Pareto Analysis on Textile Industry of Pakistan

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Abstract
This research investigates the Pareto Analysis on Textile Industry of Pakistan Data were collected 100 textile mills, in the form of unstructured questionnaire from the textile industry of Pakistan. The main respondents of the questionnaire were senior to middle level management located in Karachi, Hyderabad, Kotri, Nooriabad, Faisalabad and Lahore the for the purpose of this study yellow pages were used for identification and address of the respondents and web site of APTMA. From the 100 e-mail addresses, 10 were bounced and returned as either address unknown or not active anymore. Out of the remaining 90 respondents 48 agreed for the qualitative interviews in which respondents were met face to face in textile mills located in different cities of Pakistan. Response rate was 90% during this survey.

Introduction

The Textile Industry of Pakistan is the major player in the development of Pakistan's economy. It is considered to be one of the world's leading cotton producers. Till 1997, Pakistan was the world's largest exporter of yarn followed by India. Pakistan was the second largest exporter of textile made-ups, with Pakistan's bed wear exports having acquired a 6 per cent share in the global trade of textile made-ups in 1999 (Kazmi, 2003). Globally, the bed wear and linens sub sectors were the second largest in terms of production and exports, with 28 per cent share of the total textile made-ups market in 1999 (SMEDA, 2002). Pakistan was the second largest exporter, after China, of bed wear and linen with a 20.89 per cent share of this sub sector in 1999, up from 13.65 per cent in 1995 (Fatima M., Ahmed E., 2006).

In 1999-00 there were about 443 textile units, 8,477,000 spindles, 149,780 rotors and 9944 looms. In 2003-04 the number of

units increased to about 456, Spindles to 9,590,000 rotors to 146,640 and looms to 10,646. In 2005-06 again an increase in textile units 461, spindles 10,437,000, rotors 155,104 and looms 8747. Furthermore, in 2006-07 there were 567 units, 1198000 spindles, 11,809,000 rotors and 9000 looms (Mirza R. B., 2009). Furthermore, the figure 1 below describes the contribution of textile industry in Pakistan's economy.

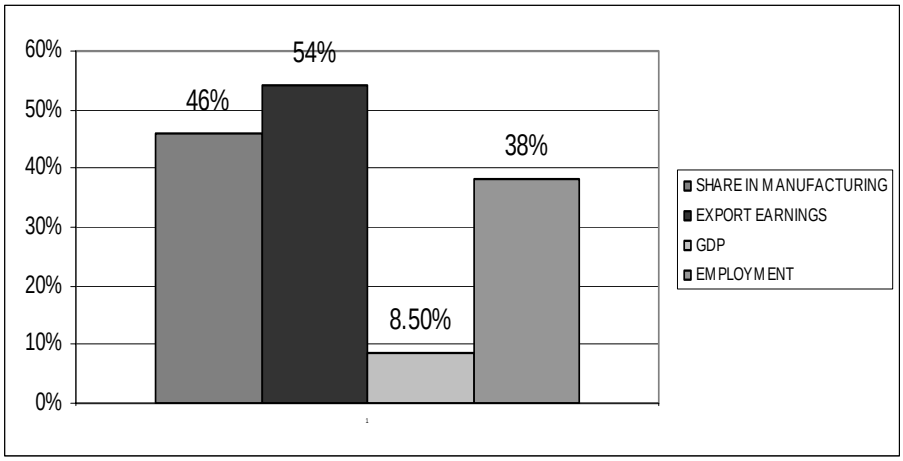

Figure 1 Contribution of Textile Industry in Pakistan Economy[1]

Textile industry of Pakistan is comprised of Ginning, Spinning, Weaving, Knitting, Printing, Processing, Dyeing, Hosiery, Made-ups and Garments. There are also some fully integrated composite units which are the combination of all the process and production under one roof. In Pakistan these sectors are mainly situated in Karachi, Lahore, Faisalabad, Hyderabad, Kotri and Nooriabad. For conducting research the above sectors were lumped together into four major sectors for compiling the qualitative data sectors shown in the textile value chain diagram. The selected sectors were; spinning, weaving (including knitting), dying and printing (including Processing and Bleaching) and Garments.

Ginning

Textile chain begins from Ginning. It adds value to textile by separating cotton from seed and impurities. There are 1221 Ginning

1 www.aptma.com.pk

factories in Pakistan of which 1075 are in the Punjab and the remaining 146 are in Sindh. The total capacity is approximately 20 million bales per year (assuming a 100 day ginning season). Against capacity, the total production of ginned cotton is 10.0 million bales suggesting an excess capacity of ginning in the country. Ginning is the sector which is first in the process of value addition leading to readymade garments or other textile products. Unfortunately, the ginning sector is out-dated and needs modernization.

Spinning

Spinning is the foundation process and all the subsequent value additions i.e. Weaving, Knitting, Processing, Garments and Made ups, depend upon it. Any variation in quality of spinning product directly affects the entire textile value chain. This sector of Pakistan is old and many of the units are as old as the time of partition. It is considered to be the most important segment in the hierarchy of textile production. The major concentration of industry is in Karachi, Hyderabad, Multan, Lahore and Faisalabad.

