

Weaving sector: Pakistan lost clothing export market

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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. The organized sector seemingly made a shift towards cotton spinning rather than make efforts to develop and modernize the weaving sector.

The pattern of cloth production is different than spinning sector and there are three different sub-sectors in the 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 continue.

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

Year	Production (Million Sq. meters)
2011-12	1,024
2012-13	1,029
2013-14	1,036
2014-15	1,037
2015-16	1,039
2016-17	1,043

Source: State Bank of Pakistan

Table 1: Import of Weaving Machines

Machines	Quantity: Numbers Value: Rs. Million			
	2016-17		2015-16	
	Quantity	Value	Quantity	Value
Weaving Machines (Shuttleless)	173	45	49	12
Weaving Machines (WD >30CM)	3,451	10,935	3,867	7,891
Power Looms Weaving (Esceed 30CM)	4	3	39	11
Other Weaving Machines (Looms)	771	1,249	535	703
Total	4,399	12,232	4,490	8,617

Source: Pakistan Bureau of Statistics

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.

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 in the mill sector 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.

Import of textile weaving machines into Pakistan increased from Rs 8.61 billion in 2015-16 to Rs 12.23 billion in 2016-17 thus showing an increase of 42%. 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 1,024 million square meters in 2011-12 to only 1,043 million square meters in 2016-17. 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 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



Table 3: Export of Cotton Fabrics

Year	Quantity	Value	Unit Price
	(000 Sq. Mtrs.)	(000 US \$)	(\$/ Sq. Mtr)
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	1.13
2016-17	1,961,685	2,136,417	1.15

Source: Pakistan Bureau of Statistics

share of world yarn trade of about 30% and cotton fabric about 8%, having total

export value as US\$12.1 billion, which is 56% of the country's total exports during 2016-17. The export of cotton fabrics from Pakistan decreased from 2.11 billion square meters worth the US \$ 3.15 billion in 2015-16 to 1.96 billion square meters worth the US \$ 2.14 billion in 2016-17, thus showing a decline of 28% in terms of value. The exports of cotton fabrics are given in **Table 3**.

The country lost fabric markets in the Bangladesh, Sri Lanka, Turkey, and Vietnam. However major markets for Pakistan's fabrics are Bangladesh, China, Turkey, Italy, USA and Germany. The country-wise exports of cotton fabrics are given in **Table 4**.

At present Pakistan is facing the problems of shortage of electricity, gas and increase price of raw materials. The load shedding along with increasing rates of gas and electricity have obstructed the viability of the textile industry as the exporters were unable to meet their commitments.

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. ♦

Table 4: Country-wise Export of Cotton Fabrics

Value: (US \$ 000)

Country	2016-17	2015-16	2014-15
Bangladesh	442,598	488,390	444,368
China	116,794	154,364	232,308
Italy	152,468	152,209	157,170
Turkey	41,700	102,601	100,725
Germany	96,356	99,781	108,884
USA	90,537	82,572	96,062
Sri Lanka	76,125	78,353	88,852
U.K	69,621	62,217	69,389
Spain	90,637	78,368	83,617
Belgium	61,022	55,572	63,018
Netherland	60,958	62,273	64,462
Egypt	50,772	64,505	74,704
Portugal	74,476	72,610	68,321
Korea Republic	37,230	43,258	58,508
South Africa	45,696	37,567	41,884
Maxico	37,614	35,154	50,776
UAE	32,172	33,324	43,907
Vietnam	36,311	41,267	38,826
All others	523,330	469,474	566,851
Total	2,136,417	2,213,859	2,452,632

Source: Pakistan Bureau of Statistics