

The myth of quality in textiles

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After partition, Pakistan inherited only a few textile mills, despite encouraging growth in this industry. Field Marshall Muhammad Ayub era, for more than a decade, it was disadvantaged because it was an uphill job to install a new textile mill due to the requirements of getting a licence and permit which took months and years, particularly for a textile mill. A good feature was that the installation of spinning mills led to a number of weaving mills. During that period, quality shirting and clothing not only became available in the market, but also substantial quantities were exported during the Korean War. Later on, on account of changes in the government policy, a big dispute arose among labour and mill owners.

Many factories were closed and the textile mills managed to reduce the labour force by getting rid of weaving machinery. The result was that big industries suffered a setback and their export also fell.

Eventually, the licence and permit system for installing the industry was abolished and many new spinning and weaving factories were installed, but the weaving industry did not receive the patronage it deserved. Most textile mill owners limited their activities to producing yarn, which was easily exported and sold in the market at high rates, and getting more profit rather than working at a composite mill. However, the weaving industry started growing by inches with the result that the garment and home textile industries increased in number and started exporting at value-added rates and fetching higher foreign exchange. Even then, the spinning industry received the highest patronage compared to other value-added products. The growth of value-added industry

started during the quota regime due to the dynamic efforts of the Commerce Ministry and it would be a credit for this generation of textile mediators who, by hard work and intelligence negotiated bilateral agreements with USA, Europe, Canada and other developed countries.

Some wise men in the government, through enthusiasm and self-projection, persuaded the government to import foreign experts, on high remuneration, to advise the government on how to increase the export of textile goods. These doyens charged hefty fees from the Government in foreign currency and all of them like Jetro, Werner, Gherzi etc, etc, embedded a phobia in the government and polluted their approach, into thinking that the only panacea to increase textile exports was "quality" and quality alone. Since the last three decades, every government which has come, was of the voice that Pakistani textile export quality is third-class, poor and fit only for rags. These comments were not only contained to the extent of the government, but foolishly trumpeted throughout the media, both print and electronic that the textile products of Pakistan were low grade and extremely poor quality. This propaganda made Pakistan self-condemned. This was a big blow to the textile industry.

It was only due to the personal efforts of the manufacturers, after spending huge foreign exchange, that they convinced foreign importers, who started carrying out business with Pakistan and found the quality of our products of good standard. In the face of hurdles created by the government and competition by other textile exporters we gradually grew up.

No country of the world such as China, India, Bangladesh,

Indonesia, Vietnam etc has ever said that the quality of their products is inferior or worthless. This honour only goes to Pakistan that itself was propagating that its products were worthless and the machinery they had installed was junk.

I put a question to the government and all these foreign experts that when the quality in textiles was the only criteria, what was the reason that France, Germany, England, Switzerland, Italy, USA, Canada, Japan, which produce the finest products to have closed their textile industry. And why this industry is now dying in countries which were high-quality manufacturers? This proves that quality alone was not the criteria of higher exports. In all the developed world, practically every big manufacturer is now selling his machinery and equipment to developing countries like Pakistan, India, Bangladesh etc, etc.

It is now more than a decade that the growing inflation has increased the cost of our material and labour with the result that the buying power of not only those, in Third World, but even the First World is decreasing day by day. Considering the matter objectively, the demand of very high-quality linen is hardly 15-20 percent. The bulk export of the country is now medium or low-quality products. No doubt, paper-use has given a setback to textiles, but even then the demand for low and disposable textile products is increasing.

In Europe, USA and Canada and countries like Jeddah, Iran etc, we have observed that practically all that children wear is of low price, because the demand of these disposable products is increasing as a result of the uncontrolled rise in population. After every few weeks or

months, the garments are disposed or replaced in bigger size. Take the example of towel and made-ups. Despite paper products, the demand of these made-ups and towels is increasing in the world. For example, wash cloth, small square towels measuring 8-10 inches in length and breadth, are products with a reasonable demand. You will find five or six towels in a briefcase of foreign travellers, which are thrown out after use. Japan alone imports about 50,000 tons of such towels every year, which are disposed of after one use only. The demand of the entire world is fantastic. These are used not only domestically, but in hotels, motels, hospitals, hostels and statistics show that 50% of these towels are lost or damaged due to misuse, thereby increasing the demand day by day. Apart from that, these towels are in a great demand in the Third World. Every day we receive demands, asking for standard-quality and damaged towels for the use in those countries.

