2021

Cluster Profile

POWER LOOMS, JALALPUR - GUJRAT

Turn Potential into Profit

Small & Medium Enterprises Development Authority (SMEDA)
Ministry of Industries & Production (MoI&P)
Government of Pakistan

4th Floor Building No. 3, Aiwan-e-Iqbal Complex Egerton Road Lahore.
www.smeda.org.pk
P: 111 111 456

Table of Contents

1 Description of Cluster

1.1 Introduction / History & Background of Cluster

Jalalpur Jattan is a city in Gujrat District in the province of Punjab. Jalalpur is famous for the production of winter shawls through power looms. In addition to winter shawls the low-quality cloth fabric is also produced by the cluster on existing looms.

The tradition of shawl making in this area is traced back to pre-partition when some families migrated from Jammu and settled in Jalalpur Jattan village. They were trained in Kashmir pashmina shawls/stoles and made the finest quality. It is shrink resistant and has a unique style. They started this work on hand looms and sell them to Jammu or the travelers of Kashmir bought from them. This was the beginning point of this cluster, with the passage of time they introduced power looms in this cluster.

Historically, power looms industry started on a cottage scale in the town. Then more people came into this business and it became very popular in the region. This business adopted the shape of the home industry in the town and in a few years more than 15,000 power looms became operational. In every house minimum of four machines were operational and workforce was available in the area. This kind of labor became more important and prosperity arrived in the area. People are involved in this business with two to three generations. However, the power looms operative in the cluster weave maximum 72 inches width of fabric.

Power looms cluster of Jalalpur Jattan is based on the small home-based units. Mostly the owners and their family members are managing these units.

1.2 Defining the Products

The fabric manufactured on power looms is of low quality and is unable to fetch high value in national or international markets. Also due to technical limitations (i.e. shorter width) it does not produce the specifications which are required in the international market.

In Jalalpur Jattan only one type of fabric/cloth is woven and that is polyester viscose. Manufacturers bring spun yarn from other cities and only carry out the weaving process. This is only for men's garments. The quality of polyester is directly proportionate to the variety of yarn, but it is not much high as it is at other places like Faisalabad. Secondly Polyester is the most widely used man-made fabric in the world.

1.3 Core Cluster Actors

The entrepreneurs involved in fabric weaving (both winter shawls & cotton fabric) on power looms are the core cluster actors. The industrial statistics of core cluster actors are as follow.

Table 1: Power Looms Cluster, Jalalpur Jattan

Number of Units	Approximately 25 units
Employment Generated	About 600 people are employed by this manufacturing units.
Technology Level	Capital Intensive
Automation Level	Semi Automation
Capacity Utilization	52%, 2.2 Million meter/month
Poduction	2.2 Million meter/month

1.4 Other Cluster Actors

The key cluster support actors who provide support services to core cluster in the area are including but not limited to raw material suppliers, machinery suppliers etc.

Table 2: Other Support Actors, Pharmaceutical Manufacturing Cluster, Rawalpindi

Descriptions	Details
Raw Materials	The major raw material for weaving is yarn that includes Viscose yarn; Polyester Yarn and Cotton yarn used for fabric manufacturing. Yarns received for weaving in cone forms and yarn counts are used from 16 to 44. For weaving yarn used is categorized into warp yarn and weft yarn. Other than yarn different kinds of chemicals are used for sizing of the yarn to improve the strength of yarn and binding with each other. Manufacturers with good financial strength procure their raw material with their own investment from different spinning mills. Whereas, small weavers who do not have financial strength to produce raw material are dependent on the middlemen. The raw material is purchased on cash basis. The middlemen provide yarn and these manufacturing units just take the conversion charges for converting yarn into fabric. The yarn is easily available from the spinning mills located in Faisalabad, Lahore, Karachi etc.

Machinery Suppliers	There are a number of people engaged in power loom manufacturing in and around Faisalabad, which are experts and are fulfilling the need of the industry. Looms with various sizes like 44", 56", 72" and 76" are manufactured in Faisalabad but in Jalalpur power looms cluster machines range from 56" to 76" only.

1.5 Geographical Location

Jalalpur Jattan is located 12 km east side of the Gujrat city and famous for its textile industry. The major concentration of power looms is in the Mohallah of Shahghan, Shershah and Akber Abad, Adda Tumtum. Around 70% of factories are located in these three localities.

