

2021

Sportswear

Trade Development

Authority of Pakistan

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7/5/2021

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A. Brief Profile of the sector

The sportswear business developed as an offshoot of the sports goods sector. At the outset international buyers used to buy inflatable balls from Sialkot and sportswear from South Korea, Taiwan, the USA, Germany, the UK, Spain, Portugal, Turkey and elsewhere. As the apparel industry diminished or in some cases totally disappeared from some countries, buyers who were already satisfied with the quality of sports goods from Sialkot asked the local exporters to produce sportswear as well. This helped international buyers to reduce their sourcing overheads.

A skilled stitching force, imported fabrics and accessories, high profit margins, entrepreneurial skills of businessmen and responsive government policies all resulted in the sports sector's successful entry into the international sportswear market within a very short span of time.

Serving gigantic brands like Adidas, Nike, Mikasa, Puma, Reebok, Diadora, Baden and more, the sports sector of the city is recognized globally for their durability and perfection. Made in Sialkot sports goods & wear have found their way to the shelves of the finest sports centers and in the hands of star athletes of the world.

The Sports industry of Sialkot contributes a total of USD 472 (M) to the National Exchequer. We believe that ideally, the Sports Sector should have enhanced its exports and crossed USD 1 (B) by now as it has immense potential of growth through its above-mentioned sectors. But the same remains untapped due to several factors including inconsistency in the Government Policies, Lack of Facilitation to the Industry, Draconian Taxation Laws, Complicated Procedures, Lack of Diversification, Issues in Accessibility of Finance by SMEs, Pendency in Clearance of Refunds and Claims (DLTL, Sales Tax, Income Tax, Rebate) and Lack of easy access to Business Information/Market Intelligence.

In such a scenario where the Industry is helpless and looks at the Government quarters to provide support and facilitation to realize the vision of the Prime Minister to promote exports, no concrete policy or strategy has been formulated to set the priorities right and to gain the confidence of the investors, both foreign and local.

This document serves to highlight some of the key issues, gaps and proposals pertaining to policy, taxation, and infrastructure that should be addressed on an emergent basis to give the necessary boost to the Sports Goods and Wear Industry of Sialkot. Sialkot Chamber as the advocacy and lobbying body of over 14000 members, believes that these issues should be taken up at all forums for deliberation and redressal.

B. HS codes related to Sportswear trade

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

Code	Product label
'610590	Men's or boys' shirts of textile materials, knitted or crocheted (excluding of cotton or man-made fibres, nightshirts, T-shirts, singlets and other vests)
'610910	T-shirts, singlets and other vests of cotton, knitted or crocheted
'611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted or crocheted

'610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)
'611510	Graduated compression hosiery [e.g., stockings for varicose veins], of textile materials, knitted or crocheted (excluding hosiery for babies)
'610510	Men's or boys' shirts of cotton, knitted or crocheted (excluding nightshirts, T-shirts, singlets and other vests)
'611692	Gloves, mittens and mitts, of cotton, knitted or crocheted (excluding impregnated, coated or covered with plastics or rubber, and for babies)
'610343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted or crocheted (excluding swimwear and underpants)
'610520	Men's or boys' shirts of man-made fibres, knitted or crocheted (excluding nightshirts, T-shirts, singlets and other vests)
'610130	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets and similar articles of man-made fibres, for men or boys, knitted or crocheted (excluding suits, ensembles, jackets, blazers, bib and brace overalls and trousers)
'611699	Gloves, mittens and mitts, of textile materials, knitted or crocheted (excluding of wool, fine animal hair, cotton or synthetic fibres, impregnated, coated or covered with plastics or rubber, and for babies)
'610190	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets and similar articles of textile materials, for men or boys, knitted or crocheted (excluding of cotton and man-made fibres, suits, ensembles, jackets, blazers, bib and brace overalls and trousers)
'611693	Gloves, mittens and mitts, of synthetic fibres, knitted or crocheted (excluding impregnated, coated or covered with plastics or rubber, and for babies)
'610120	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets and similar articles of cotton, for men or boys, knitted or crocheted (excluding suits, ensembles, jackets, blazers, bib and brace overalls and trousers)

C. 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

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

- Lack of a proper materials testing laboratory
- Absence of a state-of-the-art dyeing unit
- Inability of the industry to diversify into new product lines
- Absence of support industry
- Absence of product excellence centers
- Inability of the industry to create brands

D. Trade Statistics of Sportswear

Following are the global trade statistics of sportswear.

