

2021

Gloves

Trade Development

Authority of Pakistan

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A. Brief Profile of the sector

According to Occupational Health and Safety (OH&S), hand accidents account from between 40 to 60 percent of recordable workplace incidents. Selecting a pair of gloves to work goes beyond finding the right fit and form.

Gloves are one of the few items that Pakistan has been exporting since its inception. Previously, traditional machines were used for the stitching of safety gloves. However, currently, modern machinery is being used.

Pakistan Gloves Manufacturers and Exporters Association is an apex body of Gloves Industrial Sector in Pakistan representing on all Pakistan basis. The current augmented position of Gloves Industry in Pakistan gives the projection of assiduity of gloves manufacturers – exporters which commenced during the end of 20th Country. The history of gloves industry is connected with the introduction of Cricket game resulting the manufacturing of Cricket bat in Sialkot. Hence, the specific game necessitated for the “batting gloves”, “wicket keeper gloves” and “inner gloves”.

The innovation of gloves did not restrict to Cricket, but during 2nd world war more variety of gloves was introduced for domestic / international market like “baseball gloves – and later during 1956 the gloves for winter sports, Ice-hockey, Ski, were progressively introduced by the artisans of Sialkot.

Hence, with the enhancement of demand from international market, and the increase of manufacturing units of gloves – the Sialkot City became the Centre of Gloves Manufacturing for all kinds, namely, Sports Gloves, Motor-bike Gloves, Cycling Gloves, Boxing Gloves, Winter Gloves, Fashion Gloves, Industrial and Labour Gloves and many more. The name of City of Sialkot is now considered to be 1st as Export Oriented City.

B. Basic types of Gloves

Following are some of the basic types of gloves.

1. Cotton/ Fabric Gloves:

A step above non-coated fabric gloves; these gloves provide a little more protection against punctures, cuts and chemicals. Nitrile, PVC, and polyurethane are common types of coatings, but the actual coating you need depends on the job itself.

2. Leather Working Gloves:

Leather gloves are desirable for a number of reasons. They provide good grip, insulation, and durability. They are thicker than regular fabric, which offers a higher level of protection. However, leather gloves tend to dry, crack or shrivel when excessively exposed to high temperatures. They are not ideal for working with heat because of this reason, though they do offer adequate burn protection when in good condition. Welders commonly use leather gloves, usually with a durable liner to offer extra protection.

3. Impact-Resistant Gloves:

The impact of prolonged vibration is becoming a top concern to EHS leaders. Luckily, there are vibration-resistant gloves that can help to reduce the impact of extended

vibration. These gloves help to absorb much of the impact of vibrating tools or equipment so that less energy is transferred to the hands. They are most commonly used in the fabrication, automotive, and construction industries where workers use vibrating tools for extended period of time.

4. Cut resistant:

The durability of Kevlar gloves make them an ideal choice for industrial situation. The material offers a lightweight yet robust solution to hand protection, allowing for movability yet remaining strong under duress. Kevlar is resistant to cuts and punctures in often used as a lining in other types of gloves.

5. Welding gloves:

These are one of the nest types of gloves to wear when working with heat. They are extremely resistant to high temperatures, which is why they are common in welding, foundries, and laboratories. They can protect your hands without fail at temperatures of upto 2000 F.

C. HS codes related to Safety Gloves trade

Following are the major HS codes (6 digit level) related to Gloves.

HS Codes	Description
'420329	Gloves, mittens and mitts, of leather or composition leather (excluding special sports gloves)
'420321	Specially designed gloves for use in sport, of leather or composition leather
'761510	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring or polishing pads, gloves and the like, of aluminium (excluding cans, boxes and similar containers of heading 7612, articles of the nature of a work implement, spoons, ladles, forks and other articles of heading 8211 to 8215, ornamental articles, fittings and sanitary ware)
'401519	Gloves, mittens and mitts, of vulcanised rubber (excluding surgical gloves)
'401511	Surgical gloves, of vulcanised rubber (excluding fingerstalls)
'732310	Iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel
'741810	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring or polishing pads, gloves and the like, of copper (excluding cans, boxes and similar containers of heading 7419, articles of the nature of a work implement, articles of cutlery, spoons, ladles, etc., ornamental articles and sanitary ware)

D. Value Chain

Value Chain involves the transformation of raw material, and components into a finished product that is delivered to the end customer.

The leather is checked for uniform thickness, holes and flying cuts, if any. It is then marked with the pattern and then cut with the help of scissors or clicking knife into different components. After stitching all the components suitable, the gloves are turned inside out. The gloves are then ready for packing and dispatch.

