80%
'610910	T-shirts, singlets and other vests of cotton	125.27	3,941.03	174.2	3.18%
'420310	Articles of apparel, of leather or composition leather	33.17	400.55	254.4	8.28%
'100630	Semi-milled or wholly milled rice	17.20	670.10	1247	2.57%
'950662	Inflatable balls	14.29	232.99	139	6.13%
'420321	Specially designed gloves for use in sport, of leather or composition leather	13.04	209.99	98.3	6.21%
'390761	Polyethylene terephthalate	55.55	764.11	139	7.27%

Value Chain Mapping

Product: 620462 Women's trousers shorts of cotton

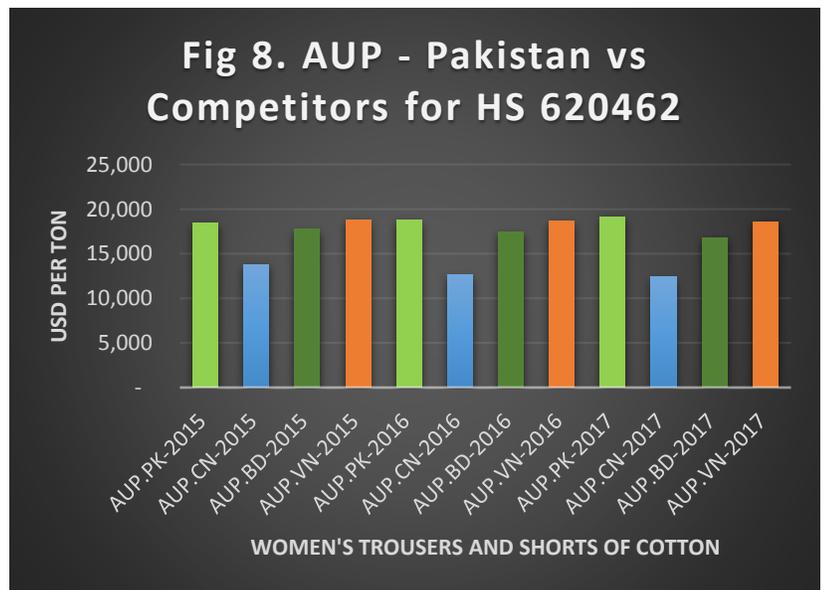
Average Unit Price

USD per Ton			
Pakistan-2017	China-2017	Bangladesh-2017	Vietnam-2017
19,134.40	12,372.52	16,811.42	18,589.60

(International Trade Centre, 2018)

China offered the lowest unit price for Women's trousers and shorts of cotton. Pakistan had the highest AUP among competitors as shown in the table above.

Figure 8 shows AUPs of Pakistan and its competitors over the past 3 years. The AUP of China, Bangladesh and Vietnam decreased since 2015 while Pakistan's AUP has increased slightly over the past 3 years.



Export Competitiveness Index

		US Imports from Countries (USD Mn)		ECI		Rank		Market Share		
		2013	2017	2013	2017	2013	2017	2013	2017	
1	China	2,487.78	1,875.86	0.515	0.512	1	➡	1	43.3%	39.5%
2	Bangladesh	651.37	658.37	0.171	0.237	5	➡	5	11.3%	13.8%
3	Viet Nam	532.95	571.87	0.183	0.265	4	⬆	3	9.3%	12.0%
4	Indonesia	339.70	230.54	0.043	0.036	7	⬆	8	5.9%	4.8%
5	Pakistan	210.06	220.68	0.011	0.039	10	⬆	7	3.7%	4.6%
6	Mexico	228.79	173.90	0.032	0.033	8	⬆	9	4.0%	3.7%
7	Cambodia	186.31	156.22	0.247	0.240	3	⬆	4	3.2%	3.3%
8	Jordan	159.09	146.32	0.500	0.512	2	➡	2	2.8%	3.1%
9	Sri Lanka	158.88	130.90	0.142	0.140	6	➡	6	2.8%	2.8%
10	Egypt	166.73	104.77	0.019	0.006	9	⬆	10	2.9%	2.2%

The Export Competitiveness Index (ECI) shows the top suppliers of Women's trousers and shorts of cotton. Pakistan's ranking improved to 7th position among the top 10 suppliers to export the product since 2013. China is the most competitive country to export Women's trousers and shorts of cotton and has been able to maintain its position since 2013. Vietnam and Bangladesh, Pakistan's main competitors in export of Women's trousers and shorts of cotton, have been able to maintain or improve their export competitiveness over the last 5 years. Pakistan's market share in women's trousers and shorts of cotton improved from 3.7% in 2013 to 4.6% in 2017. Bangladesh and Vietnam have also been able to improve their market shares capturing 13.8% and 12% of the market respectively in 2017.

The top importing states among the US are mentioned below:

Top Importing States	California (\$1,255,691,553), New York (\$545,043,464), Pennsylvania (\$422,776,276), and Ohio (\$355,834,503)
(Flexport, 2018)	

California, New York and Pennsylvania are the biggest importers of women's cotton trousers and shorts therefore Pakistan's exporters should look to export in these US states.

Tariffs

The tariffs for women's shorts and trousers of cotton under HS code 620462 range from 7.1% to 16.6%. Detailed tariff structure for the products coming under this HS code are provided in Annexure II.

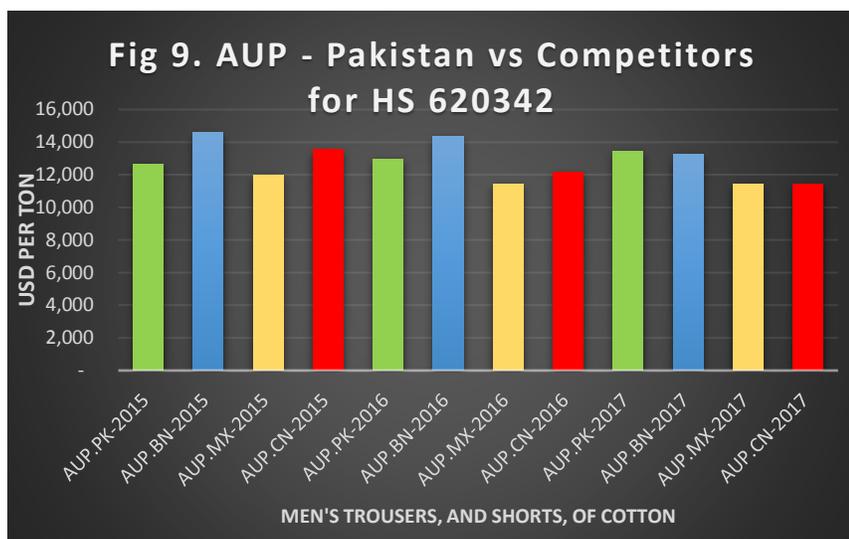
Product: 620342 Men's trousers, shorts of cotton