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	10883177	10766240	11351155	11942839	9185487
Germany	5182325	5499337	5789500	5562144	5199943
Japan	3275866	3365597	3706504	3777867	3385812
United Kingdom	3574690	3678306	3837453	3830440	3191902
France	3036062	3129770	3412486	3356768	2999168
Spain	2388888	2463874	2596873	2621426	2080860
Italy	1989145	2097187	2421803	2435785	1975007
Netherlands	1623613	1835363	2038361	2109639	1887659
Belgium	1666028	1780347	1954910	1895405	1723994
Korea, Republic of	1033160	1128007	1274871	1415378	1304553
Poland	746721	812688	1085604	1122061	1259199
China	804372	893236	1144809	1284049	1239413
Hong Kong, China	1358671	1370422	1500710	1350921	1048450
Canada	1133466	1204157	1255745	1337095	1033913
Australia	906831	967879	1010846	1006267	898002
Austria	874142	954835	1005407	992105	895655
United Arab Emirates	565221	930698	799180	804160	788787
Russian Federation	606284	752986	791749	864599	767377
Mexico	743323	728604	806276	837911	680013
Switzerland	495637	569249	634740	547448	590861

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	14170530	13462388	13604186	12892959	10975399
Bangladesh	6696927	7331072	8083282	8324611	6964436
Viet Nam	3256182	3521031	4110710	4347925	4118786

Germany	2510493	2970132	3346586	3316316	3186268
Turkey	3269688	3210597	3141239	3127085	2586924
India	3573018	3605916	3195748	3460318	2542132
Italy	1765228	2020833	2312046	2563154	2320818
Belgium	2245578	2364925	2630349	2426133	2104127
Netherlands	1233461	1371667	1644502	1711757	1770301
France	1201954	1296935	1468436	1455611	1348193
Spain	1536612	1732257	1737750	1717403	1294881
Pakistan	1032689	1064040	1167536	1288369	1285992
Cambodia	1427150	1502229	1641591	1428893	1189121
United Kingdom	1018877	1056979	1154841	1157201	1126211
Portugal	1060614	1160039	1347624	1141404	963514
Poland	444786	459853	650008	732383	934280
Hong Kong, China	1321028	1318441	1267297	1178960	907764
United States of America	886989	893287	952176	1102375	882884
Sri Lanka	788274	847807	931069	1034881	881947
Mexico	1068628	1037737	1107613	1047490	841956

Unit price: USD thousand.

(Trademap, 2021)

E. Trade trends of Sportswear of Pakistan

Following are the trade trends of Sportswear of Pakistan.

I. Country-wise Analysis

Importers	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	Exported value in 2020
United States of America	706401	610736	569111	542433	531784	485652	446131	474498	537324	509050
United Kingdom	157139	155866	154213	186752	172208	160299	177374	180105	179271	190973
Germany	61392	37075	46771	55283	55300	74067	89255	101240	121608	145410
Netherlands	29606	23330	32058	31727	26882	29666	35397	62508	80568	89876
Spain	25435	21259	20669	43327	40433	43699	44384	52358	49862	41456
Belgium	29884	22949	29301	38934	40048	43668	42678	32983	31873	29667
Canada	24415	18682	17429	14516	13184	14331	19509	23065	21560	25718
Italy	21971	16872	16733	26589	23849	18871	21647	24400	26580	24292
France	19999	15800	20233	28909	25847	31485	31628	31715	32268	22616
China	409	929	3020	3348	4779	5506	6847	12758	13401	16278
United Arab Emirates	13499	18135	11646	18368	16119	15653	20657	26864	13634	16088
Denmark	4525	4425	6253	7874	8658	10761	10997	11783	14365	15825
Australia	3545	4210	5182	7644	6901	8643	10927	13806	13351	14447
Russian Federation	418	965	1148	1644	1523	4741	4463	6166	9643	11072

