



Conventional weaving sector of Pakistan: An Overview

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The cotton weaving industry of Pakistan offers various kinds of fabrics which include the famous greige fabrics. The Cotton greige fabric is an important intermediate product that is used to make many different types of textiles. There are more than one thousand ways in which greige cotton can be made, it all relies on the yarn weight, a number of threads used in the weft and wrap, and the interlacing pattern of yarns selected.

The pattern of cloth production is different than spinning sector and there are three different sub-sectors in weaving industry: Integrated, Independent Weaving Units and Power Loom Units. The investment in the shuttle-less looms both in integrated and independent weaving sector has increased gradually and this trend is likely to intensify further.

Table 2: Production of Cotton Fabrics (Mill-sector)

Year	Production (Million Sq. meters)
2009-10	1,009
2010-11	1,020
2011-12	1,024
2012-13	1,029
2013-14	1,036
2014-15	1,037
2015-16	1,039

Source: State Bank of Pakistan.

Table 1: Import of Weaving Machines

Machines	2015-16		2014-15	
	Quantity	Value	Quantity	Value
Weaving Machines (Shuttleless)	3,867	7,891	4,041	6,276
Weaving Machines (WD >30CM)	49	12	81	126
Power Looms Weaving (Exceed 30CM)	39	11	10	5
Other Weaving Machines (Looms)	535	703	553	1,058
Total	4,490	8,617	4,685	7,465

Source: Pakistan Bureau of Statistics.

The weaving sector is comprised of two types of setups. One is the organized mill sector and the other is the unorganized non-mill sector. Major known power loom clusters are in Faisalabad, Gujranwala, Gujrat, Multan, Karachi, Kasur and Jhang. However, Faisalabad is the biggest cluster in Pakistan. There are a substantial number of small units in this sector, which have 50 to 100 looms in single premises as one unit. The organized sector seemingly made a shift towards cotton spinning rather than make efforts to develop and modernize the weaving sector.

The textile industry of Pakistan has time and again proven its strength in the global markets. The quality of the cotton/textile products that are exported at the very competitive price is none to other in the world market. Weaving companies are adapting to the new standards and norms of the emerging global market by applying high-quality

standards and latest machines. The weaving sector is one of the most important textile sub-sectors in Pakistan. The world demand for textiles is rising, due to which there is a greater opportunity for a rise in exports from Pakistan.

The power loom sector is producing comparatively low value added greige cloth in the unorganized sector. The weaving capacity of the mill sector shrunk from 26,000 in 1978-79 to only 8,000 in 2015-16, the working looms were reported to be only 4,000. Thus, the organized sector seemingly made an all-out shift towards cotton spinning and almost completely gave up efforts to develop and modernize the weaving sector, the exception in this context is the denim weaving sector which had shown exponential growth.

Pakistan is now the 4th largest cotton grower in the world behind China, USA

and India. The local availability of basic raw material is considered to be an added advantage for the success of any export led industry, being a key factor in reducing the cost of doing business. It is encouraging that Pakistan ranks as the 3rd largest yarn spinner. The textile value chain consists of ten industrial sub-sectors. The value chain is quite long starting from cotton picking to a finished garment of the latest fashion. The end product of one subsector is the basic raw material for the other. Each sub-sector in the value chain contributes to value addition and employment generation. As the chain moves downstream, each link creates a larger number of jobs with relatively lower investments.

The diversification of the garments/made-ups sector is not possible without modernization of the non-mill-weaving sector. The modern weaving preparation machines and state of the art looms are necessary to upgrade the product quality, reduce production costs, strengthen the competitiveness and stabilize the operations so as to be more profitable.

Import of machinery

At present Pakistan's textile sector has made considerable advances in production capacity and capability during last few years. A remarkable progress of the power looms sector was seen and setting up of shuttle-less machines has resulted in high growth in fabric production and later on processing. At present, the shuttle-less weaving sector is believed to be the largest consumer of cotton yarn in Pakistan.

Year	Quantity	Value	Unit Price
	(000 Sq. Mtrs.)	(000 US \$)	(\$/ Sq. Mtr)
2009-10	1,787,659	1,800,055	1.01
2010-11	2,337,804	2,623,195	1.12
2011-12	2,066,558	2,442,483	1.18
2012-13	2,160,763	2,689,832	1.24
2013-14	2,520,516	2,769,986	1.10
2014-15	1,963,277	2,452,636	1.25
2015-16	2,106,014	2,213,859	1.05

Source: Pakistan Bureau of Statistics.

Import of textile weaving machines into Pakistan increased from Rs 7.46 billion in 2014-15 to Rs 8.62 billion in 2015-16 thus showing an increase of 18%. The imports of textile weaving machines into Pakistan are given in Table 1.