Weaving

Weaving is the textile art in which two distinct sets of yarns or threads, called the wrap and the filling or weft (older woof), are interlaced with each other to form a fabric or cloth. The warp threads run lengthways of the piece of cloth, and the weft runs across from side to side. Weaving can be easier and harder. Easier weaving means to make cloth and other objects. Threads or strands of material are passed under and over each other. Harder weaving is the process of making cloth, rugs, blankets, and other products by crossing two sets of threads over and under each other.

Today weaving ranks as a major industry in many countries. Weaving is often completed on high speed looms. But weaving is not limited to cloth and textile products. Weaving plays an important part in the manufacture of screens, metal fences, and rubber tire cord. Craft workers also use varied fibers to weave baskets and hats.

The patterns in the weaving sector is comprised of hosiery, garments, towels, canvas, and bed wear which are different from those of the spinning sector. The weaving sector has two different sub

sectors; Independent weaving units and Power loom units. Pakistan weaving sector produces five categories of woven cloth that are; Greigh, Dyed, Printed, Blended, Bleached. Major markets for Pakistani fabric are USA, EU, Hong Kong, China, Dubai and Turkey.

Processing

The processing sector in the textile value chain holds an important position as far as value addition is concerned. It has won world-wide recognition for producing cool and colorful lawns, which cater for the fashion needs of the people, both at home and abroad. Other fashion fabrics are silk, linen and man-made materials, which are generally blended with cotton. Garments and made-ups comprising the downstream industry rely heavily on the processing sector for the provision of value added fabrics and materials. More than 650 units are in operations majority of which operate at a small and medium sized scale. These units carry out processes including:

- Bleaching of Fabric
- Dyeing and finishing of fabric
- Printing and finishing of fabric[2]

Garments

The garment industry of Pakistan was started in 70's. With the passage of time and industrialization, this industry expanded very rapidly. Majority of units making cotton fashion garments are medium and small-size in terms of machines, workers and output, with a few notable exceptions and scattered throughout Pakistan.[3]

Garment industry has emerged as one of the important small scale industries in Pakistan. Its products have large demand both at home and abroad. The local requirements of readymade garments are almost wholly met by this industry. Its exports in 1999-2000 stood at US $ 772 million or 8.5% of the total exports. Garment industry is also a good source of providing employment opportunities to a large

2 Malik A. S., "Impact of Environmental Regulations on the Textile Sector of Pakistan", Country Paper Prepared for Expert Meeting on Environmental Requirements and International Trade October 2-4, 2002, Geneva.

3 "Garments and Made-Ups (Textile)", A Report by Small and Medium Enterprise Development Authority SMEDA, Government of Pakistan.

number of people at a very low capital investment. It mainly uses locally produced raw materials. Most of the machines used by this industry are imported or locally made and assembled.[4]

All sorts of readymade garments are made from cotton fabric and synthetic fiber. The production of garments and made-ups in Pakistan is concentrated mainly in Lahore, Faisalabad, and Karachi. These three clusters have their own specialties as Faisalabad caters more to Home textile, Lahore is the home of Knitwear, Karachi lives up to its reputation of being the mini Pakistan. The bulk of these garments are mainly exported to developed countries, like U.S.A., Europe, Japan and Australia. However, our country's exported readymade garments are inferior in quality in comparison with garments from India, Korea, Hong Kong, Taiwan, Philippines and Sri-Lanka.[5]

Pakistan's export of ready-made garment and apparel came up 5th position during 1999-2000. Current position of this industry is not spirited especially the trade liberalization has directed it to a point where it is extremely hard to stay alive because of numerous national & international problems.

Table-1
Issues in Textile Industry in Pakistan

S. No.	Issues of	Total Issues Per Sector	Selected Issues Per Sector	Total Counts	Selected Counts
1	Spinning	7	5	1031	792
2	Weaving	5	4	909	757
3	Processing	5	4	813	671
4	Garments	10	7	1868	1381
5	National	13	8	2061	1563
6	Global	22	16	3603	2888
Total		62	44	10285	8052

4 "Garments and Made-Ups (Textile)", A Report by Small and Medium Enterprise Development Authority SMEDA, Government of Pakistan.

5 Ibid

Table-2
Issues in Textile Industry in Pakistan

S. No.	Issues of	Total Issues Per Sector	Selected Issues Per Sector	Total Counts	Selected Counts
1	General	27	20	4621	3601
2	National	13	8	2061	1563
3	Global	22	16	3603	2888
Total		62	44	10285	8052

S. No.	Issues of	Total Issues Per Sector	Selected Issues Per Sector	Level of significance# Per Sector
1	Spinning	7	5	2
2	Weaving	5	4	2
3	Processing	5	4	4
4	Garments	10	7	6
5	National	13	8	7
6	Global	22	16	12
Total		62	44	33

Conclusions

There is a maximum correlation between PQW and FB which is only 35%, But by controlling the poor quality of water textile industry can produce desired shades of color, then even the foreign buyers are more conscious but at least they may not be able to argue on the difference in shades. A correlation of 24% between IC and FB, It means that there is an inconsistency of color/shades produced by processing units that can be controlled through the improvement in PQW as explained above. Furthermore, some necessary measures must also be taken into account to fulfill the requirements of the foreign buyers. Finally, there is a correlation of only 22% between AM and IC which shows that by upgrading the Antique methods of Dying and printing textile industry may also be able to produce the desired shades and the problem of inconsistency in color/shades may be solved.

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