
Impact of Textile Industry on Pakistan Economy

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Abstract

This research investigates the Impact of Textile Industry in Pakistan's economy. Data were collected from 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 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. It was revealed that textile industry has contributed.

Key words: Pakistan, textile industry

Introduction

Pakistan's economy depends upon its various sectors out of which textile is the most important sector because it contributes about 65 percent of our national exports, 46 percent of Industrial production, 38 percent of employed Industrial work force and 9 percent of Gross National Product (GNP), (Liaquat & Hassan, 2005). This sector has now gone through transition, moved from Multi-Fiber Agreement (MFA) to the quota free regime governed by WTO, effective from 2005. There are tremendous opportunities for countries that have prepared themselves for this eventuality. The move to free trade means that only those countries that have comparative advantage in textile will be significant players in international textile market. In Pakistan, substantial investment has been made in this sector over the last few years to capture these opportunities. Textile

manufacturers and exporters of Pakistan should be geared up to face challenges of quota free environment, (MTDF Medium term development Framework 2005–10). Therefore it was found necessary to eliminate the weaknesses and highlight the ways to improve the performance of our textile industry to compete in the international market. In this connection this research is aimed at finding the effects of trade liberalization on textile industry of Pakistan.

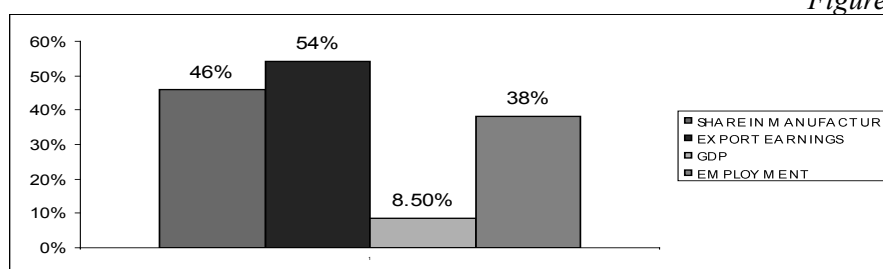
The Textile Industry of Pakistan

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 table 2.1 below describes the contribution of textile industry in Pakistan's economy.

Contribution of Textile Industry in Pakistan Economy¹

Figure 1



1. www.aptna.com.pk

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 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 warp 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 fabric¹

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 Pakistan².

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

1. 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.

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

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 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 assembled¹.

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-Lanka².

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 problems³.

World Trade Organization

The World Trade Organization (WTO) deals with the rules of trade between nations at international level. It is termed as an organization for liberalizing trade, a forum for governments to negotiate trade agreements and a place for them to settle trade disputes. It operates a system of trade rules and is a system that helps the member governments in sorting out their trade problems⁴.

The major purpose of WTO is to assist free flow of trade by removing obstacles. Furthermore, the WTO's work is dispute settlement. Trade relations often involve conflicting interests. Agreements, including those painstakingly negotiated in the WTO system, often need interpreting. The most harmonious way to settle these differences is through some neutral procedure based on an agreed legal foundation.

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

2. Ibid

3. Ibid

4. www.wto.com.org

That is the purpose behind the dispute settlement process written into the WTO agreements¹.

The most important and fundamental principle of WTO is non-discriminatory treatment that is known as Most Favoured Nation Treatment (MFN). Any advantage, favor, privilege or immunity granted by one WTO member to another (such as lower customs duty to one) has to be granted immediately and unconditionally to all other members². WTO rules oblige member countries to ensure transparency in their foreign trade regimes by requiring them to publish all laws, regulations, measures and administrative decisions affecting trade. The publication of laws has to be done in a manner that allows importers, exporters, consumers and investors to be aware of them. Transparency is also ensured by requiring member countries to submit periodic notification to the WTO secretariat on different aspects of the trade regime.

GATT and the Rounds of Negotiations

The WTO was born out of negotiations, and everything the WTO does is the result of negotiations. The bulk of the WTO's current work comes from the 1986–94 negotiations called the Uruguay Round and earlier negotiations under the General Agreement on Tariffs and Trade (GATT). The WTO began life on 1 January 1995, but its trading system is half a century older. Since 1948, the General Agreement on Tariffs and Trade (GATT) had provided the rules for the system. The last and largest GATT round, was the Uruguay Round which lasted from 1986 to 1994 and led to the WTO's creation as shown in the table 2.2 below.

