

MARKET SEGMENTATION STUDY TEXTILE SECTOR PAKISTAN

January 2018

Tekcellent Private Limited

Presentation Content:

- ▶ Market Segmentation Study
- ▶ Coordination/meetings held with Industry Associations, Chambers of Commerce & Industry and others
- ▶ Study Methodology and Survey Form Design
- ▶ Updates on Pilot Surveys
- ▶ Target outcomes of Study / Feedback on Survey Form
- ▶ Nomination process of Textile Units for Survey
- ▶ Next Steps

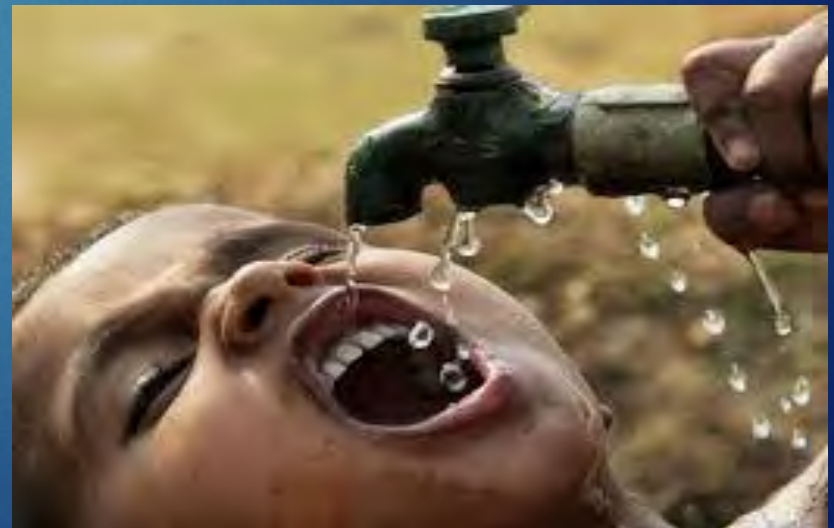
Study Objectives

- ▶ Consolidation of industry listings
- ▶ Survey of select units
- ▶ Development of a database of surveyed units
- ▶ Establishment of representative baseline
- ▶ Gauge existing resource efficiency practices

Why Resource Efficiency?

1

- ▶ Pakistan is among the 36 most water-stressed countries in the world and is at risk of water scarcity
- ▶ By 2025, the demand for water is expected to increase up to 274 MAF with the supply remaining constant at 191 MAF, causing a demand-supply gap of 83 MAF



Why Resource Efficiency?

2

- ▶ The Textile Sector woes include Electricity and Gas availability problems, and high tariffs contributing to higher cost of business
- ▶ This is where PaCT comes with the slogan **“spend less and gain more”**
- ▶ Which for the sector would translate to **Consume Less, Produce More!**



Water Saving



Energy Saving

Study Methodology



Stakeholder Consultations in Karachi, Lahore and Faisalabad

Organization / Association

- 1 All-Pakistan Bedsheets and Upholstery Manufacturers Association
- 2 All Pakistan Cotton Power Looms Association
- 3 All Pakistan Textile Mills Association
- 4 All Pakistan Textile Processing Mills Association
- 5 Faisalabad Chamber Of Commerce & Industry
- 6 Faisalabad Garment City Company
- 7 IDH - the sustainable trade initiative
- 8 Korangi Association of Trade and Industry
- 9 LF Sourcing
- 10 National Productivity Organization
- 11 Pakistan Business Council
- 12 Pakistan Canvas and Tent Manufacturers and Exporters Association
- 13 Pakistan Denim Manufacturers and Exporters Association
- 14 Pakistan Hosiery Manufacturers & Exporters Association
- 15 Pakistan Knitwear & Sweaters Exporters Association
- 16 Pakistan Readymade Garments Manufacturers & Exporters Association
- 17 Pakistan Textile Exporters Association
- 18 Punjab Small Industries Faisalabad
- 19 Site Association Of Industries
- 20 Sizing Industry & Loom Owner Association
- 21 Sundar Industrial Estate
- 22 Textile Commissioner's Organization
- 23 Towel Manufacturers' Association of Pakistan
- 24 Value Addition City- Khurrianwala Industrial Estate
- 25 Walmart Global Sourcing
- 26 and many others

