Silver Fibre in the Economy of Pakistan

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Cotton is the backbone of the economy of many developing countries which are non-oil producing. It is "Currency for development", a food and feed for human beings and animals, and a source of livelihood for millions. It is a big foreign exchange earner of the third world. The share of the developing countries in the total world cotton output is nearly 55 percent and they continue to be the largest exporters of raw cotton, accounting for 50 percent of the world trade.[1] Nearly 170 million people of the third world are wholly dependent upon cotton and its allied industry for their subsistence and livelihood, therefore, it is interlinked with the development and prosperity of nearly 70 developing countries of the world.[2] Pakistan is foremost amongst the developing countries not only in cotton production but also in exports. It ranks sixth largest exporter of cotton after the USA, the Soviet Union, Brazil, Egypt and Turkey.[3] Pakistan has acquired the position of being the second largest exporter of raw cotton in the free world after the United States in 1980-81, contributing about 10 percent to the world export trade of the cotton.[4]

Pakistan's economy considerably depends on cotton which is the major cash crop. It provides income to about five million people and is the main raw material for textile industry, which is the largest industrial activity, accounting for 48 percent of the value added of large scale manufacturing and 27 percent of the employment.[5]

Export of cotton and its products constitute about half of the total export proceeds of Pakistan. The final products of cotton cloth

and garments also play an important part in planning for a better living standard of the people. Cotton and its products have also been a major source of Government revenues derived from excise duties and export taxes.

Cotton is grown in all regions of Pakistan but principally in Punjab and Sind. The area under cotton cultivation constitutes 10 percent of the total cultivated area in the country.[6] Since cotton is the silver fibre of the economy of Pakistan, it needs sound planning, improvement in quality, streamline of its marketing and utilization. Details of area, yield per acre and production from 1950-51 to 1979-80 are presented in table 1.

Table 1 : Area, Production and Yield per acre of Cotton 1950-51 to 1979-80

Year	Area (000 acres)	Index 1950-51 = 100	Production (000 bales)	Yield per acre (Lbs.)	Index 1950-51 = 100
1950-51	3,016	100	1,424	182	100
1954-55	3,136	104	1,600	197	108
1959-60	3,318	110	1,657	193	106
1964-65	3,624	120	2,139	229	126
1969-70	4,338	144	3,012	272	149
1970-71	4,283	142	3,051	279	153
1971-72	4,837	160	3,979	322	177
1972-73	4,967	165	3,947	312	171
1973-74	4,559	151	3,704	318	175
1974-75	5,019	166	3,567	279	153
1975-76	4,575	152	2,889	248	136
1976-77	4,608	153	2,446	208	114
1977-78	4,554	151	3,233	278	153
1978-79	4,672	155	2,662	223	123
1979-80	5,026	167	4,200	320	176

Source : (1) Government of Pakistan, 25 Years of Pakistan in Statistics 1947-1972, Karachi, 1972, p. 92.

(2) Government of Pakistan Economic Survey 1980-81 Islamabad, 1981.

The data presented in table 1 show that the area, production and yield per acre of cotton have progressively increased during the last three decades. The area under cotton has increased by 66% and yield per acre by 76 percent. Improvement in yield per acre depends upon several factors, of which, the contribution of better varieties is one factor while others are, improved crop production technology, better irrigation facilities, increased fertilizer inputs and efficient plant protection, with favourable climatic factors super imposed. Although this indicates a good improvement yet, the yields in Pakistan, as compared to other cotton growing countries, are still low, as the production per acre in Egypt and Turkey is more than double of Pakistan's production.[7] Table 2 shows the raw cotton exports since 1972 to 1980.

Table 2 : Raw Cotton Exports

Year	Quantity (000 Bales)	Value (Rs. million)	World Exports (000 Bales)	Pakistan's Share %
1972-73	851	1,167.0	21,120	4.0
1973-74	197	367.1	19,279	1.0
1974-75	1062	1,543.9	17,234	6.2
1975-76	420	980.5	18,669	2.2
1976-77	66	292.1	17,484	0.4
1977-78	492	1,101.8	18,888	2.6
1978-79	266	655.2	19,586	1.3
1979-80	1280	3,321.0	22,958	5.6

Source : Cotton World Statistics, October, 1980 Annual Report, State Bank of Pakistan, 1979-80.

