



An Overview of Textile Industry in Pakistan

By Research & Publications Directorate

The textile industry is one of the most significant industries of Pakistan, contributing around 9.5% to the national GDP and providing employment to about 15 million people or roughly 30% of the 49 million workforce of the country. Pakistan is the 4th largest producer of cotton in the world; next to China, India and USA, with the third largest spinning capacity in Asia after China and India.

The textile sector enjoys a pivotal position in country's exports. The annual volume of total world textile trade is around US\$18 trillion which is growing at 2.5 percent. However, Pakistan's share is less than one percent in global textile trade. Despite this fact, Pakistan is 8th largest exporter of textile products in Asia and world's largest exporter of yarn. Pakistan's annual textile exports is around US\$ 12.6 billion.

Textile Supply Chain

Composition of Industry

The textile industry of Pakistan broadly consists of large scale organized sector and a highly fragmented cottage/medium and small textile units. Around 442 spinning units, 124 large spinning units and 60 small number of weaving units are operating in the organized sector, whereas the rest of the downstream industry, comprising of finishing, textile made-ups, garments, hosiery and towel, having great export potential, is largely segmented in the unorganized sector.

Textile Value Chain

In addition to cotton growing, ginning, spinning, weaving, processing and textile garments and made-ups constitute the main sectors of textile industry value chain. Most of the spinning industry operates in an organized manner with in-house weaving, dyeing and finishing facilities. Weaving comprises of small and medium sized entities. The processing sector consists of dyeing, printing and finishing sub-sectors, out of which majority are small and medium sized units and pre-dominantly in the unorganized sector.

a. Cotton Growing

Cotton known as 'white gold', is an important cash crop

produced in Pakistan accounting for around 8.2 percent of the value added in agriculture and about 3.2 percent to national GDP. Cotton crop is an earliest stage in the value-addition chain of cotton-containing textiles. The Cultivation of cotton is largely found in the dry and warm climate of Southern Punjab and Sindh.

b. Cotton Ginning

Ginning is an starting point in the cotton value chain in which raw cotton is converted into cotton lint and seed. The cotton seed picked at the growing area is transported to the ginning factories for processing and adding value through separation of cotton from seed and impurities. Ginning sector acts as a bridge between the farmer field and textile industry and provides first processing base to the industry. It plays an important role by linking agricultural sector to industrial sector.

c. Spinning Industry

Spinning is the process of converting fibres into yarn. The fibres may either be natural fibres e.g. cotton or manmade fibres e.g. silk, nylon, polyester etc. Spinning is the first process of the textile value chain that adds value to cotton by converting the ginned cotton into cotton yarn. The spinning sector in Pakistan presently constitutes around 11,946 spindles and 214 rotors.

d. Weaving Industry

Weaving is the process of converting yarn into cloth or fabric. The weaving sector in Pakistan is broadly classified into three main segments viz. composite weaving units; independent shuttle less weaving units and the power loom sector. The composite weaving units comprise of integrated textile mills having their own spinning and dyeing facility. The power loom sector, mostly located in the textile city of Faisalabad, dominates the fabric production in the country and accounts for 63% of total production of fabric, used domestically as well as exported.

e. Processing Industry

Processing involves bleaching, dyeing, printing and finishing of cotton or non-cotton fabric for value-addition. Weaving is the process. There are around 600 textile processing textile mills in the country, of which 30

units are part of integrated mill sector and remaining are independent commercial dyeing, printing and finishing units. Majority of these commercial units are small and medium sized units, catering to fabric processing requirements of manufacturers of low-end knitting and woven fabric, garments and textile made-ups.

f. Textile made-up and Garments Industry

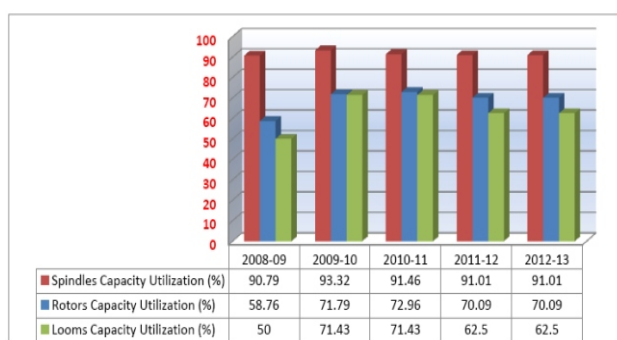
The textile made-up industry is involved in producing towels and terry products; bed wear and bed linen; blankets, curtains and furnishings; canvas and canvas products. The garment industry provides highest value addition in the textile sector and consists of small, medium and large scale units most of them having 50 machines and below. The garment segment generates the highest employment within the textile value chain.