Response and Impressions by the Industry

- ▶ Exemplary response and constant support for industry penetration, pilot surveys and workshops
- ▶ Positive response and guidance
- ▶ Indifferent attitude
- ▶ Negative response with the impression that such programs are being run but to no avail / Hesitation in data sharing

The Approach

- ▶ The survey will aim to build industry's confidence and facilitate respective units to shift towards prioritizing

Resource Efficiency & Cleaner Production

- ▶ Units shall be given full support in the data collection activity

Form For Pilot Survey

The components of the initial survey form included:

- ▶ Corporate information
- ▶ Manufacturing facilities
- ▶ Issues
- ▶ Resources
- ▶ Waste

Pilot Surveys

- ▶ Over 20 different units from various sub-sectors were included in the pilot survey activity
- ▶ Interesting insights and findings from the units were observed
- ▶ The most valuable finding is industry's acceptance and openness to improvement

Pilot Survey Considerations

- ▶ Water consumption rates
- ▶ Efficiency of Machinery
- ▶ Installed Setup
- ▶ Efficiency in Production Planning
- ▶ B % (not fit for export)
- ▶ Usage patterns of energy
- ▶ Distance between units in the value chain
- ▶ Awareness on ZDHC

Corporate Information

- ▶ Contact Details
- ▶ Processes (Capacity & Production)
- ▶ Sales and Exporting Countries
- ▶ Certifications & Affiliations
- ▶ Consumption Data (Electricity, Water, Fuel)
- ▶ Details on Effluent Treatment
- ▶ Machinery Manufacturers
- ▶ Area Details (Factory)

Issues

- ▶ Barriers/hurdles pertaining to production & exports
- ▶ Financing obstacles
- ▶ Current setup and expansion plans
- ▶ Efficiency improvement measures
- ▶ Willingness to invest in new / efficient technology for Cleaner Production / Resource Efficiency
- ▶ Key challenges to adopt Cleaner Production / Resource-Efficient practices
- ▶ Need of Technical / Financial Assistance
- ▶ HIGG Index

Resources

- ▶ Water Consumption
- ▶ Electricity Consumption
- ▶ Gas (and other fuels) Consumption
- ▶ Resources Conservation, Efficiency & Recycling measures

Waste

- ▶ Wastewater
- ▶ Chemical Waste
- ▶ Air Emissions
- ▶ Fabric Waste

Target Outcomes of Study

- ▶ Baseline of sub-sectors related to its composition (no of units, production and export etc.)
- ▶ Database of different textile mills in operation per sub-sector with details on products; production volume; etc.
- ▶ Benchmark analysis of existing efficiency parameters: Resource(s) consumption per unit of Product(s) manufactured
- ▶ Report on the level/extent of adoption and awareness on ZDHC
- ▶ Identification of Technical / Financing support requirements & opportunities of IFC engagement in the Sector
- ▶ Inform on the design of PaCT Pakistan program

Next Steps

- ▶ Selection of units for survey
 - ▶ Contact Tekcellent Private Limited (TPL) directly for the survey
 - ▶ Notify your respective association as well and TPL will coordinate with you through the Association(s)
 - ▶ Authorize contact person to coordinate facility visit and data collection
 - ▶ Prepare the required data in advance
 - ▶ Encourage other units in your network and in your value chain to become part of this survey
- ▶ Scheduling of survey
- ▶ Surveys will be carried out in the months of January-March 2018

Tekcellent Private Limited looks forward to the support of Textile Sector in making this endeavor a success!

Be the part of an efficient & thriving Textile Sector of Pakistan!

Thank You