Rounds of Negotiations³

Table 2

Year	Place/ name	Subjects covered	Countries
1947	Geneva	Tariffs	23
1949	Annecy	Tariffs	13
1951	Torquay	Tariffs	38
1956	Geneva	Tariffs	26
1960–1961	Geneva (Dillon Round)	Tariffs	26
1964–1967	Geneva (Kennedy Round)	Tariffs and anti-dumping measures	62
1973–1979	Geneva (Tokyo Round)	Tariffs, non-tariff measures, “framework” agreements	102
1986–1994	Geneva (Uruguay Round)	Tariffs, non-tariff measures, rules, services, intellectual property, dispute settlement, textiles, agriculture, creation of WTO, etc	123

1 www.wto.org.com

2 Ibid

3 www.wto.org.com

The WTO replaced GATT as an international organization, but the General Agreement still exists as the WTO's umbrella treaty for trade in goods, updated as a result of the Uruguay Round negotiations. Trade lawyers distinguish between GATT 1994, the updated parts of GATT, and GATT 1947, the original agreement which is still the heart of GATT 1994.

Liberalization and the Integration of International Trade into WTO

The major principle of WTO is progressive liberalization of trade. This principle is rooted in the belief that the removal or reduction of trade barriers results in an expansion of international trade that is to the benefit of all countries. During 90s the Latin American Countries liberalized their economies, which resulted in a significant increase in their imports, (Ine's, 2003). According to Roberts & Thoburn," Firms have been most successful where technological capabilities based on the domestic market provided a foundation for export competitiveness. There are indications that with the restructuring induced by liberalization the textile sector are in a position more effectively to exploit its competitive strengths in international markets". The study by Deny recommends that industries reorganize production process to increase efficiency, which will allow them to compete effectively in the new global trading environment, (Lewis & Griffith, 2002).

On 1 January 1995; each party integrated into the GATT products from the specific list in the Agreement which accounted for not less than 16 per cent of its total volume of imports in 1990. Integration meant that trade in those products were governed by the general rules of GATT. At the beginning of Phase 2, on 1 January 1998, products which accounted for not less than 17 per cent of 1990 imports were integrated. On 1 January 2002, products which accounted for not less than 18 per cent of 1990 imports would be integrated. All remaining products were integrated at the end of the transition period on 1 January 2005. The integration process can be seen from table 1. At each of the first three stages, products were chosen from each of the following categories: tops and yarns, fabrics, made-up textile products, and clothing.

Liberalization and Integration of International Trade in T&C¹

Table 3

Stages	Year	Liberalization (in %)
Stage 1	1st Jan 1995 to 31st Dec 1997	16
Stage 2	1st Jan 1998 to 31st Dec 2001	17
Stage 3	1st Jan 2002 to 31st Dec 2004	18
Stage 4	1st Jan 2005 Full integration in WTO	48

1. www.wto.org.com

Trade Liberalization and Textiles

Textiles are among the first manufactured products an industrializing economy produces. They played a critical role in the early stage of industrialization in the United Kingdom, parts of North America and Japan, and more recently in the export-oriented growth of the East Asian economies (Yang and Zhong, 1998). Hong Kong (China), the Republic of Korea, and Taiwan (Province of China) relied heavily on T&C products for their exports from the 1950s to the mid-1980s. As these economies scaled up their industrial development toward more capital-intensive and high-tech manufacturing products, Southeast Asian and South Asian developing countries and LDCs started to join the race¹.

Data Collection Methodology

In the first phase of study the qualitative data was collected 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 major objective of the interviews was not only to collect the information to document the different strategic factors, but also to examine the factors influencing the success of textile industry of Pakistan in the quota free regime.

At the first stage, an e-mail invitation was sent out to the 100 textile mills, the address was found from yellow pages and web site of APTMA. From the 100 e-mail addresses, 37 were bounced and returned as either address unknown or not active anymore. Out of the remaining 63 respondents 48 agreed for the qualitative interviews in which respondents were met face to face in textile mills located in different cities of Pakistan.