The foreign earnings through export of cotton decreased in

1973-74, 1977-78 and 1978-79. Cotton prices in the International Market in March 1977 registered a steep decline because of good crop prospects in 1977-78 and a noticeable slackening to textile activity in most of the industrial countries. The price of Pakistan Cotton was quoted at 81.75 cents per pound in March, 1977. However, it came to 52 cents in December, 1977.

Pakistan last year (1980) registered its position as one of the major exporters of raw cotton and the country was among the top three cotton exporting countries. Export of raw cotton in 1979-80 reached an all time high in the decade earning Rs. 3,321 million, a significant increase of nearly 407 percent over the previous year's level of Rs. 655.2 million. The increase was a result of the rise in demand from China, Hong Kong, Japan and Bangladesh. Aside from this factor, the increase was also made possible by the efforts of the Cotton Export Corporation (CEC) and the private sector which was allowed to play a limited role by acting as commission agent to the CEC.

Export of raw cotton which had declined to its lowest level (Table 2), had made much more improvement in 1979-80. Pakistan's share in world export had increased from merely 0.4 percent in 1976-77 to 5.6 percent in 1979-80. Tables 3 and 4 show the total export of cotton manufactures.

Table 3 : Export of Cotton Yarn

Year	World Export (Metric tons)	Pakistan's Export (Metric tons)	Pak Share in World Export percent
1976	593,834	95,914	16.2
1977	521,600	46,716	9.0
1978	582,300	74,883	12.9
1979	626,300	88,759	14.2

Source : Cotton World Statistics, October, 1980.

Table 4 : Export of Cotton Fabrics

Year	World Export (Metric tons)	Pakistan's Export (Metric tons)	Pak. Share in World Export percent
1976	902,632	48,812	5.4
1977	838,861	35,986	4.4
1978	834,000	51,646	6.2
1979	923,700	58,707	6.4

Source : Cotton World Statistics, October, 1980.

Pakistan Cotton products have been subjected to restrictive and discriminatory treatment by the industrialised countries. The problem is faced by almost all the developing countries in respect of exports of manufactures. This has hit the economy very hard, for it has a narrow base with the largest single industry in Pakistan. However, considerable improvement with respect to both quality and value of cotton products has been witnessed. In 1958, cotton products contributed to Pakistan foreign exchange earnings merely by one percent. This increased to 37 percent in 1972-73.

In 1979-80, exports of cotton yarn and thread totalled, nearly to 102 million Kilograms valued at Rs. 2,108.10 million. In the year 1977-78, it had amounted to 62.2 million kilograms fetching Rs. 1,130.2 million. Exports of cotton cloth in 1977-78 totalled to 463.6 million Sq. meters valued at Rs. 1,741.2 million. The quantity exported has increased in 1979-80 to 546.8 million Sq. meters amounting to Rs. 2,416.8 million.

Pakistan exported 53.7 percent of the domestic production of cotton cloth in 1969-70 which further increased to 79.3 percent in 1974-75 and by 1979-80, the country was sending out 159 percent i.e. much more than local production in that year. However, the case with cotton yarn is quite different. In 1969-70, country was exporting 26.6 percent, in 1974-75, it constituted 21.6 percent and in 1979-80, nearly 27 percent of domestic output was exported.

Pakistan's share in 1979 in world trade showed improvement over the earlier year. With respect to cotton yarn, she was exporting 40 percent of total world exports in 1973 which fell to 9 percent in 1977, but by 1979, her share had risen to 14.2 percent. Export of cotton cloth in world trade was constituting 8 percent in 1975 which fell to 4.4 percent in 1977, but by the end of 1979, it reached 6.4 percent. From the above analysis, it can be visualised that raw cotton and its products contribute a larger share in the economy of Pakistan. Therefore, proper attention should be given to the following aspects to ensure higher productivity.