Average Unit Price

				USD per Ton
Pakistan-2017	Bangladesh-2017	Mexico-2017	China-2017	
13,432.33	13,236.27	11,444.07	11,426.36	
				(International Trade Centre, 2018)

China offered the lowest AUP in Men's trousers and shorts, of cotton at USD 11,400 per ton. Pakistan's AUP is highest among its competitors at USD 13,400 per ton. Figure 9 shows the AUP of Pakistan and its competitors over the past 3 years.

Pakistan's AUP has increased over the past 3 years from USD 12,700 per ton in 2015 to USD 13,400 per ton in 2017. The AUPs of China, Bangladesh and Mexico decreased over the past 3 years as depicted in Figure 9.



Export Competitiveness Index

	US Imports from Countries (USD Mn)		ECI		Rank		Market Share	
	2013	2017	2013	2017	2013	2017	2013	2017
1 Bangladesh	1,430.61	1,344.61	0.622	0.627	1 →	1	24.0%	25.2%
2 Mexico	1,271.66	1,010.84	0.583	0.489	2 ↓	3	21.4%	19.0%
3 China	1,120.48	884.57	0.391	0.319	4 →	4	18.8%	16.6%
4 Viet Nam	329.42	437.73	0.126	0.198	5 →	5	5.5%	8.2%
5 Pakistan	176.70	206.15	0.031	0.046	8 ↑	7	3.0%	3.9%
6 Nicaragua	220.81	199.30	0.536	0.529	3 ↑	2	3.7%	3.7%
7 Indonesia	160.85	143.98	0.020	0.013	9 →	9	2.7%	2.7%
8 Egypt	190.78	138.83	0.053	0.025	7 ↓	8	3.2%	2.6%
9 India	127.30	130.00	-	0.000	10 →	10	2.1%	2.4%
10 Sri Lanka	149.44	129.59	0.105	0.093	6 →	6	2.5%	2.4%

The Export Competitiveness Index (ECI) shows the top suppliers of Men's trousers and shorts, of cotton to the US market. Pakistan improved its ranking to 7th position in 2017. Bangladesh and Nicaragua occupied the top 2 positions in 2017 while Mexico occupied the 3rd spot. Bangladesh, Vietnam and China are the main competitors of Pakistan in this product. Bangladesh holds the highest market share in men's trousers and shorts of cotton at 25% while Pakistan's market share is 4%. China and Vietnam hold 16.6% and 8.2% of the market share respectively.

The top importing states of the US for Men's trousers and shorts, of cotton are mentioned below:

Top Importing States	California (\$1,079,923,345), North Carolina (\$668,103,260), New York (\$457,920,783), and Texas (\$431,710,608)
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(Flexport, 2018)

California, North Carolina and New York are the biggest importers of Men's cotton trousers and shorts therefore Pakistan's exporters should look forward to exporting in these US states as the demand is high over there.

Tariffs

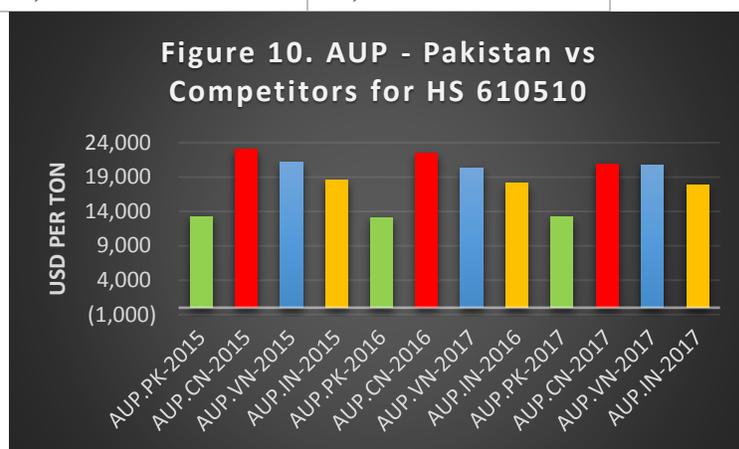
The tariff structure for men's shorts and trousers of cotton under HS code 620342 range from 0% to 16.6%. Tariff details are provided in Annexure II.

Product: 610510 Men's shirts of cotton

Average Unit Price

USD per Ton			
Pakistan-2017	China-2017	Vietnam-2017	India-2017
13,190	20,952	20,686	17,921

Pakistan offered the lowest AUP at USD 13,000 per ton. China and Vietnam had the highest AUPs at USD 21,000 per ton and USD 20,700 per ton respectively. Figure 10 shows the AUPs of Pakistan and its competitors over the past 3 years. Overall, AUPs of all countries have decreased from 2015 to 2017.



Export Competitiveness Index

	US Imports from Countries (USD Mn)		ECI		Rank		Market Share	
	2013	2017	2013	2017	2013	2017	2013	2017
1 Viet Nam	195.41	244.32	0.713	0.918	1 →	1	14.3%	21.6%
2 India	181.30	193.80	0.358	0.390	5 ↑	4	13.3%	17.1%
3 China	245.31	136.82	0.506	0.249	4 ↓	6	18.0%	12.1%
4 Indonesia	147.42	86.30	0.354	0.170	6 ↓	9	10.8%	7.6%
5 Pakistan	134.60	84.30	0.349	0.181	7 ↓	8	9.9%	7.4%
6 Peru	99.97	80.55	0.678	0.523	2 ↓	3	7.3%	7.1%
7 Bangladesh	75.39	61.54	0.177	0.120	10 →	10	5.5%	5.4%
8 Cambodia	49.33	49.65	0.564	0.546	3 ↑	2	3.6%	4.4%
9 Sri Lanka	31.10	31.47	0.243	0.231	8 ↑	7	2.3%	2.8%
10 Guatemala	19.78	29.99	0.179	0.279	9 ↑	5	1.4%	2.6%

The Export Competitiveness Index (ECI) shows the top suppliers of Men's shirts of cotton (excluding T-shirts, singlets) to the US market. Pakistan's competitiveness deteriorated to 8th position since 2013 while Cambodia, Sri Lanka and Guatemala were able to improve their competitiveness as shown in the aforementioned table. Vietnam is the most competitive country to export the product. The country has been able to improve its performance and capture a greater market share between 2013 and 2017. Meanwhile Pakistan's market share declined from 10% to 7.4% over the same time period.

