

LB/DON/88/06

08 12

**REVIVING  
TEXTILE WEAVING INDUSTRY OF  
SRI LANKA**

**SHANTA R YAPA**

A dissertation submitted to the Department of  
Textile and Clothing Technology of the  
University of Moratuwa  
in partial fulfillment of the  
requirements for the degree of



**MASTER OF SCIENCE  
IN  
TEXTILE & CLOTHING MANAGEMENT**

677"06<sup>m</sup>  
677:65(043)

**DEPARTMENT OF TEXTILE & CLOTHING TECHNOLOGY  
UNIVERSITY OF MORATUWA  
SRI LANKA**

**APRIL 2006**

85401




University of Moratuwa


85401

85401

## DECLARATION

The work presented in the dissertation in part or whole, has not been submitted for any other academic qualification at any institution.

  
Shanta R Yapa  
(Candidate)

  
Dr Julian Nanayakkara  
( Supervisor )



University of Moratuwa, Sri Lanka  
Electronic Theses & Dissertations  
[www.lib.mrt.ac.lk](http://www.lib.mrt.ac.lk)

## ABSTRACT

The textile weaving industry is considered to be one of oldest industries in the country and has experienced ups and downs over the past decades. Despite the position of the export oriented apparel industry which has become one of the highest export earning sources to the country, the textile weaving industry passes a dire stage.

Quality and prices of locally woven fabric are not competitive compared with imported fabric. Manufacturers combat with increasing cost of production. Although there is demand from export oriented garment manufacturers as well as from the domestic market, demand uncertainty hinders growth and new investments in the industry.

Information collected from several small and medium scale manufacturers reveals failure to meet the product quality requirements, specifications and prices due to use of old and obsolete machinery which leads to low productivity, excessive waste generation in manufacturing and high cost of production, inconsistent tariff policies, untrained work force and financial constraints faced by the firms are the major causes for the prevailing situation.

Having analyzed the situation it is recommended that state of the art technology should be introduced to the industry, the individual firms in textile and clothing industries should exploit opportunities available to form alliances where they can act as fully integrated production facilities, emphasize in developing human resources and continuous lobbying with the government to have consistent tariff structures to improve investor confidence to revive the domestic textile weaving industry.

## ACKNOWLEDGEMENT

I wish to express my sincere thanks and gratitude to the Head of the Department of Textile and Clothing Technology, the members of the faculty and the staff for giving me the opportunity to study at the University of Moratuwa, the guidance and continuous assistance given to me during the course of the study towards the Master of Science Degree.

I also take this opportunity to express my sincere thanks to Dr Julian Nanayakkara of the Department of Industrial Management, Faculty of Science of the University of Kelaniya without whose guidance and assistance as the research supervisor this study would not have been a success.



University of Moratuwa, Sri Lanka  
Electronic Theses & Dissertations  
www.lib.sri.ac.lk

At this stage, I also wish to mention the co-operation and assistance given to me by the officials of Impressions Holdings (Pvt) Ltd, Suntex Weaving Industries (Pvt) Ltd, Lantex Weaving Industries (Pvt) Ltd, Oshani (Pvt) Ltd, Naththandiya Co-operative Weaving Ltd, MVeeS Exports (Pvt) Ltd and the ex-officials of Kabool Lanka (Pvt) Ltd and Kabool Lace (Pvt) Ltd.

# Table of Contents

	Page
1. Introduction	1
1.1 Textiles	1
1.2 The industry – Global and local perspectives	2
1.3 The production process	5
1.4 The market	7
1.5 Present status of the local textile industry	7
1.6 The problem	8
1.7 Objectives of the research	8
1.8 Significance of the study	8
1.9 Limitations of the study	10
2. Literature review	11
2.1 Waste reduction	11
2.2 Vertical integration	15
2.3 Concurrent Engineering	20
2.4 National competitive advantage	23
3. The research methodology	27
4. Findings	28
5. Analysis and Discussion of findings	30
5.1 Poor quality of products	30
5.2 Low productivity	31
5.3 Non availability of a raw material base	31
5.4 High dependence on external parties	31
5.5 Protectionism	32
5.6 Financial constraints	34

6. Conclusion & Recommendations	36
6.1 Invest in new technology	36
6.2 Exploit opportunities for alliances	37
6.3 Consistent tariff structures	38
6.4 Human Resources development	39
References	40



## LIST OF FIGURES & ANNEXURES

	Page
<b>FIGURES</b>	
1. Stages in the raw material to consumer value chain	16
<b>ANNEXURES</b>	
1. Firms selected for the study	41
2. Questionnaire	42
3. The why chart	46