Sweden	8075	5827	6838	5415	4911	5853	7235	6385	7927	9698
Japan	1641	2673	3587	3714	2956	5472	6440	7588	11573	9418
Poland	1757	1144	1714	2066	3619	4261	5812	7819	10438	7226
Ireland	3240	3797	3283	3422	2304	2731	3134	4093	3856	5953
Korea, Republic of	830	1099	1222	2293	2766	4855	4353	6175	7153	5822
Brazil	3778	3652	4560	4901	3304	2068	3870	4383	6106	5761

Unit price: USD thousand.

(Trademap, 2021)

II. Product-wise Analysis over the last 10 years

Code	Product label	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	Exported value in 2020
	Sportswear	1171751	1020707	1009692	1091521	1047097	1032689	1064040	1167536	1288369	1285992
'610590	Men's or boys' shirts of textile materials, knitted or crocheted (excluding of cotton or man-made fibres, nightshirts, T-shirts, singlets and other vests)	258468	251172	225931	275730	262020	252519	311184	333706	328572	283628
'610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	265714	236580	212416	195408	203756	205111	198063	244220	314813	252613
'611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted or crocheted	18912	33178	46332	57183	63349	64626	105252	97312	144753	200303
'610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	58889	54256	64858	76093	92002	99534	106581	158246	172719	154198
'611510	Graduated compression hosiery [e.g., stockings for varicose veins], of textile materials, knitted or crocheted (excluding hosiery for babies)	84529	52485	67901	53988	31704	39794	23983	31360	33709	130256

'610510	Men's or boys' shirts of cotton, knitted or crocheted (excluding nightshirts, T-shirts, singlets and other vests)	350409	275202	265356	269377	240342	209890	168604	153812	135847	106738
'611692	Gloves, mittens and mitts, of cotton, knitted or crocheted (excluding impregnated, coated or covered with plastics or rubber, and for babies)	60864	47999	51493	59563	49023	41208	42863	39254	36569	34262
'610343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted or crocheted (excluding swimwear and underpants)	9833	7643	8411	17842	24455	23291	29115	27536	31536	30776
'610520	Men's or boys' shirts of man-made fibres, knitted or crocheted (excluding nightshirts, T-shirts, singlets and other vests)	17650	16911	15174	20444	16583	21348	22361	22821	29000	24472
'610130	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets and similar articles of man-made fibres, for men or boys, knitted or crocheted (excluding suits, ensembles, jackets, blazers, bib and brace overalls and trousers)	1315	2112	6483	11766	10919	28193	17519	18120	18997	16441
'611699	Gloves, mittens and mitts, of textile materials, knitted or crocheted (excluding of wool, fine animal hair, cotton or	24775	21850	15507	19974	22604	18498	16782	17781	16147	16218

	synthetic fibres, impregnated, coated or covered with plastics or rubber, and for babies)										
'610190	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets and similar articles of textile materials, for men or boys, knitted or crocheted (excluding of cotton and man-made fibres, suits, ensembles, jackets, blazers, bib and brace overalls and trousers)	4240	7199	12368	14284	14593	16593	6730	7232	11394	15316
'611693	Gloves, mittens and mitts, of synthetic fibres, knitted or crocheted (excluding impregnated, coated or covered with plastics or rubber, and for babies)	5955	7769	8363	13194	10881	6399	8970	8540	7672	14575
'610120	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets and similar articles of cotton, for men or boys, knitted or crocheted (excluding suits, ensembles, jackets, blazers, bib and brace overalls and trousers)	10198	6351	9099	6675	4866	5685	6033	7596	6641	6196

Unit price: USD thousand.