The top importing states of the US for the product are shown below:

Top Importing States	New York (\$167,530,545), California (\$159,083,758), North Carolina (\$114,393,466), and New Jersey (\$111,569,788)
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(Flexport, 2018)

New York, California and North Carolina are the biggest importers of men's cotton shirts therefore Pakistan's exporters should look to target exports in these US states.

Tariffs

The tariff for men's shirts of cotton excluding T-shirts is 19.7% as detailed in Annexure II.

Product: 901890 Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.

Export Competitiveness Index

	US Imports from Countries (USD Mn)		ECI		Rank		Market Share	
	2013	2017	2013	2017	2013	2017	2013	2017
1 Mexico	2,786.53	3,454.53	0.587	0.584	2	2	33.6%	33.6%
2 Germany	1,094.51	1,205.38	0.243	0.211	5	6	13.2%	11.7%
3 Ireland	591.33	774.83	0.581	0.604	3	1	7.1%	7.5%
4 Costa Rica	631.00	710.43	0.609	0.531	1	3	7.6%	6.9%
5 Dominican Republic	576.34	687.61	0.319	0.297	4	4	6.9%	6.7%
6 China	486.90	594.84	0.084	0.078	9	8	5.9%	5.8%
7 Switzerland	361.95	522.07	0.228	0.255	6	5	4.4%	5.1%
8 Israel	180.50	340.03	0.111	0.158	7	7	2.2%	3.3%
9 Japan	296.32	321.35	0.056	0.044	10	9	3.6%	3.1%
10 United Kingdom	126.67	147.92	0.024	0.017	13	14	1.5%	1.4%
11 Italy	128.19	143.93	0.025	0.017	12	15	1.5%	1.4%
12 Malaysia	66.14	143.00	0.014	0.023	16	11	0.8%	1.4%
13 France	142.04	139.67	0.028	0.016	11	16	1.7%	1.4%
14 Canada	98.04	130.37	0.022	0.018	15	13	1.2%	1.3%
15 Thailand	63.13	128.48	0.009	0.013	17	17	0.8%	1.2%
16 Taipei, Chinese	86.04	117.69	0.023	0.021	14	12	1.0%	1.1%
17 Viet Nam	27.13	90.02	-	0.005	19	18	0.3%	0.9%
18 Pakistan	68.94	81.84	0.008	0.002	18	19	0.8%	0.8%
19 Singapore	105.71	70.40	0.086	0.037	8	10	1.3%	0.7%

The Export Competitiveness Index (ECI) shows the top suppliers of surgical instruments to the US market. Ireland was able to improve its ranking to 1st position. Mexico occupied the 2nd spot. Pakistan downgraded to 19th position in the ranking over the past 5 years. However Pakistan exported surgical instruments worth USD 300 million to the world during 2017 while exports to the US market were USD 81 Mn indicating further export potential. Pakistan's market share has remained unchanged since 2013 stagnating at 0.8%. Surgical instruments have a larger number of non-tariff barriers in the US. The top US states importing surgical instruments are as given below:

Top Importing States	California (\$2,243,161,032), Texas (\$820,624,327), Ohio (\$766,675,364), and Massachusetts (\$725,468,568)
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(Flexport, 2018)

The states of California, Texas and Ohio are the biggest importers of surgical instruments therefore Pakistan’s exporters should make efforts to target exports in these states.

Tariffs

Import of surgical instruments is tax-free in the US as shown in Annexure II making it an ideal export product to the US since there are no tariffs on it.

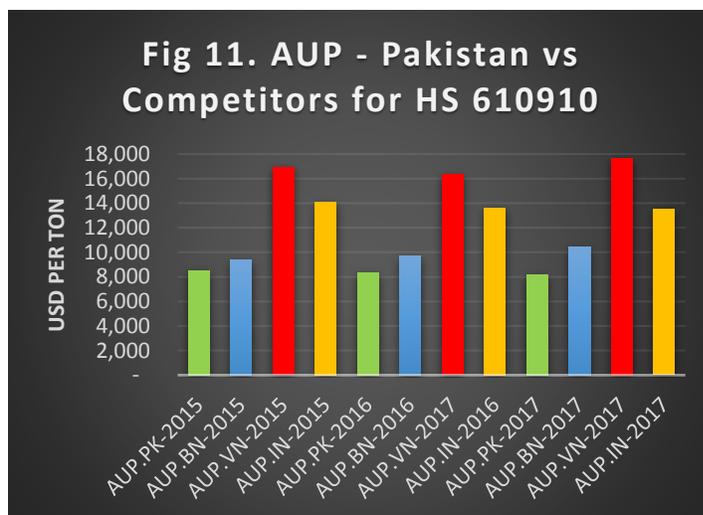
Product: 610910 T-shirts, singlets and other vests of cotton

Average Unit Price

USD per Ton			
Pakistan-2017	Bangladesh-2017	Vietnam-2017	India-2017
8,214	10,432	17,668	13,514

Pakistan offered the lowest AUP at USD 8,200 per ton among its competitors. AUP of Bangladesh was over USD 10,000 per ton and that of India was USD 13,500 per ton. Figure 11 shows the AUPs of Pakistan and its competitors over the past 3 years.

Pakistan’s AUP for T-shirts, singlets and other vests of cotton declined slightly from USD 8,500 per ton in 2015 to USD 8,200 per ton in 2017. India’s AUP remained stagnant from 2016 to 2017 while AUP of Bangladesh increased during the past year from USD 9,700 per ton to USD 10,400 per ton.