I. Global Value Chain Analysis

A global supply chain begins with the ecological, biological, and political regulation of natural resources, followed by the human extraction of raw material, and includes several

production links before moving on to several layers of storage facilities of ever-decreasing size and increasingly remote geographical locations, and finally reaching the consumer. Many of the exchanges encountered in the supply chain are therefore between different companies that seek to maximize their revenue within their sphere of interest but may have little or no knowledge or interest in the remaining players in the supply chain. More recently, the loosely coupled, self-organizing network of businesses that cooperates to provide product and service offering has been called the extended enterprise. As part of their efforts to demonstrate ethical practices, many large companies are integrating codes of conduct and guidelines into their corporate cultures and management systems.

II. National Value Chain Analysis

In Pakistan, major raw materials required for the manufacturing of safety gloves are imported. Therefore, the competitiveness of Pakistani products depends on the import duties on those raw materials and duty drawback schemes present on them.

III. Problems in the Value Chain

The global leather value chain is a complex system. There are many problems in cost due to additional taxes.

E. Trade Statistics of Gloves

Following are the global trade statistics of gloves.

I. Top 20 Importers around the Globe

Importers	Imported value in 2016	Imported value in 2017	Imported value in 2018	Imported value in 2019	Imported value in 2020
United States of America	3913102	4204026	4560013	4697868	6640333
Germany	964043	1000945	1059210	1058688	1493410
Japan	871076	876842	978081	995891	1353480
United Kingdom	470822	513049	545577	571243	1401302
Canada	433133	481678	524634	533098	1033397
France	417587	452681	472176	482199	649110
Italy	391528	421489	429998	447989	618119
Russian Federation	216663	274978	319029	365781	464144
Spain	299053	338792	361274	356229	689991
Netherlands	268931	290127	370572	316623	607338
China	206394	247047	302041	312948	658528
Belgium	277905	302705	327382	311280	420131
Korea, Republic of	204827	231996	274747	273864	346363
Poland	185041	213360	258912	260798	441736
Australia	228602	260162	272633	257566	404777
Brazil	193880	228552	233598	250442	335612
Sweden	147773	163643	173797	183151	249626
Mexico	146983	174821	179426	170817	
Saudi Arabia	123911	129816	121069	160075	

Turkey	180224	181653	164543	154954	283049
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Unit price: USD thousand.

(Trademap, 2021)

II. Top 20 Exporters around the Globe

Exporters	Exported value in 2016	Exported value in 2017	Exported value in 2018	Exported value in 2019	Exported value in 2020
China	3765132	3937692	4104716	4209995	6265586
Malaysia	3213912	3696515	4405256	4198117	8436658
Thailand	1193034	1270026	1388249	1500053	2578007
Germany	440219	483486	506767	491730	711261
Belgium	377942	402064	414803	438251	531729
France	384208	408602	433710	404000	438684
Italy	392843	433399	427381	398521	399252
India	368660	340744	357613	372041	
Indonesia	326206	360613	376655	364136	559110
Pakistan	312242	323759	365952	341050	
Viet Nam	200716	217598	275868	319089	
United States of America	268794	273393	299863	302208	336013
Sri Lanka	178082	201112	200343	237010	
Netherlands	155690	181190	184555	189881	429506
Turkey	125627	154430	185091	184120	258732
Korea, Republic of	197810	176300	155857	145111	180248
United Kingdom	105584	109792	111162	108150	191996
Austria	94543	103432	101949	104123	131943
Poland	64965	66466	75087	86278	197453
Sweden	71106	81083	90836	86180	110224

Unit price: USD thousand.

(Trademap, 2021)

F. Trade trends of Gloves of Pakistan

Following are the trade trends of Gloves of Pakistan.

I. Country-wise Analysis

Importers	Exported value in 2010	Exported value in 2011	Exported value in 2012	Exported value in 2013	Exported value in 2014	Exported value in 2015	Exported value in 2016	Exported value in 2017	Exported value in 2018	Exported value in 2019
World	218621	272208	299741	331096	342847	335639	312242	323759	365952	341050
United States of America	46320	52513	57564	61036	64410	64676	60556	62524	79368	85579
Germany	25992	33497	31661	38359	43637	40339	34987	36665	40621	32395
Canada	5037	6975	7225	9279	13489	15352	17513	20799	26054	28140
United Kingdom	12962	15094	17992	20392	21635	27805	23101	25106	26418	19418
Poland	3727	5076	4233	5055	5386	7080	8137	10228	14368	15249