Installed and Utilized Capacity

As per data available till FY 2012-2013, Punjab has the highest number of 309 spinning units; followed by Sindh with 111 units; KPK 17 units; Balochistan 9 and AJK 6 spinning units.

Province	2010-11	2011-12	2012-13
Punjab	316	309	309
Sindh	116	111	111
KPK	17	17	17
Baluchistan	9	9	9
AJK	6	6	6

The capacity utilization of spindles has remained over ninety percent, however, working capacity of rotors and looms have remained in the range of 60% to 70 percent. In 2012-13, the capacity utilization of spindles stood at 91% whereas for rotors and looms, the working capacity was 70% and 62.5% respectively.



Capacity Utilization of Spinning Sector in Pakistan

Years	Spindles			Rotors			Looms		
	Installed Capacity	Utilized Capacity	Capacity Utilization (%)	Installed Capacity	Utilized Capacity	Capacity Utilization (%)	Installed Capacity	Utilized Capacity	Capacity Utilization (%)
2008-09	11,280	10,241	90.79%	194	114	58.76%	8	4	50.00%
2009-10	11,392	10,631	93.32%	195	140	71.79%	7	5	71.43%
2010-11	11,762	10,757	91.46%	196	143	72.96%	7	5	71.43%
2011-12	11,946	10,872	91.01%	214	150	70.09%	8	5	62.50%
2012-13	11,946	10,872	91.01%	214	150	70.09%	8	5	62.50%

Source: ICMA Pakistan based on APTMA Statistics

Regional Comparisons

Textile Exports

Total global textiles trade is almost US\$ 800 billion. Pakistan's share in this global trade of textiles and clothing is just 1.75 percent with annual exports hovering under US\$ 14 billion.

Table 1: Exports Growth of Regional Competitors in Textiles & Clothing (2008-2013)

Country	Exports Growth (%)
Bangladesh	160%
China	97%
India	94%
World	45%
Pakistan	22%

Source: WTO

Table-1 depicts the growth trend of Pakistan vis-à-vis other regional countries from 2008 to 2013. It can be seen that Pakistan stands at the last position with just 22% growth during this period, as compared to 160% of Bangladesh and more than 90% achieved by China and India. In fact, India and China have doubled their exports during this period. The main reasons for the impressive performance of our regional competitors is the export policy and financial support they are getting from their respective governments, especially for reducing the cost of doing business and diversifying product mix and markets. On the other hand, the Pakistani textile industry is not being offered similar facilities and incentives that help them compete with their regional players.

Cost of Doing Business

The cost of doing business in Pakistan for the textile industry, in particular and other industries in general is on a higher side as compared to cost in other regional countries. The following facts substantiates this:

- Bangladesh, China and India are providing uninterrupted energy supply to their textile industry whereas in Pakistan, the textile industry is facing severe energy shortages.
- Energy tariff in Pakistan is 14 cents/kwh as against 7.3 cents/kwh in Bangladesh; 8.5 cents/kwh in China and 9 cents/kwh in India.

- c) In China, India and Bangladesh, there is no turnover tax on textiles, whereas in Pakistan there is one percent turnover tax.
- d) In Pakistan the minimum wage rate is US\$ 120 per month as against US\$ 68 in Bangladesh and US\$ 95 in India. In China, however, the wage rate is much higher@ US\$ 300 per month.
- e) The duty, taxes, surcharges etc on Exports (as % of sales) in Pakistan is 5% as compared to less than one percent in Bangladesh and China. In India, there is no such levies on exports of textiles.

The high cost of doing business has impacted the textile industry in Pakistan in the following ways:

- ❖ 70% Installed capacity utilization as against 90% utilization in Bangladesh, India and China.
- ❖ High conversion cost of 20 carded (33%) and 30 combed (27%) yarns as compared to India
- ❖ 15% higher cost of manufacturing 20s and 30s cotton yarn as compared to India
- ❖ Maximum number of operating textiles mills are becoming sick units and closing down

Weaving Machine Age and Investment in Machinery

The machine age of the textile industry in Pakistan in all sectors is not at par with other countries in the region due to the fact that there has not been any marked investment in machinery and technology.

