

From Primary Production to Secondary Value: Scaling an Integrated Circular Textile Economy

Pakistan's textile sector lies at the centre of the country's manufacturing and export economy. During July-March FY2026, textile exports reached approximately [USD 13.5 billion](#) and represented [59.6%](#) of Pakistan's merchandise exports. This scale makes circularity an issue of industrial competitiveness, resource security and future market access, not only waste management. Yet sector planning remains concentrated on the primary value chain, while the secondary economy of imported and domestically generated used clothing moves through collection, sorting, repair, resale, repurposing, material recovery and disposal with limited integration into industrial, trade and municipal systems.

Used clothing is not inherently waste. Its socioeconomic and environmental value depends on product condition, intended use, traceability, suitability for reuse and the receiving market's capacity to manage the non-reusable fraction. The United Nations Environment Programme (UNEP) identifies changing consumption patterns, improving value chain practices and investing in infrastructure as mutually dependent priorities for textile circularity. Pakistan is also one of four countries under [UNEP's Circularity and Used Textile Trade Project](#), implemented nationally with the Sustainable Development Policy Institute, which is examining policy, regulatory, finance and investment priorities and a [context-sensitive distinction between used textiles and textile waste](#).

This distinction is increasingly important in international environmental governance. In 2025, the [17th meeting of the Conference of the Parties to the Basel Convention](#) placed used textiles and textile waste on its 2026-2027 work programme, including options for governing transboundary movement and differentiating reusable products from waste. Without fit-for-purpose classification, countries risk either restricting legitimate reuse and livelihoods or accepting low-quality material without clear responsibility for environmentally sound management.

The central policy question is how to transform secondary textiles from a fragmented, largely informal end-of-pipe activity into a governed value retention system connected with primary production. Expansion cannot be measured through volume alone. It must prioritise prevention, durability and direct reuse, followed by repair, refurbishment, repurposing and fibre recovery, while ensuring safe residual waste management and creating demand for recovered materials within domestic manufacturing.

This session will explore:

- Definitions, data and traceability: Context-appropriate criteria for reusable textiles, recyclable feedstock and waste; stronger customs classifications; and data across import, sorting, resale, recovery and disposal.

- Primary-secondary integration: Connections among manufacturers, brands, importers, collectors, repair enterprises and recyclers so recovered fibres and materials can re-enter domestic production.
- Infrastructure, technology and finance: Requirements for collection, grading, testing, sorting and recycling; investment-ready business models; technology transfer; and targeted support for circular enterprises.
- Responsible and inclusive expansion: Appropriate standards, producer-responsibility options, fiscal incentives and market-development measures that protect affordability, livelihoods, occupational health and environmental integrity.

The session will build a shared understanding of how Pakistan can connect its primary and secondary textile economies and identify actionable priorities for classification and traceability, industrial integration, infrastructure investment and inclusive governance. It will convene policymakers, manufacturers, used-textile actors, recyclers, municipal authorities, researchers, workers' representatives, financial institutions and development partners.

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