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ABSTRACT

The textile industry is the backbone of Pakistan's economy with a status of the largest industry and with comparative advantage of resource utilization. Trade in textiles and clothing has remained highly distorted. For more than thirty years, tills sector was governed by special regimes: the Short Term Cotton Arrangement in 1961, the Long Term Cotton Arrangement from 1962 to 1973, and the Multi Fibre Arrangement (MFA) from 1974 to 1994. The MFA was a deviation from the general preferences of General Agreement on Tariffs and Trade (GATT). The Agreement on Textiles and Clothing was formulated in such a way that developed countries could essentially postpone the elimination of restrictions until 2005 since half of the products are to be liberalised only on the last day of the Agreement. Home textile products are an important value-added category of Pakistan's textile exports. It is obvious from the foregoing data that Home textile products exports from Pakistan have made steady progress since 1994-95 and have arisen from about 6.5% to about 18% of the total textile exports in 2002-2003. The Home textile products exports crossed the US\$ 1.0 billion mark for the first time in the history of Pakistan in 2002-2003. Credit for this commendable performance goes to all Home textile products exporters. It is most unfortunate that the European Commission (EC) has again imposed 13.10% anti-dumping duty on Pakistani Home textile products at a critical juncture when quota free regime (WTO) is commencing with effect from 01/01/2005. Home textile exports have a large share in total textile export and market of home textiles are targeting to

Europe and America. In these regions exporter exports on the quota basis and home textile exports affected due to quota elimination in these sectors after WTO's implementation.

This study is basically a descriptive study that is undertaken to get the perception of the home textile industry regarding the WTO and how the industry will face it as a combination of opportunities or threats and both opportunities and threats with same ratio. The ultimate goal; of the study is to find out that the basic factors or variables which can influence the home textile exports. Researcher selected 100 different units randomly located in different areas such as Karachi, Faisalabad and Lahore. The respondent of this study were the executives and the questionnaire is based upon the very important to least important ranking scale and Yes or No Questions. The methodology that is gain to be used for analysis is

a) Weighted Mean b) Percentage.

The conclusion drawn from the study is that the WTO will create both opportunities and threats. It will depend upon companies that how they made strategy to face the threats. It has been found that all respondents perceive the same degree of importance to factors (quality, Price, Quota, Tariff and non tariff barriers and government policies) in respect to their importance in post WTO regime. Pakistan has never realized its full quota in European, American and Australian markets. In fact quota realization by Pakistan has been around 70 per cent only.

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