Table 2: Weaving Machine Age (% of Shuttles-less Looms less than 10 years old)

Year	Pakistan	India	Bangladesh	China	Turkey	Egypt
2002	32%	75%	54%	100%	100%	78%
2006	33%	100%	100%	100%	100%	99%
2012	25%	100%	100%	87%	47%	75%

Source: International Textile Manufacturers Federation (ITMF) / Gherzi Analysis

Table-2 shows the ranking of Pakistan in possessing less than 10 years old textile weaving machinery. It is quite evident that Pakistan has not made sufficient investment in machinery and technology as a result it stands at the bottom with just 25%

weaving machine age as compared to 100% in India and Bangladesh; 87% in China; 75% in Egypt and 47% in Turkey.

Table-3 provides a comparison of investments made in textile machinery by Pakistan, India, China and Bangladesh during four years i.e. from 2010 to 2013. China is at the top with addition of 25.5 million spindles, followed by India with 5.8 million spindles. Pakistan and Bangladesh could make investments of 0.78 million and 0.74 million spindles during 2010-2013.

According to ITMF, China imported 6.21 million spindles in 2013. India follows with 2.19 million spindles. Pakistan added 546,000 in 2013 whereas Bangladesh did not import any spindle for its textile sector. In 2013, Pakistan did not import any Shuttless looms, whereas India imported 10,060 looms.

Regulatory and Policy Framework

Regulatory Framework

Keeping in view of the strategic importance of textile sector and on the strong demand of the textile industry of Pakistan, the government established a separate Ministry of Textile Industry (MINTEX) in September 2004. In fact, this initiative was taken on realizing the fact that Pakistan's regional competitors like India, Bangladesh and China had also set up separate ministries of textiles.

1) Ministry of Textile Industry (MINTEX)

The primary objectives of Ministry of Textile Industry are to formulate textile industrial policy; facilitate and promote textile sector; textile standards setting; research and training for productivity and quality improvement in the textile chain and management of textile quotas. However, to the utmost surprise of textile industry, the government is contemplating to club the Textile Ministry and Commerce Division under the umbrella of the Ministry of Commerce. This has already been recommended by the Cabinet Committee on Restructuring in its meeting held in March 2015 and chaired by the Finance Minister. The textile sector is opposing this move and is of the view that this would hurt the pace of textile exports growth and have a negative impact on the overall performance of the textile industry.

2) Textile Commissioner Organization

A Textile Commissioner Organization, with the status of an attached department under the Ministry of Industries was established by the government in November 1973. It is headed

Table 3: Investments in Machinery (2010 to 2013)

Year	Pakistan		India		Bangladesh		China	
	Spindles	Shuttless	Spindles Looms	Shuttless	Spindles Looms	Shuttless	Spindles Looms	Shuttless Looms
2010	16,548	—	1,370,000	3,450	108,000	8,400	5,040,000	25,600
2011	220,164	219	2,400,00	5,400	400,000	2,300	7,900,000	89,400
2012	—	—	1,970,000	10,200	231,000	1,600	6,390,000	58,900
2013	546,000	—	2,190,000	10,060	—	2,820	6,210,000	54,830
Total	782,712	219	5,770,000	29,110	739,000	15,120	25,540,000	228,730

Source: International Textile Manufacturers Federation (ITMF)

by a Textile Commissioner and functions as an independent department with its separate budget and status. Its primary purpose is to act as a Technical Advisory Body to the government to provide data base and advise on technical matters relating to the development of textile industry in Pakistan. It is a specialist body maintaining close contact with the industry and thus serves as a bridge between the industry and the government. It is also responsible for assisting the Ministry of Industries in the formulation of trade and fiscal policies.

Policy Framework

1. Textiles Policy 2014-2019

The government announced the Textile Policy 2014-19 in February 2015 with the target to double the exports of textiles from present around US\$ 13 billion per annum to US\$ 26 billion per annum over the next five years, besides creation of 3 million new jobs. The Textile Policy also aimed at doubling value-addition from US\$ 1 billion per million bales to US\$ 2 billion per million bales in five years, in addition to facilitating additional investment of US\$ 5 billion in machinery and technology. The policy also proposes to improve the fibre mix from 14% to 30% in non-cotton and from 28% to 45% in garment sector.