Sweden	11072	15788	14120	16488	18745	14316	13683	13175	15350	13642
United Arab Emirates	6257	9680	13994	18019	18192	18428	12828	13862	16191	13138
Spain	7928	9691	10193	13162	15083	13753	11540	12861	13970	11998
Italy	8519	9593	8823	9521	8361	9850	8594	8429	10342	10316
Saudi Arabia	6562	8041	16708	18843	19204	20175	14216	10802	7938	10315
Netherlands	8642	11923	11493	13045	11529	11039	11572	10394	11966	9471
France	14846	14315	12561	13850	14065	10690	12248	12809	13379	8770
Belgium	10417	12885	11666	8590	7618	6105	7093	10158	8771	7984
Australia	4476	5228	7342	7766	6909	5902	8016	7388	6258	5610
South Africa	4063	5932	6647	6519	6258	5776	4691	5652	5444	5255
Denmark	4536	7638	6378	5507	6261	5722	4761	4817	5733	5022
Finland	6778	8519	8169	7871	8935	6993	4940	5029	4811	4849
Czech Republic	2078	2453	3196	3051	2796	2947	3501	3745	4063	3745
Norway	3364	5147	4055	4048	4474	2510	2186	2950	3001	3522
Russian Federation	1217	1325	1706	889	577	1190	2009	2695	3360	3210

Unit price: USD thousand.

(Trademap, 2021)

II. Product-wise Analysis over the last 10 years

Code	Product label	Exported value in 2010	Exported value in 2011	Exported value in 2012	Exported value in 2013	Exported value in 2014	Exported value in 2015	Exported value in 2016	Exported value in 2017	Exported value in 2018	Exported value in 2019
'TOTAL	All products	21413103	25343769	24613676	25120883	24722182	22089018	20533793	21911598	23778621	23818817
	Gloves	218621	272208	299741	331096	342847	335639	312242	323759	365952	341050
'420329	Gloves, mittens and mitts, of leather or composition leather (excluding special sports gloves)	111304	154597	161116	189242	210557	201507	187615	196706	220702	230084
'420321	Specially designed gloves for use in sport, of leather or composition leather	106968	116614	122485	110984	102492	107124	100342	102363	121979	84386
'761510	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring or polishing pads, gloves and the like, of	0	0	15742	28372	29312	25969	23593	22456	20118	21854

	aluminium										
'401519	Gloves, mittens and mitts, of vulcanised rubber (excluding surgical gloves)	125	178	42	608	87	91	160	1666	2584	4270
'401511	Surgical gloves, of vulcanised rubber (excluding fingerstalls)	91	496	125	481	64	240	216	384	439	228
'732310	Iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel	133	323	151	457	303	276	130	138	83	184
'741810	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring or polishing pads, gloves and the like, of copper	0	0	80	952	32	432	186	46	47	44

Unit price: USD thousand.

(Trademap, 2021)

III. Product-wise Analysis with some important indicators

Code	Product label	Value exported in 2019 (USD thousand)	Trade balance 2019 (USD thousand)	Annual growth in value between 2015-2019 (% p.a.)	Annual growth in value between 2018-2019 (% p.a.)	Annual growth of world imports between 2015-2019 (% p.a.)	Share in world exports (%)	Ranking in world exports	Average distance of importing countries (km)	Concentration of importing countries
'TOTAL	All products	23818817	-26315995	3	0	5	0.1	68	6132	0.06
	Gloves	341050	323721							

'420329	Gloves, mittens and mitts, of leather or composition leather	230084	229880	4	4	-3	15.2	2	7763	0.1
'420321	Specially designed gloves for use in sport, of leather or composition leather	84386	84357	-3	-31	0	16	1	8205	0.13
'761510	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring or polishing pads, gloves and the like, of aluminium	21854	20114	-5	9	4	0.4	20	4220	0.13
'401519	Gloves, mittens and mitts, of vulcanised rubber (excluding surgical gloves)	4270	-3479	185	65	7	0.1	29	6739	0.08
'401511	Surgical gloves, of vulcanised rubber (excluding fingerstalls)	228	-4797	6	-48	6	0	45	6602	0.1
'732310	Iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel	184	-2390	-12	122	1	0.1	51	8359	0.27

	Table, kitchen or other household articles and parts thereof, and pot scourers and scouring or polishing pads, gloves and the like, of copper									
'741810		44	36	-45	-5	1	0	60	7099	0.42

Unit price: USD thousand.

(Trademap, 2021)

G. Competitiveness of the sector

I. Productivity

There are 1331 Registered Members all over the Pakistan. Among them, 550 are active members in glove sector.

II. Time and delivery performance

As per the ground realities, all exporting units meet delivery time as stipulated in the agreement. Generally, within 45-60 days, the gloves shipment reaches the destination depending upon the distance between Pakistan and the importing country.

III. Freight details

Freight charges vary from destination to destination.

IV. Quality standards / Requirements

CE Mark, ISO, SASO SABER are mostly required standards/ requirements for exports.

V. Relative Price Analysis

China and India are offering cheap prices in safety gloves as they are manufacturing raw materials like thread, zipper, cloths in their own country.