Export Competitiveness Index

		US Imports from Countries (USD Mn)		ECI		Rank		Market Share		
		2013	2017	2013	2017	2013	2017	2013	2017	
1	Honduras	577.17	541.17	1.000	1.000	1	→	1	14.0%	13.7%
2	Nicaragua	190.65	385.38	0.256	0.788	6	↑	2	4.6%	9.8%
3	El Salvador	442.71	370.81	0.821	0.742	2	↓	3	10.7%	9.4%
4	China	457.60	352.87	0.359	0.274	4	↓	6	11.1%	9.0%
5	Dominican Republic	203.32	299.21	0.194	0.434	7	↑	4	4.9%	7.6%
6	Mexico	378.01	291.35	0.283	0.217	5	↓	7	9.2%	7.4%
7	Haiti	343.44	269.06	0.444	0.360	3	↓	5	8.3%	6.8%
8	Viet Nam	221.90	233.73	0.092	0.148	9	↑	8	5.4%	5.9%
9	India	181.64	216.59	0.028	0.110	13	↑	10	4.4%	5.5%
10	Bangladesh	178.01	194.81	0.030	0.092	11	↓	12	4.3%	4.9%
11	Peru	158.15	173.07	0.034	0.098	10	↓	11	3.8%	4.4%
12	Guatemala	181.33	165.69	0.106	0.123	8	↓	9	4.4%	4.2%
13	Pakistan	177.99	125.27	0.029	0.004	12	↓	13	4.3%	3.2%

The Export Competitiveness Index (ECI) shows the top suppliers of T-shirts, Singlets, Tank Tops etc. of cotton to the US market. Pakistan ranked 13th among the top suppliers to the US. While Honduras, Nicaragua and El Salvador hold the top 3 positions in this product, Pakistan holds 3.2% market share in the US market indicating further potential. Pakistan's main competitors in this product are India, Bangladesh and Vietnam having market shares of 5.5%, 4.9% and 5.9% respectively.

The top US states importing T-shirts, Singlets, Tank Tops etc. of cotton are given below:

Top Importing States	North Carolina (\$805,425,200), California (\$784,072,773), New York (\$313,652,218), and South Carolina (\$270,982,376)
(Flexport, 2018)	

Tariffs

The tariff on T-shirts and singlets under HS code 610910 is 16.5% as detailed in Annexure II.

Product: 420310 Articles of leather

Average Unit Price

USD per unit			
Pakistan-2017	China-2017	Turkey-2017	India-2017
38	70	228	92

Pakistan offered the lowest AUP per unit in articles of leather or composition leather. Pakistan's competitors offered significantly higher AUPs indicating value addition and/or higher quality. Pakistan's leather industry needs to be revived and promotion of leather goods will help the local leather industry in boosting exports.

Export Competitiveness Index

	US Imports from Countries (USD Mn)		ECI		Rank		Market Share	
	2013	2017	2013	2017	2013	2017	2013	2017
1 China	296.35	236.24	0.666	0.608	1 →	1	73.1%	64.0%
2 Pakistan	31.14	50.23	0.181	0.267	3 →	3	7.7%	13.6%
3 India	42.95	40.88	0.097	0.094	4 →	4	10.6%	11.1%
4 Philippines	9.88	6.90	0.092	0.044	5 ↓	6	2.4%	1.9%
5 Viet Nam	1.95	5.68	0.018	0.038	8 ↑	7	0.5%	1.5%
6 Hong Kong, China	4.71	5.51	0.507	0.505	2 →	2	1.2%	1.5%
7 Italy	5.62	4.97	0.079	0.052	6 ↑	5	1.4%	1.3%
8 Bangladesh	0.30	4.23	-	0.012	10 ↑	9	0.1%	1.1%
9 Ethiopia	2.18	4.03	0.021	0.023	7 ↓	8	0.5%	1.1%
10 Indonesia	3.09	3.20	0.013	-	9 ↓	10	0.8%	0.9%

The Export Competitiveness Index (ECI) shows the top suppliers of Articles of leather or composition leather to the US market. Pakistan dropped down to 4th position over the past 5 years while Italy and China were able to maintain 1st and 2nd position respectively. India improved to 3rd position at Pakistan's expense. China also holds the majority of market share in the US leather market at 64%. However, China's market share has fallen from 73% to 64% over the last 5 years. Pakistan's market share has increased from 7.7% to 13.6% over the past 5 years indicating better performance by Pakistani exporters. The market share of Pakistan's competitors such as India and Vietnam increased from 10.6% to 11.1% and 0.5% to 1.5% respectively.

The top US states importing Articles of apparel, of leather or composition leather (excluding clothing accessories, footwear) are given below:

Top Importing States	New York (\$106,863,673), New Jersey (\$77,102,349), California (\$72,442,754), and Indiana (\$23,217,004)
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(Flexport, 2018)

New York, New Jersey and California are the top importing states of leather. Pakistan's exporters should look to boost their exports of leather in these states.

Tariffs

Tariff for leather goods ranges from 4.7% to 6% as detailed in Annexure II.

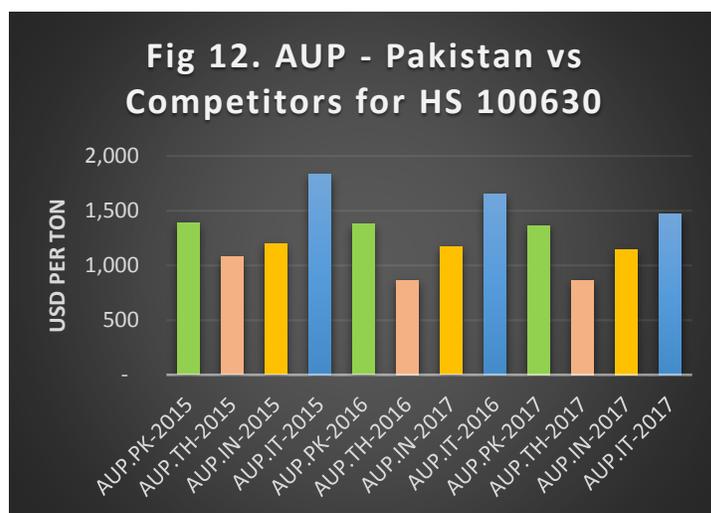
Product: 100630 Semi-milled or wholly milled rice

Average Unit Price

USD per Ton			
Pakistan-2017	Thailand-2017	India-2017	Italy-2017
1,367	867	1,146	1,468

Thailand offered the lowest AUP in rice exports to the US. Pakistan had the second highest AUP at USD 1400 per ton while India's AUP for the same product was USD 1200 per ton. Figure 12 shows the average unit prices for Pakistan and its competitors over the past 3 years

Pakistan's AUP for Semi-milled or wholly milled rice, decreased slightly to USD 1367 per ton in 2017. Thailand's AUP decreased from USD 1000 per ton in 2015 to USD 864 per ton in 2017. India's AUP declined from USD 1200 per ton in 2015 to USD 1100 per ton in 2017.