(Trademap, 2021)

III. Product-wise Analysis with some important indicators

Code	Product label	Value exported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Annual growth in value between 2016-2020 (% p.a.)	Annual growth in value between 2019-2020 (% p.a.)	Annual growth of world imports between 2016-2020 (% p.a.)	Share in world exports (%)	Ranking in world exports	Average distance of importing countries (km)	Concentration of importing countries
'TOTAL	All products	22237163	23537972	2	-7	3	0.1	65	6359	0.06
	Sportswear	1285992	1275760							
'610590	Men's or boys' shirts of textile materials, knitted or crocheted (excluding of cotton or man-made fibres, nightshirts, T-shirts, singlets and other vests)	283628	281155	3	-14	-10	44	1	8953	0.27
'610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	252613	252206	9	-20	3	0.9	24	7926	0.14
'611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber, knitted or crocheted	200303	200243	29	38	5	6.5	3	8316	0.14
'610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	154198	153417	15	-11	-6	1.2	22	9924	0.4
'611510	Graduated compression hosiery [e.g., stockings for varicose veins], of textile materials, knitted or crocheted (excluding hosiery for babies)	130256	126898	31	286	-2	22.8	1	9298	0.29
'610510	Men's or boys' shirts of cotton, knitted or crocheted (excluding nightshirts, T-shirts, singlets and other vests)	106738	105650	-15	-21	-3	2.3	13	8827	0.24
'611692	Gloves, mittens and mitts, of cotton, knitted or crocheted (excluding impregnated, coated or covered with plastics or rubber, and for babies)	34262	34225	-5	-6	-6	7.2	2	6126	0.16
'610343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted or crocheted (excluding swimwear and underpants)	30776	30692	7	-2	5	0.8	19	8080	0.22

'610520	Men's or boys' shirts of man-made fibres, knitted or crocheted (excluding nightshirts, T-shirts, singlets and other vests)	24472	24341	5	-16	-4	1.3	14	7302	0.17
'610130	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets and similar articles of man-made fibres, for men or boys, knitted or crocheted (excluding suits, ensembles, jackets, blazers, bib and brace overalls and trousers)	16441	16420	-9	-13	1	1.4	16	9374	0.26
'611699	Gloves, mittens and mitts, of textile materials, knitted or crocheted (excluding of wool, fine animal hair, cotton or synthetic fibres, impregnated, coated or covered with plastics or rubber, and for babies)	16218	15895	-3	0	-2	10.8	2	7312	0.14
'610190	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets and similar articles of textile materials, for men or boys, knitted or crocheted (excluding of cotton and man-made fibres, suits, ensembles, jackets, blazers, bib and brace overalls and trousers)	15316	15070	4	34	-5	6.4	5	7588	0.22
'611693	Gloves, mittens and mitts, of synthetic fibres, knitted or crocheted (excluding impregnated, coated or covered with plastics or rubber, and for babies)	14575	13438	16	90	3	1.4	11	7027	0.06
'610120	Overcoats, car coats, capes, cloaks, anoraks, incl. ski jackets, windcheaters, wind-jackets and similar articles of cotton, for men or boys, knitted or crocheted (excluding suits,	6196	6110	3	-7	-2	0.7	24	8820	0.29

	ensembles, jackets, blazers, bib and brace overalls and trousers)									
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Unit price: USD thousand.

(Trademap, 2021)

F. Competitiveness of the sector

- I. Productivity
- II. Time and delivery performance
- III. Freight details
- IV. Quality standards / Requirements

Sr. No.	Standard/ Certification	Definition	Details
1	ISO 9000	ISO 9000 is a set of international standards on quality management and quality assurance developed to help companies effectively document the quality system elements to be implemented to maintain an efficient quality system.	Individuals and organizations cannot be certified to ISO 9000. ISO 9001 is the only standard within the ISO 9000 family to which organizations can certify. The Eight Quality Management Principles • Customer-focused organization. • Leadership. • Involvement of people. • Process approach. • System approach to management. • Continual improvement. • Factual approach to decision making. • Mutually beneficial supplier relationship.
2	ISO 14001	ISO 14001:2015 sets out the criteria for an environmental management system and can be certified to. It maps out a framework that a company or organization can follow to set up an effective environmental management system. It can be used by any organization regardless of its activity or sector.	There are more than 300,000 certifications to ISO 14001 in 171 countries around the world. Focus on environmental systems to achieve this. The framework in the ISO 14001 standard can be used within a plan-do-check-act (PDCA) approach to continuous improvement.