The Textiles Policy 2014-19 has been developed by the Ministry of Textile Industry and is based on actionable plans to make the textile sector more competitive, robust, goal oriented and sustainable. The policy would shift focus from exporting raw material to value added products for boosting national economy and creating employment opportunities in the country. The Textile Policy 2014-19 has been approved by the Economic Coordination Committee of the Cabinet (ECC).

Textile policy 2014-19 adopts a five pronged strategy to make the textile sector competitive and sustainable. Some of the salient features of the textile policy are summarized below:

- a) Budgetary support for the textile industry
- b) Drawback of local taxes and levies
- c) Easy finance
- d) Sales tax regime
- e) Duty free import of machinery
- f) Policy interventions
- g) Tariff rationalization
- h) Fiber diversification
- i) Product diversification
- j) SME development
- k) Enactment of domestic labour laws
- l) Revival of sick textile units
- m) Marketing strategies
- n) Technology up gradation
- o) Establishment of world textile centre and model cotton trading houses
- p) Revitalization of projects like Pakistan Textile City and garment cities
- q) Capacity building of the ministry and related organizations

2. Textiles Package announced in Federal Budget 2014-15

The Federal Finance Minister, in his budget speech 2014-2015, announced a package of support and incentives for the textile sector, salient features of which are reproduced below:

- (a) Drawback for local taxes and levies to be given to textile exporters on FOB values of their enhanced exports, if increased beyond 10% (over last year's exports). The rates would be 4% on readymade garments; 2% on textile made-ups and 1% on processed fabric.
- (b) Markup rate for SBP Export Refinance Scheme to be reduced from 9.4% to 7.5% from July 1, 2014.
- (c) A fast track channel for manufacturers-cum-exporters to be created.
- (d) FBR directed to dispose of all pending Sales Tax refund claims before 30th September 2014. All admissible refund claims of exporters shall be disposed off within 3 months, if not earlier.
- (e) Textile value chain to be given protection as per the study carried out by National Tariff Commission with a view to provide a predictable tariff regime for the foreseeable future.
- (f) Value-added textile industry units to be provided Long Term Financing Facility (LTFF) for up gradation of technology from State Bank of Pakistan at the rate of 9% for 3-10 years duration.
- (g) The facility of duty free import of machinery under textile policy 2009-14 ending on 30th June 2014 (SRO-809), to be extended to further two years to take full advantage of GSP plus facility.
- (h) Bt Cotton use to be promoted by expediting regulatory approvals and for quality seeds availability, Seed Act 1976 to be amended. A Plant Breeders' Right Act will also be promulgated.
- (i) A new vocation training program with total cost of Rs. 4.4 billion to be launched to train 120,000 people in next five years for requirements in value added sectors of garments and made ups. This program to be operated through TEVTA Institutes and the Textile Ministry.

Representation, Recognition & Achievements

Representative Textile Sector Associations

The entire textile chain in Pakistan is represented by different industry associations at different level of their activities such as spinning, weaving, processing and garment manufacturing. All Pakistan Textile Mills Association (APTMA) is the biggest textile association.. A brief of these associations is given below:

All Pakistan Textile Mills Association (APTMA) is one of the largest industry associations in the country, representing around 396 textile spinning, weaving and composite mills in the organized sector in Pakistan. Out of 396 textile mills, 315 are spinning, 44 weaving and 37 composite units. These spinning mills have production facilities of texturing,

mercerizing and dyeing of yarns; weaving mills have sizeable number of air-jet looms, and the composite mills have manufacturing facilities from spinning to finished textile products under one roof. The total installed capacity of APTMA member mills accounts for 9,661,366 spindles, 61,608 rotors, 10,452 Shuttleless/Airjet Looms and 1897 conventional looms. The Association's members produce spun and open-end yarn, grey, printed dyed fabrics and bed linen.

All Pakistan Textile Processing Mills Association (APTPMA) represents textile processing units which are most value-added export-oriented and labour-intensive sectors of textile Industry. Around 401 processing mills involved in cloth bleaching, dyeing and printing are members of the Association.

Pakistan Textile Exporters Association (PTEA) represents the textile exporters of the country and acts as their bridge with the government to resolve the problems of exporters. The Association is headquartered at Faisalabad and around 250 member textile exporters.

Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA) represents the value-added textile sector of the country having around 1000 member garments units all over Pakistan, earning over US\$ 1 billion foreign exchange for the country and employing around 650,000 workers.

Pakistan Cotton Fashion Apparel Manufacturers and Exporters Association (PCFAMEA) represents Around 250 export earning value-added textile sector, employing around 200,000 direct workers. This sector produces fine quality finished cotton fashion apparel for export as well as for home consumption.