Data Analysis and Discussion

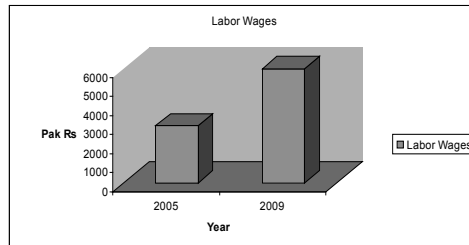
Identified National Issues

High Cost of Production

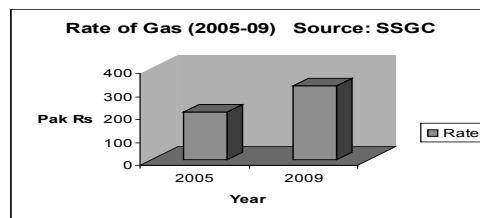
In Pakistan the cost of production has climbed very high which has also affected the textile industry. Some of the textile units have been shifted to other countries like Bangladesh & Sri Lanka to avail the low cost benefit. The change in the prices of different factors and utilities used in the production is shown graphically below:

1. Adhikari R & Yamamoto Y, The textile and clothing Industry: Adjusting to the post-quota world, online available, www.un.org/esa/sustdev/publications/industrial.

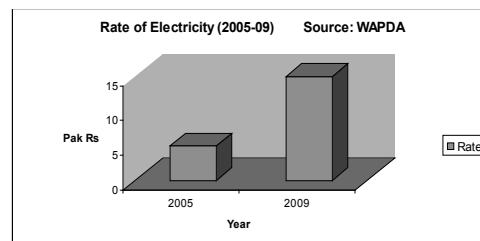
High wage rates



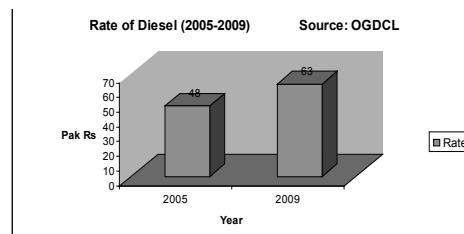
High gas charges



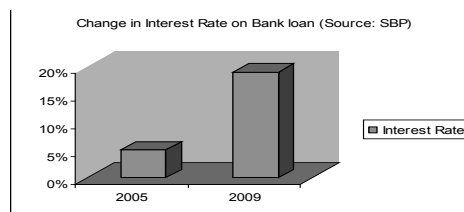
High electricity charges



High oil prices



High interest rate



Industrialists are highly risk averse

Industrialists of Pakistan are unwilling to take the risk of value addition. As there are several stages in the textile chain and in every stage there are plenty of problems. So the owners of spinning & weaving units are satisfied from what ever they get by only exporting yarn and fabric. They find their earnings enough rather than taking the risks of going through complete textile chain even the revenues from exporting finished product are four times higher.

Lack of training programs

There must be some training programs to bring awareness in the landlords & farmers so that they may be able to produce cotton according to the required international standard and spinning units to produce superior quality of yarn

R&D facility of 6% has been withdrawn

R&D is the most valuable instrument to provide awareness about the international brands and we can also introduce new brands that should be parallel and equivalent to the international brands.

No collective method for solving the industrial problems

There is no one capable enough to come in front and talk for the industry rights internationally because every one is busy in trying for his own survival. There are no any united ways of dissolving the textile industry problems.

Changing name from EPB to TDAP is not the solution

Solutions may not depend on changing the name from EPB. (Export Promotion Bureau) to TDA (Trade Development Authority), because the faces are same only the designations have changed. The main story is about the innovative policies that have been prepared since very long but still unimplemented.

Textile / Garments City project can be a powerful tool

Textile/Garments City project in Karachi has thought out by some policy makers to be a great move towards the up gradation of textile industry but when estimated practically it has been found ineffective. This project is expected to destroy our running business and consequently, will affect the economy. There is already a limited availability of resources that are not enough for our existing industry. Therefore, this project is predicted to eat up all the existing resources that are utilized by current factories. Affecting the current running industry means decreasing the source of employment and remaining export earnings that has already declined.

Industrialist shifting business to other countries

The major issue is the current situation of the country, as the industrialists always have a tension and stress that anything unusual may occur unexpectedly. Furthermore, due to the economic instability the investors are unwilling to invest in our country. Therefore most of the investors have shifted to other countries

Lack of funds

In the current situation of trade liberalization it is very much important to grow in parallel with the other competing nations, this requires not only equivalent but even more amounts of funds that are missing in the story of our textile industry because whenever Government plans for huge amounts of investment the banks are in short of funds and sometimes due to a change in political scenario funds were blocked till the new policy from the newly established Government is announced.