3	ISO 18001 (OHSAS)	OHSAS 1800:2007 Occupational Health and Safety Management Certification is an international standard which provides a framework to identify, control and decrease the risks associated with health and safety within the workplace. Implementing the standard will send a clear signal to your stakeholders that you view employee's health and safety as a priority within your organisation.	Following are some benefits of ISO-18001: • Improves corporate image and credibility among stakeholders, regulators, customers, prospective clients and the public. • Adoption of international best practice in relation to risk management - Ensures health and well-being of employees, sub-contractors and the public • Minimisation of liability of employers through adoption of proactive rather than reactive controls. • Ensures legislative awareness and compliance. • Reduces accident and incident rates by reducing or eliminating workplace hazards. • Improves the incident investigation process.
4	ISO 13485	ISO 13485 is an internationally agreed standard that sets out the requirements for a quality management system specific to the medical devices industry.	Requirements of ISO 13485:2016 are applicable to organizations regardless of their size and regardless of their type except where explicitly stated. Wherever requirements are specified as applying to medical devices, the requirements apply equally to associated services as supplied by the organization.
5	ISO 50001	ISO 50001 supports organizations in all sectors to use energy more efficiently, through the development of an energy management system (EnMS).	ISO 50001:2011 provides a framework of requirements for organizations to: • Develop a policy for more efficient use of energy. • Fix targets and objectives to meet the policy. • Use data to better understand and make decisions about energy use. • Measure the results • Review how well the policy works, and • Continually improve energy management.
6	ISO 17025	ISO/IEC 17025:2017 specifies the general requirements for the competence, impartiality and consistent operation of laboratories.	It is applicable to all organizations performing laboratory activities, regardless of the number of personnel.
7	ISO15189	ISO 15189:2012 specifies requirements for quality and competence in medical laboratories.	ISO 15189:2012 can be used by medical laboratories in developing their quality management systems and assessing their own competence.
8	ISO 17020	ISO/IEC 17020:2012 specifies requirements for the competence of bodies performing inspection and for the impartiality and	It applies to inspection bodies of type A, B or C, as defined in ISO/IEC 17020:2012, and it applies to any stage of inspection.

		consistency of their inspection activities.	
9	FSSC 22000 / ISO 22000	ISO 22000 is an internationally recognized food safety management standard that applies to any organization directly or indirectly involved in the food chain.	ISO 22000 is not recognized by GFSI (Global Food Safety Initiative). ISO 22000 is broad in scope. FSSC 22000 is recognized by GFSI.
10	GMP	Good Manufacturing Practice (GMP) is a system for ensuring that products are consistently produced and controlled according to quality standards. It is designed to minimize the risks involved in any pharmaceutical production that cannot be eliminated through testing the final product	GMP should be applied throughout the product lifecycle. As the product moves through the product development phases, the GMP stringency increases with progression from clinical trials through to commercialization.
11	CE Marking	CE mark is a symbol applied to products to indicate that they conform with relevant EU directives regarding health and safety or environmental protection.	CE Marking is the symbol as shown on the top of this page. The letters "CE" are the abbreviation of French phrase "Conformité Européene" which literally means "European Conformity". The term initially used was "EC Mark" and it was officially replaced by "CE Marking" in the Directive 93/68/EEC in 1993. CE Marking" is now used in all EU official documents.
12	Product Certification	Product certification or product qualification is the process of certifying that a certain product has passed performance tests and quality assurance tests, and meets qualification criteria stipulated in contracts, regulations, or specifications (typically called "certification schemes" in the product certification industry).	It is certified by multiple institutions according to their own rules and regulations like ANSI, BSI group, SGS, INAB, etc.
13	HACCP	HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.	Following are 7 steps of HACCP: • Conduct a Hazard Analysis. • Identify Critical Control Points. • Establish Critical Limits. • Establish Monitoring Procedures. • Establish Corrective Actions. • Establish Verification Procedures. • Record Keeping Procedure.

