

Presentation by Mr. Muhammad Mohsin
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at the SDPI-UN-TIHP workshop
“What comes after the quota went?”
Human development effects of the ATC expiry”
Islamabad, November 21-22, 2005

01. With the complete phase-out of quotas, the Textile & Clothing Sector has been experiencing another global revolution. This trade liberalization process is creating huge uncertainty among textile producing countries, workers and enterprises worldwide. It has increased fears and hopes in both importing and exporting countries. However, it is certain that some countries would benefit from the opening of markets, while others would encounter growing difficulties as a result of increased international competition. The magnitude of gains and losses is a matter of considerable debate. As a result of changing global buyers' strategies, there would be considerable consolidation of production, both between countries and within countries.

02. Growth of world population and the consumption patterns in developed countries has a marked effect on the global composition of trade of textiles and clothing. Which has also undergone significant changes. According to WTO estimates; with the elimination of quotas the total trade of textiles and clothing will exceed the US \$ 500 billion mark. The growth will be driven by the clothing sector, which will constitute almost 70% of the total trade. Clothing imports across the board are increasing at a faster rate than textile imports. This pattern is expected to continue.

03. The apparel/clothing segment is the highest value added link in textile value chain. The dynamics of world trade of apparel and its marketing aspects, as well as analysis of Pakistan's export market and its competitor analysis can be studied more appropriately, Pakistan with total Apparel exports of US \$ 2.71 billion in 2003 has a meager share of 1.2% in the global apparel market. In 2004-05 the overall growth in the Apparel exports has been approx. 29%, at the level of US \$ 993 million in 2004-05. The growth in the apparel sector of Pakistan has been consistent over, last 3 decades. The Pakistani apparel exporters/manufacturers have kept their focus on producing only traditional products. Product development is considered to be a high-risk activity in the business circles.

04. Human capital formation for the textile industry development is the most critical area of intervention. In order to achieve high degree of value addition through making the apparel and textile made-ups sector the engine of exports growth, focus has to be laid on structured training programmes with the objective to ensure a consistent supply of well equipped manpower. The highest value addition in the textile sector can only be achieved through a rapid development of manpower, equipped with the requisite skills to enable the country compete in international markets. Three major areas that would require organized training in the apparel sector include:

Apparel Designing:

05: The apparel sector of Pakistan has relied on re-active marketing of its products. Due to the lack of training facilities and skills to indigenously design apparel products the industry has not been pro-active in marketing its products internationally. Such a strategy leaves a

large part of the international garment markets untapped and also inaccessible by the local manufacturers. Only formal training in garment designing in line with the fashion trends will enable the apparel sector to realize its full potential.

Apparel Stitching:

06. Since the stitching of garments is labour intensive process the productivity has a strong correlation with the skill and efficiency of the worker. Global studies have estimated that the productivity of Pakistani stitching worker is less than that of Bangladesh, Indonesia and China. To compete with these countries in the global markets, the apparel industry will require training to employ efficient methods of production through worker skill enhancement, wastage reduction and consistency in quality.

Merchandising and Marketing:

07. The success of an apparel unit is dependent upon the strength of its merchandising and marketing team. The progressive manufacturers and exporters use the services of business graduates to achieve this end. Most of them have to go through on the job-training programme for developing basic understanding about the textiles. There is need to develop human resource equipped with business skills and basic knowledge of textiles so as to enable them formulate export marketing plans by taking into consideration the global consumption and demand patterns. There is a huge shortage of facilities to enhance labour skills and produce competent supervisors who have in-depth knowledge of processes and hands-on experience. The existing institutions, which are involved in such training programmes, are in dire need of restructuring to up-date their syllabus and upgrade the training equipment.

08. The thrust of impact of both globalization and liberalization of trade is very strong. In the developing economy in south East Asia the Government are concerned that the job creation for additional posts have slow down then anticipated. There are job losses in Clothing Industry while there is opportunities for additional job in basic textile or in Bed wear and made up Textile Sector. In this process of transformation of jobs both with intra sub sector of textile industry or within the sub sector it self-need attention of Government for training and skill development programme, which can help the industry not only to sustain its present position but also to gradually move for progressive growth in future. It is therefore proposed that a comprehensive programme of re-training the existing workers for change over to other sub sector as well as development of skill and education programme for more value added sub sector of textile industry have to be organized to fill up the gap for specialized jobs like designing, fashion assessment, marketing and product diversification.

09. In order to improve labour management productivity, Government took the initiative and established different (13) Textile Institutes from E.D.F. There are Two Universities and Three Institutions awarding education up to B.Sc. and M.Sc. in Textile Technology and 10 Institutions imparting training in different field of textile & clothing.

10. In nutshell all the Textile Institutes are facing problems of syllabus/curriculum, getting well qualified faculty members, provision of testing facilities, teaching of quality control methods, environment friendly techniques, shortage of books in the library and shortage of funds for recurring expenses.

The following suggestions are made:

- a)** The institutes should concentrate on hiring the best available faculty the Technical Training Institutes should take benefit from successful models of China. Pakistan's Commercial Counselor SHANGHAI may be approached to send the curriculum/syllabus of China Textile Training Institutes, which should be adopted Pakistani Institutions. The faculty members should be sent to China for getting training in he appropriate field.
- b)** Another option could be that for the preparation of curriculum, syllabus it should be out sources, for which funds should be provided by E.D.F.
- c)** Retired/professional instructors from world renowned institutions may be hired for which payment should be made form E.D.F.
- d)** Affiliation may be obtained from the Institutions in China -Hong Kong – Japanese U.K. U.SA. And France etc.
- e)** Nominee of Technical Board of Sindh, NWFP & Balochistan may also be taken as Members of Textile Garments Skill Development Board for getting their advise about affiliation.
- f)** In this regard estimates may be prepared by EDF/EPB after approaching the local/ foreign institutes. They should also plan 3/6 monthly course at factories/sites and stipends be paid to trainees by Institutes/Factory owners and funds if, required be paid from E.D.F.