Labors shifting to other countries

There is a high inflation in Pakistan and the wages of labour are very limited. Furthermore, the skilled labors are disheartened due to the frequent closure of many textile units in Pakistan. The textile units which are trying to survive have reduced the number of labors as well as started hiring people on low wage rates. Therefore, most of the skilled labors have moved to other countries i.e. Saudi & UAE.

There is a huge paper work which takes a great time

If a factory is willing to export, it has to go through a lengthy procedure that requires a huge paperwork. It takes a great time to complete the documentations. Due to such delays the orders are cancelled.

Lack of interaction between Industry & Academia

One of the most important problems faced by the textile industry of Pakistan is the lack of interaction between industry and academia. Universities are the place where research is conducted on regular basis on the current on going issues, which is very much helpful to solve problems and provide innovative polices to bring drastic changes to compete with in current situations. But unfortunately there is no any linkage between them.

Constraints for the Industry

There are some Government departments that serve as constraints in the success of textile industry of Pakistan. According to the industrialists these departments do not only serve as a constraint but rather are evils for the industry. These departments are; EOBI (Employees Old-age Benefits Institute), Fire, CDGK (City District Government of Karachi), Civil defense, Sales tax, Customs, Income tax, EDF (Export Development Fund).

Identified Global Issues

Removal of Quota

Removal of quota is the major issue that has affected the textile exports. Before the quota free regime each country was assigned a quota that they were easy to fulfill. Removal of quotas provided an open competition; the race in which only those were able to win that prepared themselves according to the rules and regulations of WTO.

Awareness about the trade liberalization

For most of the local industrialists trade liberalization seemed to be a confused and disastrous era. They were able to cope up with the situation if they were properly educated in advance.

Worse image of Pakistan internationally

Country's international image is very important for international trade. But Pakistan's international image has worsened resulting in reduction of export orders. Foreign buyers are unwilling to come to Pakistan. They have found other potential markets such as Bangladesh, Srilanka, India and China thus the number of orders for Pakistani textile mills have declined.

Restriction of EU to buy raw material from them

During the post quota era the textile industry used to procure raw material from china or other countries where it was cheap, but now the EU has restricted through some quality issues to buy the raw material from him.

Therefore, we have shifted from Chinese & other underdeveloped countries raw materials to EU expensive raw materials otherwise we are threatened that our orders will be cancelled. This has again increased the cost of production (these raw materials were colours & dyes).

Lack of ETP (Effluent Water Treatment Plant)

Internationally the export of processed cloth from a factory without ETP is not acceptable internationally in the era of trade liberalization. In Pakistan most of the factories do not have ETP. Those who are using found it very much expensive and that still it is not equivalent to the international standards. Only about 2 to 4 per cent of the mills may have the ETP which are according to the international standards.

Evaluation of factory

In the pre quota era there was no any evaluation of the factory by the international buyers. Now international organizations come to audit the factory and charge audit fee that is very high. Initially there was only one audit but now there are even more e.g.; First audit is “A class” then “B class” and even then “C class” audit and so on, hence the parameters have increased. In garment sector “Garment tests” are also conducted. They are conducted in other countries like Singapore, Thailand etc. An example is a IKEA which is an all rounder factory of Sweden which conducts these type of audits. It is believed that these are all hurdles for the textile industry.

Delay in delivery

Foreign buyers have become more time conscious. Nowadays due to a delay in delivery they may cancel the order. Sometimes penalties are also paid on delay. Sometimes the shipments are sent back because of delay.

Lack of diversification in the direction of trade

Most of the exports from Pakistan are reserved for EU and US, after the presentation of policies by WTO our exports have declined. The reason is much better quality products from the competitors. Therefore the textile industry of Pakistan should change the direction of trade by finding out the other potential markets rather than depending on the two traditional markets of EU and US.

Only developing country to sign the ILO conventions completely

Pakistan is the only country in the underdeveloped world that has signed the ILO conventions completely but we are incapable to apply them, consequently our exports are affected.

Millions of dollars spent to destroy Pakistan's image internationally

The competitors have spent lots of money to destroy Pakistan's image in the international markets. It is expected that the reason behind the terrorism and worse law and order situation of Pakistan is a part of planning of competitors, so that the foreign buyers may not even think to conduct business with Pakistan. Plus the international media has also played a negative role to destroy Pakistan's image.

Quality Issues

In terms of international standard major issue is faced by our Garments industry because they are supposed to send every item used in the finished product i.e. Zip, Button, Thread, and Labels etc. to the International Quality & Standard verifying companies abroad to confirm that it does not carry any substance harmful to human skin which is a very expensive process

Labor-intensive production

In the post quota regime exports from Pakistan are also subject to restrictions due to the highly labour-intensive production.

