

Gowns are part of Home Textiles

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# A Shift in Politics Could Boost Pakistan's Home Textiles Business

By Warren Shoulberg



Imran Khan, expected to be Pakistan's next prime minister, has a long list of problems to address once he takes office, not the least of which is acting on his agenda in a country where the military holds so much power.

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But higher up on that list will likely be helping the country's textiles industry, specifically its home textiles suppliers which represent Pakistan's single largest export category.

That business has been threatened by chronic power shortages, uneven cotton crops and the public relations nightmare of being labeled a haven for terrorists, making "Made in Pakistan" a sometimes unwelcome label, particularly in the country's largest overseas market, the United States.

In 2016, the most recent numbers available, what Pakistan calls "house linens" accounted for slightly more than \$3 billion in exports—not including other finished products, like towels, or components, like yarn. The vast majority of that goes to the U.S., where Pakistan is the third largest supplier of home textiles products, after China and India. In some categories, such as more moderately priced sheets and bedding, Pakistan is often ranked No. 2 ahead of India.

Yet its share of the American market remains static and it has been plagued by both the specifics of textiles manufacturing and the country's perception in the U.S. While none may admit it publicly, several American retailers are believed to have unstated policies that they will not buy product made in Pakistan.

Home goods like sheets and pillowcases—as with many textiles goods in general—require three essential raw materials in their manufacturing process. The first is the fiber, either cotton or polyester in the case of bedding. Pakistan's domestic cotton crop has been consistently inconsistent and is generally considered to be of lesser quality than cotton from other suppliers, which has pigeonholed the country's production to lower-value products.

Khan made improving relations with China a cornerstone of his campaign and now he may be able to turn there for new cotton supplies. With what is believed to be the world's largest stockpiles of cotton, China offers Pakistan the opportunity for both more consistency and quality in its cotton supplies. This could make Pakistani products more attractive in the American marketplace.

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The second raw component needed in home textile production is power, which, in Pakistan, has been in chronic short supply for decades. Khan has mentioned a focus on better and more plentiful power throughout his campaign, and again, a closer relationship with China could mean investments that weren't possible before. China's One Belt One Road policy has been targeting infrastructure initiatives like power plants as part of the country's efforts to extend its influence beyond its own borders, and for Khan, this could be just the power play he needs.

The third element in home textiles manufacturing is water, for which the Chinese connection could also come into play.

Taken together, Pakistan's expected closer ties with China have the potential to have a positive impact on its textiles industry. But the problem may yet be improving the U.S. perception of Pakistan. And either way, Pakistan is preparing to put its eggs in other baskets.

Khan has not been particularly pro-American in his political stance, and while the country's home textiles business is dependent on its U.S. exports, it may look to China as a new market for its products.

Should Khan prove successful in diminishing Pakistan's image as a terrorist haven, however, the country could become a more desirable supplier for the American market. Whichever scenario plays out, Khan's election is likely to change the dynamics of Pakistan's home textiles business in the U.S.

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