What is value addition?

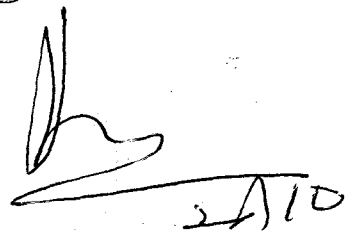
Without prejudice to any sector of the industry, the concept of value addition is not the basis of higher foreign exchange earning. There are a number of products, particularly in apparel sector where imported raw material is also used and this amount should be deducted from the value of the exported products. The net foreign exchange earning, after removing the cost of the imported material should be considered as value addition.

For a very high class of garments, you require very fine-quality yarn, which unfortunately cannot be made from the cotton produced in Pakistan. Naturally, Egyptian cotton, including man-made fibres or similar to that is imported as well as zips, buttons, labels and

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ALL CONCERNED

PL GIVE 10 MINUTES
TO READ THIS ARTICLE
IT WOULD OPEN NEW
VISTAS FOR CONSIDERATION



Signature and initials, possibly 'AID'.

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many others, on which a substantial amount of foreign exchange is used. All these costs should be deducted from the net amount of foreign exchange earnings to find out how much additional we have obtained.

If you have a lemon, make it lemonade

Pakistan is a cotton growing country, but fortunately or unfortunately, our cotton is of medium staple or short staple varieties. From this cotton, we produce good yarn of 20 count or even lower count. This yarn is classified and of course of quality. Its demand is very high compared to the finest yarn of 100 or even higher counts. Our yarn is very popular in the world market for producing home textiles, such as cotton towels, made-ups, bed sheets, upholstery and cotton apparel for the entire Third World. We produce, from this yarn, the best products of home textiles, particularly towels and made-ups, which have the absorbency and softness essential for these products. Moreover, no foreign exchange is required for weaving them except chemicals, dyes and other such materials. On the other hand, we require water,

electricity, gas etc in a big way which becomes more expensive on account of the various levies, excise duties and taxes on utilities resultantly making the cost of manufacture very high, making it difficult for us to compete in the world market. The home textile sector uses the lowest quality cotton. The entire products of cotton can be utilized in exporting home textile goods, instead of exporting the raw cotton at a cheaper rate.

Another feature of towel manufacturing is that this industry is based on yarn-forward, whereas other textile sectors are mostly fabric-forward (except hosiery products, where there is some portion of yarn-forward). As a yarn-forward sector, towel manufacturing involves a greater number of production processes including sizing, winding, weaving, washing, dyeing, cutting, stitching etc. The larger number of production processes makes towel manufacturing labour-intensive. Hence, in the production process, a cross-section of men and women are employed and greater energy, electricity, and gas is utilized.

Conclusion

Therefore, we request the government and the bureaucrats who

make Export Policy to drop the phobia of value addition because of the following:

1. The demand of high-priced quality has fallen and now hardly 15% of the population use these materials.

2. If quality would have been the standard of thinking, why is the textile industry dying or nearly dead in the developed countries?

3. There is more money in producing disposable products such as children's wear, towels and bed sheets, upholstery, curtains, comforters for which there is an insatiable demand in the Developed World, as well as in Third World countries.

4. The government should patronize and give incentives to such textile products where the import element is less and the maximum raw material is of Pakistani origin since no foreign exchange is required for producing them.

In conclusion, we hope that the government should pay more attention towards quantity instead of quality.

Here, I must state that I do not propagate that quality should be sacrificed. On account of CBR, global recession and uncontrolled

inflation, the demand of quality goods has now shrunk. As such, we should try to maintain our major share in this market as well and should not ignore the disposable cotton products of cheaper value and standard quality. By this way, we will not only increase our exports, but also convert the entire raw cotton produce into value-added products, which can be exported easily. In this way, we may bring the targeted foreign exchange in the Country.

Considering whatever has been written, we would request the government to include the home textile, particularly towels and made-ups in the 3% drawback category on account of being the highest consumers of gas, crude oil, diesel, furnace oil, mobile oil, water and various other taxes and charges imposed by the government, making us more eligible for higher duty drawback compared to other products, which use these utilities far less than towels and made-ups etc.

I think that now the "myth and phobia" stands fully exposed and the government and other agencies can realise the importance of patronizing the home-textile, particularly towels and made-ups.