Export Competitiveness Index

	US Imports from Countries (USD Mn)		ECI		Rank		Market Share	
	2013	2017	2013	2017	2013	2017	2013	2017
1 Thailand	472.81	415.40	1.000	1.000	1 →	1	67.5%	62.0%
2 India	127.11	161.30	0.141	0.202	2 →	2	18.1%	24.1%
3 Pakistan	26.44	17.20	0.038	0.024	4 →	4	3.8%	2.6%
4 Italy	11.46	15.23	0.025	0.036	5 ↑	3	1.6%	2.3%
5 Viet Nam	28.34	12.81	0.052	0.023	3 ↓	5	4.0%	1.9%
6 Brazil	4.72	12.21	0.006	0.016	7 →	7	0.7%	1.8%
7 China	3.13	8.32	0.003	0.007	9 →	9	0.4%	1.2%
8 Canada	5.75	5.30	0.018	0.015	6 ↓	8	0.8%	0.8%
9 United Arab Emirat	0.19	2.83	0.001	0.023	10 ↑	6	0.0%	0.4%
10 Spain	2.40	2.79	0.006	0.005	8 ↓	10	0.3%	0.4%

The Export Competitiveness Index (ECI) shows the top suppliers of Semi-milled or wholly milled rice to the US market. Pakistan maintained its position at 4th rank over the past 5 years. Thailand and India also remained at 1st and 2nd rank respectively. Thailand, India and China have been selected as the main competitors for Pakistan. While Pakistan's basmati rice is renowned for its quality, Pakistan's market share declined from 3.8% in 2013 to 2.6% in 2017. India's market share increased from 18% to 24% in the same time period. Thailand holds the highest market share at 62% due to its lowest AUP. The top US states importing Semi-milled or wholly milled rice are given below:

Top Importing States	California (\$232,593,473), New Jersey (\$67,396,338), New York (\$63,692,564), and Texas (\$62,682,286)
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(Flexport, 2018)

The top US states importing rice are California, New Jersey and New York indicating higher growth potential for Pakistan's rice exporters in these states.

Tariffs

Tariffs for rice are 11.2% for parboiled rice, while other varieties have a tariff of 1.4 cents per kg as detailed in Annexure II.

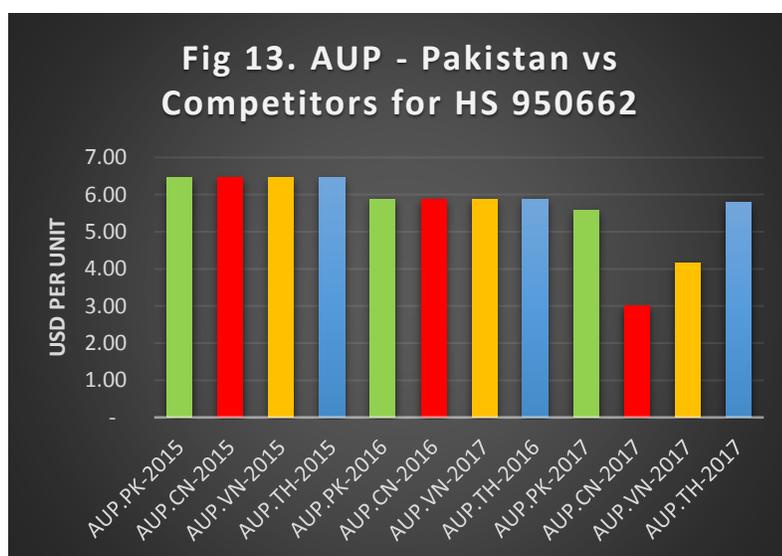
Product: 950662 Inflatable Balls

Average Unit Price

USD per unit			
Pakistan-2017	China-2017	Vietnam-2017	Thailand-2017
5.58	3.00	4.16	5.78

AUP for Inflatable balls is quite close for all competitors. The lowest AUP is that of China at USD 3 per unit while the highest AUPs are of Pakistan and Thailand at USD 5.58 and USD 5.78 respectively. The AUP of Pakistan and its competitors are given in Figure 13.

AUP's of all competitors have declined over the past 3 years. China experienced the greatest decline from USD 6.46 per unit in 2015 to USD 3 per unit in 2017. Pakistan's AUP for inflatable balls decreased from USD 6.46 per unit in 2015 to USD 5.58 per unit in 2017. Thailand and Vietnam experienced similar decline. AUPs of inflatable balls increase during years in which major tournaments such as World Cup or Euro Cup are held.



Export Competitiveness Index

	US Imports from Countries (USD Mn)		ECI		Rank		Market Share	
	2013	2017	2013	2017	2013	2017	2013	2017
1 China	174.50	153.41	0.666	0.642	1	1	70.8%	65.8%
2 Viet Nam	18.07	36.32	0.312	0.618	3	2	7.3%	15.6%
3 Thailand	26.26	18.23	0.574	0.399	2	4	10.7%	7.8%
4 Pakistan	14.02	14.29	0.138	0.139	6	5	5.7%	6.1%
5 Indonesia	4.79	4.16	0.037	0.033	8	7	1.9%	1.8%
6 Dominican Republic	1.79	3.20	0.242	0.416	4	3	0.7%	1.4%
7 Taipei, Chinese	2.41	1.44	0.139	0.082	5	6	1.0%	0.6%
8 India	0.73	0.82	0.001	0.002	10	10	0.3%	0.4%
9 Japan	0.78	0.30	0.008	0.003	9	9	0.3%	0.1%
10 Hong Kong, China	0.38	0.18	0.067	0.030	7	8	0.2%	0.1%

The Export Competitiveness Index (ECI) shows the top ranking suppliers of Inflatable balls to the US market. Pakistan improved its position to 5th rank. The country has been able to improve its performance and capture a greater market share between 2013 and 2017. China remained the most competitive country to export inflatable balls to the US. China, Vietnam and Thailand are the main competitors for Pakistan. China holds the majority of market share at 66%, however its market share has declined from 71% in 2013. Thailand's market share also declined from 10.7% in 2013 to 7.8% in 2017. Vietnam vastly increased its market share from 7% to 15.6% over the same time period. Pakistan's market share increased from 5.7% to 6% over the past 5 years.