1. Cotton Staple

This refers to the length of fibre which is one of the mot important elements and the price of the cotton is, to a large extent, dependent on it. The larger the staple, the higher and finer the count of yarn it can spin. Cotton produced in the world for spinning purposes ranges from 13/16 of an inch to 1¼ inches.

If Pakistan wants to remain in the mid-stream in the world of cotton trade, it must produce the required quality. The chances are bright in Pakistan, if a concentrated effort is made. The first experiment in this regard conducted by the East India Company about two centuries back proved that Egyptian varieties could be successfully cultivated in Mirpurkhas area of Sind province.[8] An experiment was carried out over 18,000 acres with an Egyptian variety, "FATMI" and three years observations proved that it could grow well in this area. After independence, some work was done at Thatta.[9] It could not be very successful owing to dampness. Hence there is need for restoring the work at a more congenial place having same climatic and soil conditions like those of Mirpurkhas.

2. Plant Protection

The cotton crop is prone to attack by some major pests during its growing season resulting in considerable reduction in yield per acre. It was estimated by Ghouri (Survey and Forecast of Cotton Pest, P.C.C.C. Seminar on insect pest 1973) that Pakistan suffers a cotton production of about 16-20 percent, due to insect pests. Memon (Cotton and the Pest Control in Sind FAO/UNDP Consultation on

Pest Management Systems for the control of cotton pests 1975) estimated that normal losses due to insect pests in Sind were as high as 30-40 percent. Choudhry (Pest Control in Cotton, Cotton Production Seminar of ESSO Pak-Fertilizer—1976) indicated that insect pests damage the cotton crop to the extent of 32 percent.

The area of cotton crop which received plant protection cover by ground machinery during 1975-80 is given below :—

Table 5 : Spray[10]

Year	Area (in Lakh acres)	Area Actual (Lakh acres)	Spray	Percent Coverage
1975-76	45.75	6.79	20.37	14.84
1976-77	45.31	9.39	28.17	20.72
1977-78	43.80	9.07	27.21	20.70
1978-79	45.55	7.53	27.50	16.53
1979-80	50.00	3.10	8.51	6.20

In the context of table 5, the average area under cotton cultivation comes to 46.82 lakh acres out of which an average of 16.79 percent received plant protection coverage by ground machinery which is very low and could not make a visible impact on over all cotton production. The efficient agencies and institutions may be engaged for preventing the damage caused by the plant pests and diseases. The spray services may be extended for increasing cotton production.

3. Fertilizer

Due to varied conditions and cropping patterns in different cotton growing areas, fertilizer applications are modified accordingly. Though, the use of fertilizer in the country has considerably increased in the recent past, yet it is still low in comparison of Turkey and Egypt and needs improvement.[11] Further, it should be applied at right time and in prescribed doses.

4. Quality of Cotton

It is generally noted that quality of cotton has been deteriorat-

ing during the last few years. There was a time when a fair percentage of cotton crop could spin 30s or even somewhat higher without combing. Nowadays, about 20s to 25s is the best, and substantial amount of the crop actually spins much lower i.e. 8s to 12s. It is imperative that QUALITY CONTROL PROGRAMME should be introduced in the country. Quality Control must be **TOTAL QUALITY CONTROL** which means that the quality control function starts from the purchasing of raw material at the ginning and pressing stage to the point where the product is safely delivered in the hands of the customers. This would mean a proper application of the methods in testing, analysing and interpretation of the results. This is the essence of Quality Control which would not only improve quality of products but would reduce costs and reduce wastage, making the end products more competitive in the International Market resulting in bringing more foreign exchange earnings in the country.

5. Supervisory Role

There are different agencies looking after various operations at present. The Pakistan Central Cotton Committee (PCCC) and Provincial Governments are responsible for breeding programmes, the Cotton Trading Corporation (CTC) looks after ginning and procurement and the Export Corporation is concerned with exports. All these operations are interlinked. There is, therefore, need for organising a coordination of supervisory role in all these matters.

6. Improving Ginning Factories

The working of the ginning factories can, however, be improved if the old and badly-assembled machinery is modernised. It will improve the quality of yarn and also other manufactures. A proper organization should be installed so that the ginning industry be able to play a rightful part in the cotton economy.

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