All Pakistan Handloom & Traditional Textile Manufacturers & Exporters Association

Textile Industry's representation in International Trade Shows

The Pakistani textile companies regularly participate in various textile-specific trade shows and exhibitions organized in Pakistan and other countries. Recently, around 100 textile companies are going to participate in the Techtextil Frankfurt and Texprocess exhibitions being held in Germany in May 2015. This is one of the world's leading trade exhibitions in textile sector. Last year in August 2014, Pakistan had an exclusive pavilion at the 20th Intertextile Shanghai Home

Textiles Exhibitions, which is one of the Asia's leading home textile event at People's Republic of China. Pakistan hosted the "Textile Asia 2015" exhibition from 28-30 March 2015 which is an international textile and garment machinery show aimed at upgrading and equipping local textile sector with latest technologies used internationally. Around 515 international and 35 local companies showcased their brands. A list of few upcoming textile trade shows and exhibitions to be held in Pakistan and abroad is given below:

Recognition and Achievements of Textile Industry

Several Pakistani textile brands like Gul Ahmed, Chenab and Nishat textile have secured international recognition due to their excellent quality, creative designs, eco-friendly production and aesthetic appeal.

The technical expertise of the Pakistani textile industry was recognized by Sri Lanka and recently in 2014 a Pakistan-sponsored handloom textile training project and a 'Textile Village' has been established in Kottala-Meerigama in Sri Lanka. The project envisages training of 75 individuals along with donations of handlooms, hand winders, accessories and raw material to the selected handloom operators. The performance of Pakistani textile industry has been recognized at the national level as well.

The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) confers the "Export Trophy Awards" in different sectors to top exporters of the country. In textile sector, M/s. Masood Textile Mills Ltd. of Faisalabad was conferred the most prestigious "President of Pakistan Export Award" by FPCCI for its best export performance during 2012-13. Several other textile companies have also received 'Merit' and 'Special Merit' trophies on highest exports of cotton yarn, fabric, garments and home textiles.

The Karachi Stock Exchange (KSE) confers the '**Top 25 Companies of Pakistan Award**' based on stringent criteria of superior performance of selected organizations in finance and banking. Since 2010, three textile companies viz. Gadoon Textile Mills Ltd. (18th position in 2010); Premium Textiles Mills Ltd. (16th position in 2013) and Din Textile Mills Ltd. (23rd position in 2013) have received KSE Top 25 Awards.

The Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan) and Institute of Chartered Accountants of

Pakistan (ICAP) jointly confers the '**Best Corporate and Sustainability Reports Awards (BCSRA)**' every year to encourage and give recognition to excellence in annual corporate reporting by companies in the corporate sector. Since 2009, three textile companies have received BCSRA Awards viz. Gul Ahmed Textile Mills (winner in 2010, 2012 and 2013); Kohinoor Textile Mills (winner in 2010, 2011, 2012 and 2013) and Nishat Mills Limited (Winner in 2012 and 2013).

Upcoming Textile Trade Shows and Exhibitions in Pakistan and Abroad

No.	Name of Exhibition	Venue	Dates
1	FESPA 2015	Cologne, Germany	May 18 to 22, 2015
2	17th International Exhibition on Textile Industry	Shanghai, China	June 15 to 18, 2015
3	Myanmar Int'l Textile & Garment Industry Exhibition	Myanmar	June 26 to 29, 2015
4	Cambodia Int'l Textile & Garment Industry Exhibition (CTG)	Phnom Penh, Cambodia	August 21 to 24, 2015
5	Textile Asia 2015	Expo Centre, Lahore	August 29 to 31, 2015
6	DPS World 2015	Expo Centre, Lahore	September 4 to 6, 2015
7	ITMA - 2015	Milan, Italy	November 12 to 19, 2015
8	Heimtextil Frankfurt 2015	Frankfurt, Germany	January 12 to 15, 2016
9	DOMOTEX 2016	Hannover, Germany	January 16 to 19, 2016
10	Japan Int'l Apparel Machinery & Textile Industry Trade Show	Osaka, Japan	April 6 to 9, 2016
11	ITM - 2016	Istanbul, Turkey	September 1 to 4, 2016

CSR Initiatives by Textile Industry in Pakistan

The textile industry of Pakistan is dominated by a few large family businesses that have been producing textiles for decades. In contrast to many smaller textile units, these family businesses are more professional and forerunners when it comes to corporate social responsibility. The All Pakistan Textile Mills Association (APTMA), the representative body of textile sector, has undertaken a number of initiatives, including setting up of a Sustainable Production Centre for energy efficiency, renewable energy and environment, besides ensuring high level of Corporate Social Responsibility and water conservation, to keep the textile industry at par with the global standards and expectations. We will briefly highlight below the CSR initiatives of a few top textile companies in Pakistan.