14	HALAL Certification	Halal certification is a process which ensures the features and quality of the products according to the rules established by the Islamic Council that allow the use of the mark Halal. It is mainly applied to meat products and other food products such as milk, canned food and additives.	
15	BRC	The BRC standard is recognized by the Global Food Safety Initiative (GFSI), a program that aims to harmonize international food safety standards with the support of the world's top retailers and food manufacturers.	
16	SEDEX	Sedex enables member companies to efficiently manage the ethical and responsible practices of their global supply chains, generating transparency through the provision of a data exchange.	Sedex, the Supplier Ethical Data Exchange, is a not-for-profit organisation based in London, UK, open for membership to any company anywhere in the world. Sedex is a membership organisation for businesses committed to continuous improvement of the ethical performance of their supply chains.
17	IFS		
18	SA 8000	SA8000 is an auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace.	The SA8000® Standard is the leading social certification standard for factories and organizations across the globe. It was established by Social Accountability International in 1997 as a multi-stakeholder initiative.

V. Relative Price Analysis

G. Government facilitation to the sector

- I. FBR – Duty Drawback Schemes
- II. Subsidies in utilities/ any other

H. Potential market for Sportswear exports

I. Challenges associated with the sector

- a. Lack of a proper materials testing laboratory
Sialkot lacks an internationally acclaimed accredited state of the art material testing laboratory for highly value-added sectors like Surgical Instruments, Sports Goods and Sports Wear, Leather Wear and many others.

Due to the absence of the said laboratory, exporters have to send their samples abroad to get their products tested and certified to be accepted worldwide. This practice ultimately adds to the cost of doing business and is logistically hectic.

b. [Absence of a state-of-the-art dyeing unit](#)

Sports Wear Industry of Sialkot has in recent times displayed extraordinary performance in terms of their export figures and has made their mark in the international market, where top global sports brands are now demanding Made in Sialkot Sports Kits. The industry is now a major pillar of the industrial mix of Sialkot contributing USD 164 (M) to the National Exchequer.

However, the sector lacks some of the basic facilities in Sialkot which would contribute to further growth of the industry in line with the vision of the Federal Government to boost Exports. The Sports Wear Industry of Sialkot lacks a proper dyeing unit from where Cotton, Polyester and Nylon based fabrics could be dyed for value addition. As an alternative, the industry has to rely on imports from China or outsourcing the fabrics to Lahore based dyeing units which are very expensive and result in delayed deliveries making the exporters of Sialkot less competitive in the International Markets.

c. [Inability of the industry to diversify into new product lines](#)

Apart from other external factors and bureaucratic hurdles, one of the major reasons that the Export Sector's export performance has been stagnant is the fact that the exporters have not looked into new ventures and identifying new product lines to be exported. The reasons can vary from lack of funds of Research & Development leading to new product development, absence of a supportive environment in the shape of infrastructure including the Product Development/Excellence Centers and poor industry-academia linkages.

Presently, the sports goods sector's major products include the Soccer Balls, Cricket Gear, and Hockey Sticks along with their apparel and other accessories.

d. [Absence of support industry](#)

The Sports Industry of Pakistan heavily relies on the import of raw materials especially from China for further value addition and re-exports. The practice adds to the cost of doing business and is a major contributor to the increasing import bill of Pakistan. Since independence, Pakistan has seen many industrial surges where new industries were established yet, no work has ever been done to invest in Support Industry to complement the existing manufacturing setup of Pakistan.