The following US states were the top importers of Inflatable balls:

Top Importing States	Illinois (\$45,355,942), Alabama (\$28,611,053), California (\$27,634,604), and Tennessee (\$21,812,231)
(Flexport, 2018)	

Illinois, Alabama and California are the highest importers of inflatable balls. Pakistan's exporters of sports goods, specifically inflatable balls, should look to expand their exports in these states.

Tariffs

Footballs are tariff free in the US however there is a tariff of 4.8% for basketballs and volleyballs in the US. Tariff details are provided in Annexure II.

Product: 420321 specially designed gloves for use in sport, of leather or composition leather

Export Competitiveness Index

		US Imports from Countries (USD Mn)		ECI		Rank		Market Share		
		2013	2017	2013	2017	2013	2017	2013	2017	
1	China	62.09	43.90	0.555	0.535	5	→	5	26.1%	20.9%
2	Indonesia	61.92	42.62	0.810	0.672	1	↓	3	26.0%	20.3%
3	Viet Nam	35.76	40.48	0.785	0.960	2	↑	1	15.0%	19.3%
4	Thailand	24.96	27.91	0.655	0.780	3	↑	2	10.5%	13.3%
5	Philippines	29.25	25.43	0.605	0.562	4	→	4	12.3%	12.1%
6	Pakistan	13.65	13.04	0.196	0.213	7	→	7	5.7%	6.2%
7	Cambodia	2.36	6.26	0.206	0.510	6	→	6	1.0%	3.0%
8	Japan	2.66	3.48	0.039	0.056	8	→	8	1.1%	1.7%
9	India	2.07	1.99	0.009	0.008	9	↓	10	0.9%	0.9%
10	Mexico	0.93	1.28	0.008	0.010	10	↑	9	0.4%	0.6%

The Export Competitiveness Index (ECI) shows the top suppliers of sports gloves of leather or composition leather to the US market. Vietnam is the most competitive country to export the product. Pakistan maintained its 7th position ranking over the past 5 years. Indonesia's competitiveness to export the product in the US market declined over the past 5 years where Thailand's increased to the 2nd rank. Pakistan's top

competitors in sports gloves, of leather or composition leather are China, Indonesia, Vietnam and Thailand. Majority of exporters for this product are from South East Asia region. Pakistan's market share is 6.2% while China, Indonesia and Vietnam hold the highest market shares around 20%.

The following US states are the largest importers of sports gloves, of leather or composition leather:

Top Importing States	Missouri (\$34,025,058), Massachusetts (\$29,386,706), California (\$28,127,932), and Illinois (\$23,551,855)
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(Flexport, 2018)

Missouri, Massachusetts and California are the major importers of sports gloves of leather therefore Pakistan's exporters of this product should look to boost their exports in these states.

Tariffs

Tariffs for sports gloves range from 0% to 5.5%. Detailed tariff structures are provided in Annexure II.

Product: 390761 Poly"ethylene terephthalate" having a viscosity of >= 78 ml/g

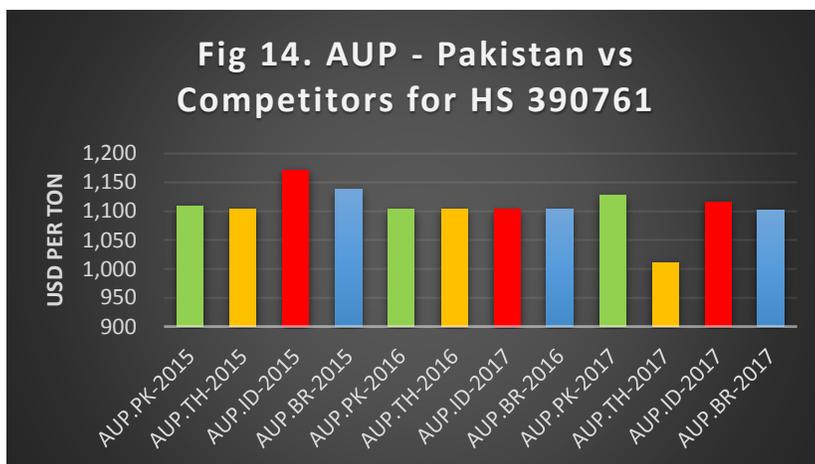
Average Unit Price

USD per Ton			
Pakistan-2017	Thailand-2017	Indonesia-2017	Brazil-2017
1,128	1,012	1,117	1,102

Pakistan had the highest AUP in Poly"ethylene terephthalate" among its competitors at USD 1,128 per ton.

Thailand had the lowest AUP at USD 1,012 per ton. The AUP of Pakistan and its competitors for the past 3 years are given in Figure 14.

Pakistan's AUP increased from USD 1100 per ton in 2015 to USD 1128 per ton in 2017. Thailand's AUP decreased from USD 1105 per ton in 2015 to USD 1012 per ton in 2017. Indonesia and Brazil also registered a decline in AUP over the past 3 years.