Production of cloth

The total production of cloth (Mill sector) increased from 1,020 million square meters in 2010-11 to only 1,039 million square meters in 2015-16. However non-mill loom sector accounts more than 90% of the total fabric production. As a result, the non-mill sector weaving capacity continues to occupy the predominant position. The growth of shuttleless weaving machines capacity in this sector has resulted in high growth in fabric production. The shuttle less weaving is believed to be the largest consumer of cotton yarn in Pakistan. The non-mill weaving sector, although quite large, contributes to the exports by way of the production of low-quality sheeting

fabrics. The production of cotton fabrics by Mill sector are given in Table 2.

Export of cotton fabrics

The textile sector enjoys a pivotal position in the exports of Pakistan. It contributes nearly one-fourth of industrial value-added, provides employment to about 40% of industrial labour force, and consumes more than 40% of banking credit to the manufacturing sector and accounts for 8% of GDP. The textile products have maintained an average share of about 58% in national exports, barring seasonal and cyclical fluctuations.

The global textiles and clothing trade has increased substantially since the post quota regime. However, Pakistan's share in the global textiles and clothing trade has remained stagnant due to changes in the distribution chain and also uneven playing field by the importing countries, through preferential trade agreements and special access provided to different competitor countries.



Pakistan has lost some of its competitive edge in international textile and clothing export market on account of high business costs and lower labour productivity. The demand for textiles and clothing in the world is around US\$18 trillion, which is likely to be increased by 6.5% per annum. Pakistan has emerged as one of the major cotton textile product suppliers in the world market, with a share of world yarn trade of about 30% and cotton fabric about 8%, having total export value as US\$12.1 billion, which is 58% of the country's total exports during 2015-16. The export of cotton fabrics from Pakistan decreased from 2.52 billion square meters worth the US \$ 2.77 billion in 2013-14 to 2.11 billion square meters worth the US \$ 2.21 billion in 2015-16, thus showing a decline of 20% in terms of value. The export of cotton fabrics is given in Table 3.

The country lost fabric markets in the US, Sri Lanka, Spain, Hong Kong, India and Vietnam. However major markets for Pakistan's fabrics are Turkey, Italy, Bangladesh, USA, and the UK. The country-wise export of cotton fabrics is given in Table 4.

Pakistan is the world's fourth largest cotton producer, but it is far behind Bangladesh on the list of textile exporting countries. It should be noted that Bangladesh does not even produce cotton. However, it still earned \$ 26.60 billion through textile export in the previous fiscal year. On the other, Pakistan was only able to earn \$12.10 billion.

The textile and clothing global share of Pakistan was only 1.52% last year. This reflects the poor performance of the country's textile sector. Last year, the Prime Minister took the notice of decline of \$377 million in the textile sector. The PM announced an incentive package of Rs180 billion. However, this year's performance was also unsatisfactory. This calls for an in-depth analysis to ascertain the reason for the decline in exports. The fact that Bangladesh is ahead of Pakistan should be an eye-opener for textile manufacturers. If the current situation does not improve, the country may lose the benefits of GSP plus.

The country must develop a focused approach to boost textile exports as they significantly contribute to the country's GDP. The grey areas, if any, must be addressed to further enhance exports. All shareholders must put in their best to boost textile exports for the economic survival of Pakistan.

Table 4: Country-wise Export of Cotton Fabrics

Value: (US \$ 000)

Country	2015-16	2014-15	2013-14
Bangladesh	488,390	444,368	433,525
China	154,364	232,308	312,686
Italy	152,209	157,170	180,860
Turkey	102,601	100,725	120,355
Germany	99,781	108,884	108,424
USA	82,572	96,062	106,819
Sri Lanka	78,353	88,852	92,355
U.K	62,217	69,389	91,993
Spain	78,368	83,617	91,825
Belgium	55,572	63,018	73,241
The Netherlands	62,273	64,462	72,300
Egypt	64,505	74,704	65,759
Portugal	72,610	68,321	64,462
Korea Republic	43,258	58,508	62,188
South Africa	37,567	41,884	55,806
Mexico	35,154	50,776	42,803
UAE	33,324	43,907	34,832
Vietnam	41,267	38,826	34,832
All others	469,474	566,851	724,921
Total	2,213,859	2,452,632	2,769,986

Source: Pakistan Bureau of Statistics.

References

1. All Pakistan Textile Mills Association (APTMA).
2. Pakistan Bureau of Statistics.
3. State Bank of Pakistan-Annual Reports.
4. Trade Development Authority of Pakistan. ♦