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e. [Absence of product excellence centers](#)

In order for the Sports Sector to venture into new product lines or establishing backward linkages through setting up facilities to produce raw material, it is vital that the Industry is supported by Research & Development Centers either established

within the facilities or the Common Facility Centers/Product Excellence Centers. An example can be quoted from Sports Industries Development Center (SIDC) which was established to reverse engineer the Thermo bonded technology used in Manufacturing of Footballs. The technology has now been successfully integrated into the soccer ball manufacturing industry of Sialkot. The project is now extending its domain into reverse engineering of composite-based goods which can help in entering into new product lines of sports equipment based on composite fibers.

A similar approach is needed and it is recommended that a product excellence center on the lines of Teknokent, a high-profile research and product development institute of Turkey-backed by the infrastructure of all the Turkish technical universities and labs, should be followed. Sialkot Chamber has proposed the replication of the model of teknoent to Dr. Atta ur Rehman, Chairperson of the PM's Task Force on Science and Technology.

f. [Inability of the industry to create brands](#)

Internationally, Sports Equipment and Apparel are now recognized among other lifestyle needs of the consumers. Brands like Adidas, Nike, and others have successfully positioned their sports apparel as a lifestyle and fashion products among their consumers. Take the example of Yeezy Shoes of Adidas and Air Jordans, and Offwhite Collabs of Nike for example. These sports and fitness related products are now the demands of scores of consumers worldwide to create a fashion statement thanks to heavy investments that were poured into creating brand images that we recognize today.

J. [Recommendations for grabbing the Potential Market](#)

- It is therefore proposed that a state-of-the-art material testing laboratory for the highly value-added sectors may be set up on an emergent basis. In this regard, it is recommended that the Government should enter into an arrangement with any Internationally Accredited Laboratory like SGS for the establishment of such a laboratory at affordable rates for the Exporters.
- There are new lines that can easily be introduced with little investment and facilitation from the Government to initiate such ventures in the domains of Golf Equipment (Golf Clubs, Balls, Bags, Gloves & Apparel), Racing Cycles, Basket Ball, American Football, Baseball (Bat, Balls, Base Gloves, Catching Gloves, Protectors and Guards and Apparel), Sports & Fitness Shoes, Skiing Equipment and Apparel, Camping & Mountaineering Equipment and Gear.
The above-mentioned lines have enormous demand around the globe and have a higher yield in comparison to what is being already produced in Sialkot.
- In this regard, it is highly recommended that investors both local and foreign should be encouraged to invest in support industries like accessories of textile and clothing, printing & packaging, etching & polishing chemicals and synthetic material used in the Sports Goods Industry. A detailed study may be carried out involving all the Chambers & Associations on board to identify a list of major supporting products that

are imported from abroad. Initiatives can also be taken to attract investors including Duty-free imports of equipment for setting up the support industry.

The same policy should also be applied in the Special Economic Zones to be established by the Government of Pakistan in line with CPEC initiatives with the objective to promote import substitution. In this regard, Sialkot can be a significant contender where SEZs could also be established considering the strong industrial base of the city.

Also, in order to provide a nurturing environment for the support industry to be established in Pakistan, the Government should actively pursue sending study delegations to Chinese Technology Exhibitions where the investors could study and learn about new technologies in manufacturing.

- Although, creating a brand to match the stature of Nike and Adidas is a long shot but the industry needs to start from somewhere as there are always markets and segments that are responsive to new entrants given the quality and design meet the latest trends. The industry of Sialkot produces for the same top brands and there is no doubt that it can produce the same quality under their own brand name. However, creating a brand is not an easy job as it would require heavy investments in designing, packaging, and marketing of the same products. Thanks to E-Commerce many streetwear brands are now entering the markets through online marketplaces like Amazon and E-bay. 'Sanabul' a promising brand making waves on online market places offers Martial Arts, MMA and BJJ Apparel and Equipment as is under the ownership of one of the top Sports Goods Manufacturers of Sialkot. Similarly, there are many other companies who have on their own created their own brands' thanks to the comforts and ease that is now being offered through Social Media Marketing and E-Commerce Strategies.

All that is needed by the industry is a little more push and motivation, to enter into projects like such to reach out to end-users and create their standing at a steady pace and eventually creating something substantial on click and mortar model in the future.

K. Conclusion

L. Bibliography

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