Export Competitiveness Index

	US Imports from Countries (USD Mn)		ECI		Rank		Market Share	
	2013	2017	2013	2017	2013	2017	2013	2017
1 Mexico	244.14	266.20	0.475	0.696	3 ↓	2	21.2%	34.8%
2 Taipei, Chinese	69.32	126.46	0.177	0.730	5 ↑	1	6.0%	16.5%
3 Korea, Republic of	114.88	76.01	0.247	0.264	4 →	4	10.0%	9.9%
4 Canada	278.62	68.41	0.642	0.286	2 ↓	3	24.2%	9.0%
5 Brazil	5.50	63.23	0.010	0.128	8 ↑	6	0.5%	8.3%
6 Pakistan	53.41	55.55	0.101	0.111	6 ↓	7	4.6%	7.3%
7 Indonesia	31.01	47.92	0.058	0.087	7 ↓	8	2.7%	6.3%
8 Thailand	4.82	9.69	0.010	0.009	9 →	9	0.4%	1.3%
9 Oman	100.78	8.70	0.681	0.193	1 ↓	5	8.8%	1.1%
10 Turkey	0.12	7.49	-	-	10 →	10	0.0%	1.0%

The Export Competitiveness Index (ECI) shows the top suppliers of Poly"ethylene terephthalate" to the US market. Pakistan downgraded in rankings to 7th position while Taiwan jumped from 5th position in 2013 to 1st position in 2017 indicating an improvement in performance and capturing a greater market share over the past 5 years. Pakistan's market share increased from 4.6% in 2013 to 7.3% in 2017. Indonesia's market share increased from 2.7% to 6.3% over the same time period. Canada's market share declined vastly from 24% to 9% over the past 5 years. Market shares fluctuated greatly for the top 10 exporters to the US market indicating the unpredictability of US importers in procurement of PET raw materials from different countries depending on prices offered. PET raw material is used in making PET bottles for various commercial, industrial and residential uses and has a large demand in the US. In October 2017, the US Department of Commerce placed anti-dumping duties on Pakistan after allegations of PET resin being dumped in the United States. The estimated dumping margins ranged from 25% to 43.4%.

Tariffs

Tariff for PET raw materials is 6.5%. Details are provided in Annexure II.

Non-Tariff Barriers

The term Non-tariff barriers to trade (NTBs) pertains to barriers that constrain trade of goods via processes other than the straightforward obligation of tariffs. Non-tariff barriers comprise of import licensing, labeling requirements, rules for valuation of goods at customs, pre-shipment checkups and rules of origin (such as made in xx etc).

Product-wise details of Non-Tariff barriers for potential products identified in this report are provided in Annexure III.

OTEXA uses the following labeling requirements for Pakistan’s products:

Labeling Requirements

Country	Language	Fiber Content	Origin	Care	Manufacturer/Importer Info.	Size
Pakistan	English or Urdu	Optional	Mandatory	Optional	Manufacturer (compulsory)	Optional

(Office of Textiles and Apparel (OTEXA), 2018)

Other Demand and Supply Side Issues

The following excerpts from Commercial Counsellor, NY, USA provides an insight into the activities of the Commercial Wing with regards to trade and investment meetings:

Trade Mission Activities

There are 5 Commercial Counsellors stationed in the US, namely in New York, Los Angeles, Chicago, Houston and Washington. The Commercial Counsellors conduct trade promotion activities such as reservation of booths for trade fairs/exhibitions and meetings with management teams for conducting the same. The Trade Missions also send details of booth package to TDAP for timely selection of companies.

The Commercial Counsellors also conducts business networking meetings with various organizations to discuss issues of mutual interest such as parties interested in buying products from Pakistan. The Commercial Counsellors also share list of Pakistani companies with their US counterparts and vice versa.

The Commercial Counsellors also support investment promotion activities such as Board of Investment delegation visits to the US. These investment promotion activities consist of Forums where international investors are invited to do business with Pakistan and invest in various Pakistani projects.

Exporters and buyers can reach out to Commercial Counsellors to liaison with them for various trade mission activities at the following contacts:

New York Commercial Counsellor	12 E 65th St, New York, NY 10065	Office: 212-879-5800 Fax: 212-5176987 Email: info@pakistanconsulateny.org url: http://www.pakistanconsulateny.org
Los Angeles Commercial Counsellor	10700 Santa Monica Blvd., Suite 211, LA, CA 90025	Consul General Mr. Abdul Jabbar Memon: consulgeneral@pakconsulatela.org Consul Mr. Shoab Sarwar: dgc@pakconsulatela.org url: http://www.pakconsulatela.org

Chicago Counsellor	Commercial	Address: 333 North Michigan Avenue, Suite 728, Chicago, IL 60601	Phone : 312-781-1833 & 312-781-1834 Fax: 312-781-1839 Email: info@cgpkchicago.org Email: deputyconsulgeneral@cgpkchicago.org url: http://cgpkchicago.org/
Houston Counsellor	Commercial	11850 Jones Road Houston, TX 77070	Ph: +1 (281) 890-2223 Fax: +1 (281) 890-1433 url: http://www.pakistanconsulatehouston.org

Existence of International Brands

Here are some renowned brands that have international presence in the US. They all include big names that are recognized overseas.

Khaadi	Textile
National Foods	Food Items
Chen One	Textile
Amir Adnan	Textile
Libas USA	Textile
Gul Ahmed	Textile
Al Karam Studio	Textile
Nishat Linen	Textile
Firdous	Textile
Bonanza	Textile
House of Ittehad	Textile
Asim Jofa	Textile
Five Star	Textile
Sana Safinaz	Textile
Crescent	Textile
Bareeze	Textile
Shan	Food Items

Several other big names exist specially in the textile sector. Branding is an important strategy in making one's products well-known in the market and Pakistan's exporters should look to implement advanced marketing and branding strategies which are increasingly being used by the rest of the world to distinguish their products and capture market share by creating demand for their products.

Market Initiatives by TDAP

The following is the list of exhibitions arranged by TDAP for the year 2018 in the Americas region.