Increase in the foreign buyers' check

The removal of quotas has brought plenty of opportunities for the international buyers. They can purchase from any country. Therefore they have started checking the product with more efficiency. For example if in the pre quota era the product having 10 defects was ignorable but now even five defects aren't ignorable.

E.g.: There was a full container of bonanza garments it was sent back in claim. There was no any defect in the garments but because the cloths were fallen from the sequence.

Imposition of antidumping duties

EU imposed a punitive import duty on Pakistani bed-linen in 2004; it accused exporters of dumping bed-linen below cost prices at the European market. This move was believed to be the retaliation of EU to Pakistan for upgrading its commercial air fleet with US-American Boeings rather than with European Airbuses. Furthermore, here was an imposition of 13.10 per cent anti-dumping duty by EU in 2005 and again an imposition of 5.7 per cent anti-dumping duty in 2007-08. Here the most noticeable thing is that no other country pays the antidumping duty only Pakistan pays due to lack of political influence because of weak political system. There is no one available to talk internationally

Preferential treatment to the competitors (GSP)

The European Commission provides preferential treatment of import duty waiver to the countries from which it trades. Pakistan received a benefit initially due to a special scheme to combat drug production and trafficking that expired in 2005. Since then Pakistan is paying the duties but the competing countries like Bangladesh and Sri Lanka are allowed duty free access to the EU markets. Bangladesh, for example, obtains zero per cent duty access to the European market due to its least developed country status. Sri Lanka equally does not pay import duties due to specific incentives for countries having ratified certain conventions on sustainable development and good governance.

Competitors are much stronger

There is a huge support to the other countries by their Governments. In Netherlands textile units are 100% supported by the Government. In china the sample room of the small factory is bigger than our whole factory. Bangladesh has 25% price as comparable to us means we are 75% higher than our competitor. That is why they have penetrated the world market of value-added textiles, as China fully avails WTO quota free benefits. It has become the world largest exporter of textiles

Summary

The chapter presents the identified issues that are summarized from the results of qualitative interviews conducted in the textile industry of Pakistan. The aim is to discover the troubles faced by the textile industry of Pakistan after the implementation of WTO. The identified issues are divided into three categories of internal, general as well as global issues. Furthermore, the identified internal issues are presented separately for each sector of textile industry of Pakistan.

The identified internal issues of spinning are; contaminated cotton, low quality of yarn, international standards, lower returns from selling yarn, Shifting from cotton to other cash crops, Improper handling methods, unable to benefit from the competitive advantage. The identified internal issues of weaving are; weaving is mostly based on wide width, outdated machinery, non-availability of testing laboratories, lack of value addition, Pak textile industry as a basis of foreign exchange earning for the Competitors. The identified internal issues of processing are; inconsistency in color/shades, antique methods for dying and printing, difficult to produce desired shades from poor quality of water, foreign buyers have become more conscious,

expensive tests conducted abroad. The identified Internal Issues of Garments are; always searched for the demand of cheaper garments, lack of computer aided designs, lack of international market research for wakefulness about the global brands, fabrics not suitable for the Production of high value-added garments, low price from exporting garments, other countries taking benefits by labeling the made-ups produced from Pakistan, unable to take benefits of exhibitions, most of the business is established in small shops, flats and houses, higher chance of defected production, huge investments went into spinning & weaving only.

The identified national issues are; high cost of production, industrialists are highly risk averse, lack of training programs, R&D facility of 6% has been withdrawn, no collective method for solving the industrial problems, changing name from EPB to TDAP is not the solution, textile / garments city project can be a powerful tool, industrialist shifting business to other countries, lack of funds, labors shifting to other countries, there is a huge paper work which takes a great time, lack of interaction between industry & academia, constraints for the Industry. Finally, the identified global issues are; removal of quota, awareness about the trade liberalization, worse image of Pakistan internationally, restriction of EU to buy raw material from them, lack of ETP, evaluation of factory, delay in delivery, lack of diversification in the direction of trade, Only developing country to sign the ILO conventions completely, millions of dollars spent to destroy Pakistan's image internationally, quality issues, labor-intensive production, Increase in the foreign buyers' check, Imposition of antidumping duties, preferential treatment to the competitors, competitors are much stronger.

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