Following are some of the major players of Power Looms Cluster, Jalalpur Jattan:

- M/s Meer Weaving Mill
- M/s Khalid Muzaffar Weaving Mill
- M/s Dar Weaving Industry
- M/s Assad Weaving Mill

1.6 Current Cluster Scenario

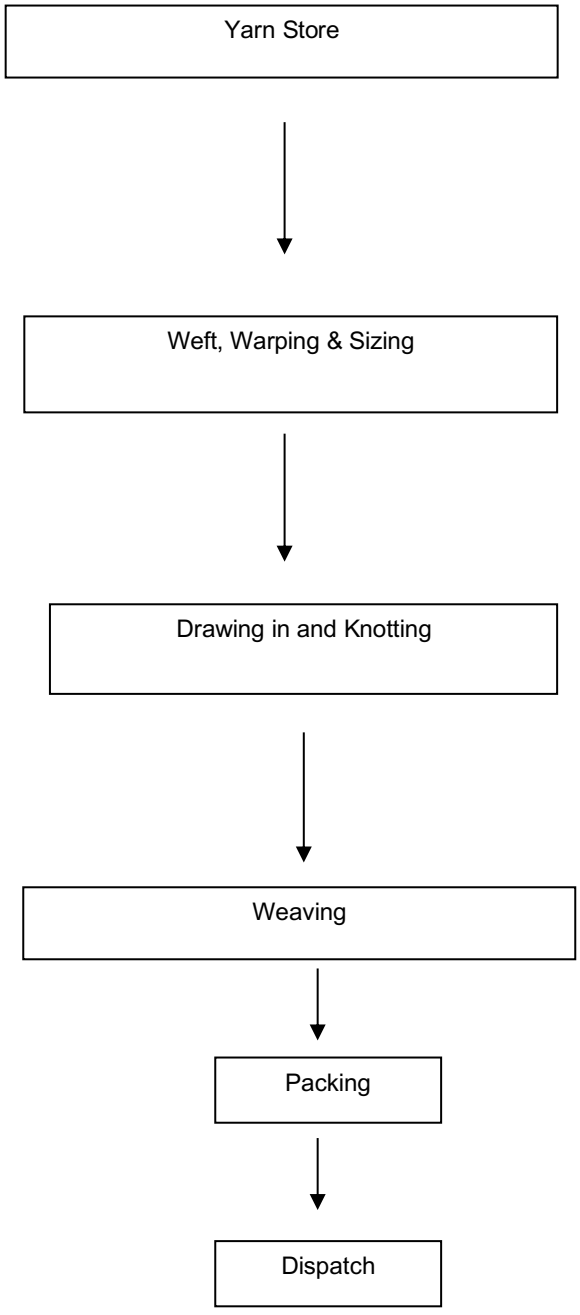
This cluster is producing comparatively low value-added Grey Cloth of mostly low quality. Currently the trend in business growth is negative. The situation is fast moving towards a point that the cluster might cease to exist. Most of the home-based units have been eliminated. A few formal units are struggling and trying to adopt modern technology. At the moment only 1,250 power looms are operational with around 25 power looms units and the condition of the entrepreneurs is hand to mouth. The experienced laborforce is shifting into Iran, and new workforce is not coming in this business due to low wage rates and people consider it very low status job.

2 Analysis of Business Operation

2.1 Production Operations

Production process of power looms can be explained as follows;

Figure 1: Process Flow Chart of Weaving



Weft, Warping and Sizing

There are three units which are providing warping and sizing services in Jalalpur Jattan, as due to small quantities of yarn no one has its own sizing facilities. At warping, the individual cones are put into the creel (the number of cones depends upon fabric construction) and yarn from individual cones is pulled together in sheet form.

In sizing process, size material on warp thread is applied. The object of sizing is to improve the strength of yarn by chemically binding the fibers with each other and also improve upon its friction resistance capacity by chemically coating the surface of yarn/fibers.

Drawing in and Knotting on Loom

Weaving is basically interlacement of two sets i.e. warps and weft threads in the desired sequence and pattern. To obtain this interlacement, warp yarn sheet is bifurcated and opened in the form of two layers/ sheet and weft thread is inserted.

The drawn weavers' beams are fixed on weaving machines, threads are tied and head shafts are coupled. This operation is called Beam Gaiting. If undrawn warp threads are directly knotted to the threads of finished beams, it is called knotting.

Weaving

These set of yarns running in the machine direction (warp) to be interlaced with another set of yarns running across the machine 'Filling'. It consists of four actions: shedding-raising the warp yarns by means of the appropriate harnesses; Picking- inserting the weft yarn; Batting- pushing the weft into the cloth with a reed; And Taking Up and Letting Off-winding the woven cloth onto the cloth beam and releasing more warp yarn from the warp beam.

Packing and Dispatch

The finally woven fabric or grey fabric, as it is popularly called "Kora", is taken out from weaving machines. The fabric is packed in form of bundles of bales. Normally each bundle contains 10 bales and then sent for final dispatches.