Gul Ahmed Textiles, as part of its community development program, has undertaken initiatives in collaboration with regional companies for development of roads, sewerage and drainage systems; installation of street lights and drinking water taps; establishment of police check posts etc. Similarly, in line with its commitment towards sustainability and adoption of best practices to ensure a greener society, Gul Ahmed has undertaken key projects such as installations of an 'Effluent Treatment Plant' in 2007 and a Cycle Gas turbine in 2006.

Alkaram Textiles has invested in various CSR projects such as in development of numerous schools to further education in Pakistan and donating to numerous health programs to provide the community a better quality of life. Alkaram has also been involved in the development of infrastructure. Alkaram is a founder member of the Pakistan Compliance Initiative (PCI) formed in 2004 to promote an industry-wide understanding of security, social and environmental standards.

Chenab Limited has installed environment friendly gas based four power plants at all operational units with a view to reduce power cost and has also installed first waste water treatment plant in the city resulting in energy conservation and improvement in the environment. The company also lends regular support to the special persons by providing them jobs and offers apprenticeship to fresh graduates.

Crescent Textile Mills has contributed to 'Annual Support Fund' required as operational expenditure of two Campuses already established under the banner of 'The Citizen Foundation' (TCF) in under-privileged area of the Faisalabad. The company has also installed an Effluent Treatment Plant for water being discharged from its fabric processing facilities. It also donates to charitable institutions in improving health and socio economic conditions of the poor and needy organs of the society.

ICMA Pakistan's Initiatives for Textile Sector Development

1) Developed Cost Accounting Record Rules for Cotton Textile Industry

In 2000, ICMA Pakistan had developed a draft of Cost Accounting Records Rules for the Cotton Textile Industry in

Pakistan which was forwarded to the Securities and Exchange Commission of Pakistan (SECP) for promulgation (still held in abeyance). This draft Rules was supposed to be applicable on every company engaged in production, processing and manufacturing of cotton and polyester, man-made fibre or blended products from spinning to finishing. It was required that every company shall maintain cost accounting records to compile information on spinning, weaving, processing and finishing operations in textile industry and calculate cost of production and cost of sales of each of the cotton and polyester (man-made fibre) or blended products. SECP may consider to enforce the above draft rules for the benefit of the textile industry.

2) Assistance in Revival of Sick and Inefficient textile Units

ICMA Pakistan through its qualified CMAs and practicing members have been offering technical expertise to the textile industry in developing rescue plans for the revival of sick/ idle and non-performing textile units and acting as consultants to oversee their efficient operation. The textile spinning sector, especially can utilize the professional skills of management accountants as consultants in diagnosing the reasons of sickness or idleness of textile units and reducing cost of production so as to achieve efficiency and optimum production capacity utilization.

3) MoUs signed with Textile Companies for extending Professional Expertise

ICMA Pakistan has so far signed MoUs with six textile companies to offer them technical and professional expertise. Most of these companies are located in Multan as under:

- a) Colony Textile Mills (Multan)
- b) Al-Rahim Textile Pvt. Ltd. (Karachi)
- c) Spintex Pvt. Ltd. (Multan)
- d) Fazal Cloth Mill (Multan)
- e) Ahmed Fine Textile Mills Ltd. (Multan)
- f) Raza International (Multan)
- g) Sadaqat Limited

4) Capacity building of CMAs working in Textile Industry

ICMA Pakistan keeps its members, employed in the textile industry, abreast with the latest management techniques and IT software so that they can help their respective organizations by taking initiatives for re-engineering of business process, including production process. It is a fact that majority of the Pakistani textile companies, excluding big groups, are using obsolete technology and lacking cost control techniques. Most of them rely on traditional approaches and do not consider business process re-engineering or automation as solution to improve their performance. The textile companies can seek the expertise of management accountants in implementing ERP systems, especially in the areas of product designing, innovation and business process enhancement. Needless to say that the competitiveness of our textile sector lies greatly on value addition and business process reengineering.