

Tahir Jahangir

Faltering exports - the longer term for textiles

When India was partitioned “West Pakistan” had only two cotton yarn spinning mills and “East Pakistan” had no jute mills. Almost all our cotton and jute were exported and we would purchase fabric and clothing from all over the world. Today, what is now Pakistan, it imports about 50% of its requirement of cotton, and of course all the jute. We supply basic cotton textiles to the whole world. If you consider volumes, we are the biggest suppliers of cotton yarn, fabric, bed linen and towels in the world.

In the above fields we dominate the lower priced segment of the market. In volume and value of garments exported we are still way behind India, Bangladesh, China, Vietnam and of course, European countries like Portugal and Italy. In most garments price is only a consideration and quality, design and the brand are more important.

The writer is well-informed about the field of towels in particular and household textiles in general and can give an accurate assessment on what we have achieved and where we can progress in these fields. In the field of towels and “made ups” we are the biggest exporter by volume in the world. The product is such that it is ideally suited to our country. The raw material is short to mid staple cotton of which we always had aplenty until a few years ago. Our industry has grown to use all the 12/13 million bales of short to mid staple cotton that we normally produced. In the last few years, we have had a number of disastrous crop failures, only partially due to the floods this season. The reasons are manifold, but mostly to do with negligence and poor policy. However, that is a separate subject.

The industry was exporting about 50 million dollars of towels in the year 81/82, from there we grew to 250 million by the turn of the century and last year we crossed a billion dollars in exports. The growth rate for the years 2020/21/22 has been over 25% per annum! In the thirty odd years the industry has been transformed. The export of “made ups” has shown an equal rate of growth. That has also now grown in tandem to almost 800 million dollars. These are also items similar to towels but classified under a separate HS code. These are mainly kitchen towels, bar mops, wipes aprons, etc., largely produced by towel units.

In the field of bed sheets, we did not grow from small ill-equipped factories to bigger well-equipped ones. The trade was taken up by the large textile mills like Gul Ahmad, Mohammad Farooq and Nishat from the vey inception and they were better equipped, financed and had technical knowhow.

Hence, they got off to a better start and grew rapidly to get their share of the lower quality end of the world market.

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Top 7 Exporting Countries of World 2021

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US\$ '000' Ton US\$/KG

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India 4,276,390 286,980 14.90

Portugal: 726,153 49,222 14.75

Turkey 1,453,543 175,212 8.30

China 9,005,799 1,210,340 7.44

Pakistan 4,277,612 782,587 5.47

Bangladesh 726,153 No Quantity available

Viet Nam 260,856 No Quantity available

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Source: Trade Map

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Product: HS Code 6302 Home Textiles

Indian figures of value look suspect but we can see the volumes. HS Code 6302 consists of both bed linen and towels. The value of bed sheets exported is around three billion dollars. Their unit value is around six dollars a kilo whereas the towels are still below five dollars a kilo. There is greater value addition in producing printed duvet covers, bed sheets and pillows etc.

There is one inescapable conclusion, Pakistan gets the lowest values for its merchandise. Our volumes in Home-textiles are now quite respectable and probably as big as anyone else, yet the value per unit is the lowest in the world. This is even when we compare to India or Bangladesh. We are the cheapest country to buy from. Why?

- 1) We make our products from the worst quality of cotton in the world. It is short staple and brittle.
- 2) Most of our factories were poorly equipped and under- funded as compared to our Indian competitors who were established well before partition.

3) Perhaps the most important reason for all is the poor level of skills, education and training amongst our entrepreneurs, managers, workers and sales persons.

4) The perception that our country is a hotbed of fanaticism and is dangerous to travel in, and do business with. It is unreliable and prone to frequent manmade catastrophes.

Let's try to remove these drawbacks and we will be able to grow the value of our exports even if the growth in volume slows down. In value we have a long way to go before we catch up with our regional rivals, not to talk of the Chinese or European manufacturers. We need to overcome certain obstacles, including paucity of research and adaptation, without any further loss of time. This is something we need to do not just for our cotton, but wheat, rice, and all other agricultural produce. This will not cost much, but will require a seriousness of purpose and consistent support for a few years and then the whole process of knowledge enhancement begins to gather momentum and attracts its own resources.

Skill development in our workers and management will need better schooling, widespread technical skills training and enhancement institutes. Our emphasis up to now has been on developing, among other things, religious and Pakistan studies, law and the arts and languages. There are, for example, 176 medical colleges and universities in Pakistan but the number of textile varsities is just three. We need hundreds of institutes developing simple skills and imparting basic training to people. This will assist our poor labourers heading abroad as simple unskilled loaders and construction workers to get better wages as skilled workmen.

The lack of any diversification in our exports is striking. Even in the fields we dominate we have no clue of alternate fibers, like microfiber, vegetable fiber, silks, wool and linen. The country has the diversity to excel in all these and their development will give a much broader base to our textile industry as well.

Insofar as the last reason— the perception of our country as a terrorist state—is concerned, enough has been said and written about it for me to state the obvious.

(The writer is also the current Chairman of the Towel Manufacturers Association of Pakistan)