

**EVALUATING INTERNATIONAL COMPETITIVENESS OF COTTON
PRODUCTION IN PAKISTAN: A POLICY ANALYSIS MATRIX (PAM)
APPROACH**

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Cotton production in Pakistan faces many challenges ranging from its sowing to marketing. The marketing dynamics and price changes have significant impact on farmers' production and disposal decisions along with the level of internationally traded amounts. The results of the study are indicative of strong comparative advantage under import substitution scenario while cotton export has weaker advantage. Pakistan can benefit by focusing on increased domestic production in order to substitute considerable amount of imported cotton for saving foreign exchange.