S.No	Details of Event	Dates	Products
1	JCK TUCSON, Tucson, AZ	January, 2018	Gems & Jewelry
2	Magic (February) 2018, Las Vegas, Nevada, USA	February, 2018	Apparel (knitwear, sportswear, leather garments, fashion accessories)
3	Affordable Shopping Destination (ASD), Las Vegas, Nevada, USA	March, 2018	General Products
4	Expo Production, (date has to be finalized), Mexico City, Mexico	March, 2018	Textile Products and Technology
5	Emitax, Argentina	April, 2018	Textile Products
6	SIAL Canada, Montreal, Canada	May, 2018	Food Products
7	National Hardware Show, Las Vegas, USA	May, 2018	Hardware Products
8	ANPIC, (date has to be finalized), Leon, Mexico	May, 2018	Footwear and leather industries
9	Cosmoprof, Las Vegas, USA	July, 2018	Cosmetics, hair and skin care, beauty instruments, salon products, packaging etc.
10	TexWorld USA, Apparel Sourcing and Home Textiles Show, New York, USA	July, 2018	Fabric, Apparel ,Yarn & Home Textiles
11	Affordable Shopping Destination (ASD), Las Vegas, Nevada, USA	July/August, 2018	General Products
12	FIME Show, Miami, Florida, USA	August, 2018	Surgical Goods
13	Textile House Fair, Brazil	August, 2018	Home textiles, bath textiles, apparels, pillows, curtains and carpets
14	Magic, Las Vegas, Nevada, USA	August, 2018	Apparel (knitwear, sportswear, leather garments, fashion accessories)
15	Apparel Textile Sourcing Canada, Toronto, Canada	August, 2018	Apparel & Textiles, Accessories
16	AIM Expo, Columbus, Ohio, USA	September, 2018	Motorcycle Gloves, Leather
17	Gotex, Brazil	September, 2018	Apparel & Textiles,
18	HX: The Hotel Experience, New York, USA	November, 2018	Products related to hotel, restaurant and catering industry
19	Greater New York Dental Meeting, New York, USA	November, 2018	Dental equipment
20	Private Label Manufacturers Association (PMLA), Chicago, Illinois, USA	November, 2018	General Products
21	World Halal Day Trade Expo, New York, USA	November, 2018	Halal products
22	Halal Expo Latino Americana, Santiago,	November, 2018	Halal products

SWOT Analysis

Strengths

- Pakistan offers high quality basmati rice for export.
- The textile sector is strong and has a wide variety to offer to the international market.
- Pakistan's sports goods are world class and can be marketed to the world thereby creating demand for Pakistani sports goods.
- The surgical instruments sector of Pakistan has strong linkages in the international market with a sound reputation and established distribution channels.

Weaknesses

- The quality of Pakistani exports is not consistent due to lack of local quality checks.
- Focus is on low tech and low value products due to lack of knowledge on modern techniques and research.
- Increasing cost and inconsistent supply of gas and electricity hamper production, increase cost of manufacturing and undermine the competitiveness of local industries.
- Lack of proper training institutions result in less skilled workforce not capable of working with emerging technologies.
- Lack of research and development hamper sustainability and growth in the international market.

Opportunities

- The textile sector is Pakistan's strength and offering value added products in this sector can help increase Pakistan's exports.
- Good opportunities exist in the sports goods segment as revealed by the Export Competitiveness Index. Sound marketing and branding may generate enhanced demand for Pakistan's sports goods.
- With the advent of the Look Africa policy, Pakistan can begin to offer textiles, surgical instruments and sports goods in the African (and Asian) markets thereby diversifying its export base which is mainly concentrated towards Europe and North America.

Threats

- The local labor force is not properly trained to keep up with world's demand for higher value added products and this poses a threat to Pakistan's exports in the future.
- Pakistan's image as an exporter of low quality selected goods threatens the marketing activities and hampers demand for Pakistani goods.

- The deteriorating law and order situation deters buyers from visiting Pakistan and seeing Pakistani goods on offer.
- The energy crisis jeopardizes the Pakistani manufacturing industry leading to fluctuating lead times and concerns from the importers as to whether Pakistani manufacturers will be able to complete their orders on time and deliver on any contracts awarded to Pakistan's firms.
- The emergence of strong regional competitors in Asia is taking away market share from Pakistan.
- Pakistan's major export markets such as USA, UK and rest of Europe are experiencing an economic slowdown thereby impacting demand.

Conclusion

Although many factors such as law and order, and the energy crisis have impacted exports, Pakistan's exports have also been hit by lack of reforms. "Our competitors moved fast and we stayed where we are. That has hurt our competitiveness" (Ahmed, 2018). In the past, countries used to employ import substitution policies, making things on their own and then exporting them. Nowadays it is about global value chains (GVCs). Countries, based on their competitiveness, tend to export components that are part of the GVCs. These GVCs account for 70 percent of world's exports and Pakistan needs to be a part of that.

Pakistan has a high potential in exports of the following goods:

USD Mn					
HS code	Product Description	USA imports from Pakistan	USA imports from World	Pakistan export to World	Market Share
		2017	2017	2017	2017
'620462	Women's trousers and shorts of cotton	220.68	4,754.69	243.6	4.64%
'620342	Men's trousers and shorts, of cotton	206.15	5,325.46	387.8	3.87%
'610510	Men's shirts of cotton (excluding nightshirts, T-shirts)	84.30	1,132.48	177	7.44%
'901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	81.84	10,284.50	300	0.80%
'610910	T-shirts, singlets and other vests of cotton	125.27	3,941.03	174.2	3.18%
'420310	Articles of apparel, of leather or composition leather	33.17	400.55	254.4	8.28%
'100630	Semi-milled or wholly milled rice	17.20	670.10	1247	2.57%
'950662	Inflatable balls	14.29	232.99	139	6.13%
'420321	Sports gloves of leather	13.04	209.99	98.3	6.21%
390761	Poly"ethylene terephthalate"	55.55	764.11	139	7.27%

(International Trade Centre, 2018)

The export of these products by Pakistan to the rest of the world is in excess of USD 100 million and Pakistan's market share in the US market is less than 10% in terms of the abovementioned exports. In addition to the aforementioned conditions, US imports of these items also exceed USD 100 million.

Products such as 620462 Women's trousers and shorts of cotton, 620342 Men's trousers and shorts, of cotton, 610510 Men's shirts of cotton, 950662 Inflatable Balls, and Specially designed gloves for use in sport, of leather or composition leather have low non-tariff barriers.

The Commercial Counsellors have also recommended joint collaborations with various Fashion Designers to try to engage their experts for training and education of relevant trade and industry stakeholders of Pakistan as this would assist in production of high end goods for the US market. In light of this suggestion, further training and education should be undertaken by Pakistani manufacturers and exporters in order to cater to the changing demands in the US market. Implementing advanced branding strategies will also help capture greater market share as it would create demand from the consumer's end in the US. Pakistan's exporters should look to target exports into specific US states where imports of such products is highest as identified in this report.

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