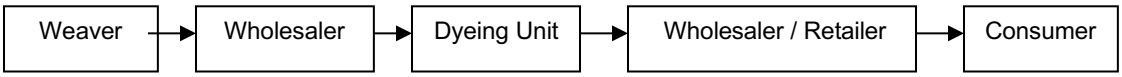
2.2 Technology Status

The power loom sector uses a low level of technology and hence has low productivity and quality. The technology status in this cluster is old and conventional. Most of the power looms installed are of shorter width and in poor physical condition. These machines consume more electricity thus raising cost of production. It shares around 30% the cost in a total production cost. The quality of cloth woven on these

looms carries many fabric faults that are normally not acceptable by quality-conscious customers, especially in the export market.

2.3 Marketing & Sales

Weavers sell their products (kora cloth), which is a low value-added product, to dying units or wholesalers of Gujranwala, Faisalabad, and Lahore. Some of the wholesalers in Azam Cloth market Lahore purchase grey fabric and send to dyeing units for dyeing as per their requirements or market needs.



2.4 Financing

There are only 3 banks operating in the cluster, mostly dealing in consumer banking. All financial institutions of the country have their branches in Gujrat which provide commercial banking services. Manufacturers are looking for financial help but they cannot fulfill documentation requirements especially collaterals and they have no proper record of business transactions.

2.5 Human Resource Management

Human resource is one of the major problems of this cluster; the laborforce is quitting this industry due to low wage rates. Currently, there is a shortage of skilled HR. Employees get skill through the on-job training like the traditional “ustad—shagird” system. Mostly the skill is inherited within the family. Due to the low wage rate, and people consider it low-status skill, the trained laborforce is shifting to Iran, and a new workforce is not coming into this business

2.6 SWOT Analysis

Strengths

- Large local market.
- Strong linkages in the cluster with the internal & external stakeholders.
- Abundance of low cost labour.
- Simple business operation cycle.
- Extensive supplier industry.

Weaknesses

- Lack of professional skills for business diversification.

- High cost of operation.
- Shortage of electricity supply and high cost.
- Only focusing on low quality product.
- Lack of understanding and awareness on latest technology.
- Low productivity.

Opportunities

- Large national market.
- Modern production technology.
- International markets.
- Large product range in fabrics.
- Traditional handloom products markets.

Threats

- Labor migration.
- Rising fuel & electricity prices.
- Inflation.
- Increase in tax rates.
- High bank mark-up rates.
- Consolidation of textile sector in few areas.
- Preference for superior quality cloth is increasing day by day.

3 Institutional Setup

3.1 Entrepreneurs' Associations

All Pakistan Cotton Power Looms Association
Address: 1st Floor, St No. 5, Montgomery Bazar, Faisalabad
Tel: (041) 2612929
Web: http://www.allpakistancottonpowerloomsassociat.enic.pk/

Gujrat Chamber of Commerce & Industry (GCCI)
Address: GTCCI Building Near National Furnitures, G.T. Road, Gujrat
Tel: + 92-53-3706113, 3706114

3.2 Support Institutions

Regional Business Center (RBC) – Small & Medium Enterprises Development Authority (SMEDA)
Address: C/0 GCCI , GTCCI Building Near National Furnishers, G.T. Road, Gujrat
Tel: (+92) 53-3706116
Web: www.smeda.org.pk
Email: **rukhsar@smeda.org.pk**
Punjab Small Industries Corporation (PSIC)
Address: Regional Office, National Highway, Kamran Colony, Gujranwala
Web: **www.psic.gop.pk**
Tel: 055-4299074
Trade Development Authority of Pakistan (TDAP)
Address: 3-Civil Lines, Irrigation Road, Gujranwala
Tel: (+92) 55 9330557
Web: www.tdap.org.pk

4 Major Issues and Problems

Human resource is one of the major problems of this cluster; the laborforce is quitting this industry due to low wage rates. Currently, there is a shortage of skilled HR. The power loom sector uses a low level of technology and hence has low productivity and quality. The technology status in this cluster is old and conventional. Lack of financing opportunity is also a major issue.

5 Investment Opportunities in Cluster

Shuttleless looms can produce a large variety of fabric constructions of variable widths. The major problem faced by these firms is the shortage of technical personnel to operate and maintain these looms and the availability of spare parts. The people can invest in shuttleless looms and increase their production and quality. They have to develop local collaborations with industries as well as various supporting businesses and institutions, to help them shift to new technology.

All members of the cluster are competitive in their own fields. The cluster can be revived if they can shift to shuttleless looms technology.

The above-mentioned documents can be downloaded from www.smeda.org.pk.