**Export boost of Textile Industry of Pakistan by availing EU’s GSP Plus.**

 By Shah Mehmood Wagan

Student of Master in International Business at School of Economics and Management, Southeast University, Nanjing, China. Email: 1520907156@qq.com

**Abstract**

Pakistan is commonly known as agriculture based economy where vast areas of cultivated lands are producing cotton. This enabled to establish and flourish textile industries in Pakistan, therefore Pakistan is vital part of cheap and quality based textile products exporting country. Recently Pakistan is granted European Union's Generalised Scheme of Preferences (GSP) Plus status as a year from January 2014 by European Union because of that Pakistan's Textile exports surged to $14.22 billion in the fiscal year 2013-2014. This study main focus is on EU’s GSP Plus for textile industry of Pakistan to explore the effects and impact on the international trade, export and economy of Pakistan. The various issues and problems pertaining to the policy, strategy, trade, export and taxes are analyzed and discussed to come up with suggestions. Pakistan Textile sector made $14.22 billion (2013-2014 Jul-Jun) compared to export value of the previous fiscal year, reaching from $13.69 billion in the previous year (July 2012, June 2013). The country's textile exports have been shown in growth of 3.81% in fiscal year (2013 2014 Jul-Jun) as compared to fiscal year of (2012-2013 Jul-Jun). The key motive behind the growth of textile exports is the national GSP plus successful from Jan 2014 because of textile export to the EU which is increased by 18% to reach $ 5 billion figure for the first time in Pakistan history because of the GSP plus status granted by the European Union, and textile exports to the left of the globe fell by 3.5%. Seeing this textile export Pakistan government is ready for a 5-year program to grant subsidies for the textile sector. Under the latest planned textile strategy (2014-19), textile industry will be rewarded. Followed by the strategy, textile exports will increase over the next five years, $ 26 billion, in addition to the creation of employment opportunities.

**Keywords:** European Union's GSP Plus, Textile Export, Fiscal Year, Textile Industry of Pakistan.

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