

# PHASE II – RESEARCH ON THE GARMENTS INDUSTRY IN PAKISTAN



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## IN BRIEF

- » The textile industry is central to Pakistan's economy
- » Phase II of this project is a result of strong stakeholder demand following findings of Phase I
- » IGC researchers will expand firm coverage to Sialkot and enhance it further in Faisalabad by using a revised questionnaire to focus on what is now known to be important for further policy action
- » Based on this research, an apparel park is currently being developed close to Lahore, and GSP+ status was pursued

The IGC has come to play a strong role in developing a strategy for improving the garments sector in Punjab. Phase II of this project is a result of strong stakeholder demand following the findings of Phase I. There is also a need to develop the next generation of policy recommendations aimed at accelerating productivity growth and the move to higher value garments manufacturing.

Continuing the same methodology as employed previously, the IGC will conduct semi-structured interviews, based on a revised questionnaire, with randomly selected firms based in Sialkot and Faisalabad, Punjab. The team will also revisit some old firms to probe further on specific issues (e.g. the impact of GSP Plus status, the role of international collaborations, the barriers to relocating to proposed garments city, mapping paths to higher productivity). Researchers will also document most recent developments that have taken place in garnering government support for this sector, and steps being taken by the Punjab government to improve the performance of garments manufacturing which can be replicated by other provinces.

The recommendations from this project have now been formally adopted by the Government. Consultations with garment manufacturers and associations have been useful in formulating the right questions and in assessing the impact of government policies. The IGC has also played a key role in connecting these firm representatives to policymakers at the highest level with their concerns and seeking their input in formulating future policies.