

Textile and Apparel Employment, Trade and Economic Development in Pakistan

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The overarching importance of trade has been recognized as major component of sustainable development goal. Export oriented trade policies help a country in efficient distribution of resources, helps it to achieve internal and external stability and interlink different economies by mutual transfer of benefits. The present global value of Textile and Apparel (T&A) is US\$296.1 billion and US\$ 454.4 billion. The cumulative percentage share of T&A in world manufacturing exports is 6%and employing around 120 million which is augmenting its economic significance. T&A industries are prime export industries which helped low- income countries like Pakistan in uplifting socioeconomic growth by its industrial expansion. T&A industries accounts for 61% in Pakistan's total export and employed 40% of country labor. The provision of GSP-Plus status allowed duty free entry of Pakistan's commodities to EU. The LDC graduation of Bangladesh and potential decline in china exports provides Pakistan an opportunity to cater huge market of EU and USA. Given this new backdrop, this study will use a global computable general equilibrium model calibrated using latest social accounting matrix of Pakistan (SAM,2013) to analyze how T&A industry through international trade play a crucial role in creating jobs, promoting economic development, reducing poverty and income inequality in Pakistan. This extended model includes detailed information on country's labor and household groups from latest SAM and latest GTAP database using MyGTAP approaches. Preliminary results shows an impact on global supply chain of T&A. Results also show a positive impact on Pakistan's real GDP, sectoral export, sectoral import and household level.