Industry

The Textile Position Then, Now and Tomorrow

The recent nationalisation of one of the oldest textile establishments in the country, Wellawatte Spinning and Weaving Mills, has focussed attention on the position of the textile industry. The following brief survey will relate to the overall position of the textile industry in the country, its degree of capacity utilisation, market, etc.

Of the main components of the industry, cotton manufacture looms disproportionately large in comparison with synthetics, looking at both production capacity, as well as actual production.

The installed weaving capacity in the country, including the handloom sector, on the basis of one shift production is currently 237 million yards per year. Actual production, however, was only 93 million yards in 1974 which increased to 96 million yards in 1975. The mills sector of cotton manufacturing works near full capacity, whilst low capacity utilisation is largely in the handloom sector and the small power loom industries scattered throughout the island.

The synthetic capacity this year stands at a total of 21.4 million yards per year; broken down respectively into 15.6 million yards of woven textiles and 5.8 million yards of warped, knitted textiles (lace etc).

TEXTILE CAPACITY AND PRODUCTION

Cotton	*M. Yds.*
Installed weaving capacity per annum (including handlooms on one shift basis)	237
Actual Production —1974 ...	93
—1975 ...	96
Synthetics	
(a) Woven textiles capacity ...	15.6
(b) Warp knitted capacity ...	5.8
Actual total production 1975 ...	16.3

A major problem in the textile industry as a whole has been the low demand for cotton textiles in preference to synthetic textiles. Synthetics are in demand because they have easy washing qualities and last longer than cotton, as well as their association with an aura of modernity (a fact that is reverse to the situation in Western countries today, where cotton is the 'in' fabric and synthetics are often looked upon as gaudy and cheap.)

Because of the fact that synthetic production is nowhere near its demand, a conscious decision has been taken by the Industries Ministry to shift increasingly the excess production capacity in the cotton sector to the production of synthetic/cotton blended fabrics. This process has been under way since 1975 and synthetic cotton yarn capacity which stood at 5 million yards last year is to be sharply increased. The target for this year, of synthetic textile production, is 49.2 million yards as opposed to last year's target of 17.6 million yards. With this increased production of synthetic/cotton blends, it is hoped that the marketing problem which had been the major hurdle in the industry due to strong demand for synthetics will be eliminated. Hopefully market saturation in synthetics will be reached this year or the next.

An important aspect of the industry has been the fact that the State and the small producer sector has been predominant in cotton textiles, whilst synthetics had earlier been reserved for the private sector. Because of the State's dominant position in the cotton field it had been able to regulate supply and prices to reasonable levels, in spite of rising raw material and other costs. In the last few years the synthetic industry in private hands has not expanded appreciably and now with the diversion of excess capacity in the cotton manufacturing mills (which are mainly in the State sector) to synthetic/cotton blends the role of the State in this sector is bound to increase. This year, according to the Industry Ministry's target, the State sector including handlooms will produce 27.7 million yards out of a total production of 49.2 million yards of synthetics. (This figure of 27.7 million yards includes the 2.4 million yard output of the recently acquired Wellawatte Spinning and Weaving Mills and Ceysilk Ltd.). With this major shift in ownership patterns in the synthetics sector, the State will have in the months to come a dominating influence on the synthetic market with about 50% of the island's production in its hands.

Exports and Imports

In the cotton sector in 1975 there were no significant exports but in 1976 there is a programmed export target of 8 million yards. For this purpose an entire mill (probably the National Textile Corporation mill at Pugoda) will be set aside for exports. The intention here is that proper quality controls will then be easier in a single factory. The output of this export-oriented mill will be largely grey cloth with the probable target export countries as Singapore and Hong Kong, the latter having a strong reputation for its finishing industry.

The bulk (roughly 80%) of the cotton yarn used for our industry is spun locally, mainly at the National Textile Corporation factories at Veyangoda, Thulhiriya and Pugoda, as well as in the Wellawatte Spinning and Weaving Mills (now a State industry) and the Asian Cotton Mills. The spinning mill under construction at Pannala and another plant at Minneriya being constructed with Chinese aid will bring self sufficiency in our cotton yarn requirements.

The raw cotton imports meanwhile are supplied from a variety of sources including the Soviet Union, Sudan, Egypt, East Africa and the United States of America. The supply sources vary according to prevailing prices and quality of the cotton.

Of the synthetic yarn requirements, 1 million yards are blended locally at a factory at Ja-ela to produce a cotton/synthetic blend. Later this year, the Kandy Textile Industries factory will have when it goes into production—50% of its output in synthetics. The major bulk of synthetic yarn (nylon etc.) however, continues to be imported. A project exists for the production of nylon yarn from imported nylon chips and the Petroleum Corporation is actively studying this. Till then self-sufficiency in synthetic fibre remains many years away.