H. Government facilitation to the sector

I. FBR – Duty Drawback Schemes

3% duty drawback is applicable as per Duty Drawback schemes. **SRO 711(1)/2018** deals with duty drawbacks applied on gloves exports.

II. Subsidies in utilities/ any other

No subsidy is applied on utilities used in this sector.

I. Potential market for Gloves exports

The European Union, USA, Canada and Middle East are major existing markets for Pakistan regarding gloves export. However, Pakistan has not so far tapped the whole potential of these markets.

Besides this, Russia and South Africa are some other potential markets as far as exports of gloves from Pakistan are concerned.

J. Challenges associated with the sector

- Unavailability of raw materials is the most important challenge that the sector has to confront. Production units have to import raw material i.e thread, zipper and cloths etc. from other countries including China, Korea, Vietnam and Malaysia.
- At the same time, the COVID-19 pandemic has aggravated the situation regarding availability of raw materials.

K. Recommendations for grabbing the Potential Market

- The Duty Drawback (DDB) rate in Leather Gloves is 1.54% while in Leather Jackets Duty Drawback is 7.56% and Footwear DDB is 4%. Bangladesh is paying more than 15% and India is giving 10% Duty Drawback in Leather Gloves to enhance the export in gloves sector. We propose to increase the incentive Duty Drawback Rates at least 5% - 10% for all the types of Gloves.
- To sell our gloves in European countries, we need to get certification and testing from **Notified bodies (labs) in EU**. After 2023, we will need to get all our products certified again. Ministry of Science and Technology (MoST) can play eminent role to either develop a “**Notify Lab**” in Pakistan or ask the embassies to convince notified bodies in EU for partnership and having their testing facilities in Pakistan. This “**Notify Lab**” will reduce the test cost (**foreign currency**) and time required for getting certification. It will play a prominent role to enhance the export of products in different sectors including gloves.
- **Raw Materials** used in export items should be identified and then be developed in Pakistan by promoting investors’ confidence & feasibility report be prepared. Public Private Partnership schemes and foreign investors be encouraged to setup industry in Pakistan with incentives. In the Board of Investment Meeting on 25-05-2021.

Mr. Shahzeb Senior Vice President FPCCI apprised in the Meeting of BOI, Islamabad that 80,000 SME from China are interested to shift their business to other countries due to high labour cost in China. We should invite China businessmen to manufacture raw material in Pakistan e.g. Nitrile Gloves, Surgical Gloves, Synthetic Leather, Thread and Zippers, etc.

- Ministry of Science and Technology, Govt. of Pakistan is giving incentive grant for SME’S under PQI initiative 2025. Our members our being facilitated financially in certification through Ministry of Science and Technology.
- It is pertinent to mentioned that after 2023 all the leather products have to be certified again. We request your good self to further facilitate Pakistan Gloves Manufactures and Exporters Association in this regard.
- Government should facilitate the bringing of new technologies and machinery for gloves sector. So we can cater requirements of new markets and can enhance our existing capacity. There is high potential to export leather gloves and leather products.
- **A summarized dynamic database of industries in Pakistan named “MADE IN PAKISTAN”** be established and shared with all relevant embassies. This database should be updated on daily basis and can be accessed by anyone worldwide.

- Economic Coordination Committee (ECC) vide its decision – 434/59/2020 dated. 02-12-2020, directed Federal Board of Revenue (FBR), Ministry of Commerce and other Stake holders to devise SOP for enrollment of registered persons under export oriented sectors to qualify concessionary regime of Electricity, RLNC and Gas tariff.
- Pakistan Gloves Manufacturers & Exporters Association (PGMEA) name has not added in the list of Export Oriented Sector Association of the Federal Board of Revenue (FBR), Islamabad. PGMEA Members are too much discouraged due to this decision as their name has not included in the list of Export Oriented Sectors Associations. Therefore, we request to add the name of Pakistan Gloves Manufacturers & Exporters Association in the list of Export Oriented Sectors Associations. This will play prominent role to boost up the export in gloves sector.
- Duty Drawbacks should be increased up to atleast 5% - 10%. Duty drawbacks in Bangladesh on this sector is 15% while in India it is 10%.
- Availability of cheap electricity should be ensured.
- Measures to minimize transportation cost should be taken. In this respect, train cargo from Karachi to Sialkot should be on track again.

L. Conclusion

The Leather Gloves Sector Gloves export is Rs.34.06 Billion in the year 2019-2020. Beside Covid-19 Gloves Sector Export remained stable from Pakistan. At present it is enhancing prominently. In fact, Great potential is present as far as the exports of gloves is concerned. Some stringent measures are required in this regard.

M. Bibliography

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