



TEXTILES AND APPAREL INDUSTRY



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STRATEGIES AND POLICIES

TARGETS

1.01 Textiles and apparel are expected to remain important export products for Malaysia. The contribution of the industry to the national economy will remain significant, in terms of investments and export earnings (Table 1.1). Highlights of the targets:

- the industry is expected to attract total investments of RM13.7 billion. Investments are projected to increase in the textiles sub-sector, mainly for the manufacture of synthetic textiles and functional fabrics; and
- exports are targeted to grow at 5.8 per cent, from RM13.4 billion in 2010 to RM24 billion in 2020. The increase in exports will be contributed by the textiles sub-sector, particularly yarns and woven fabrics.

TABLE 1.1

PROJECTIONS FOR THE TEXTILES AND APPAREL INDUSTRY

| | 2006-2010 | 2011-2015 | 2016-2020 | 2006-2020 | 2006-2020 |
|----------------------|--------------|-----------|-----------|-----------|---------------------------|
| | (RM billion) | | | | Average Annual Growth (%) |
| Investments | 4.0 | 4.6 | 5.1 | 13.7 | 3.1 |
| Investments per year | 0.8 | 0.9 | 1.0 | 0.9 | n.a. ¹ |
| Exports (end period) | 13.4 | 18.2 | 24.0 | 24.0 | 5.8 |

Note: ¹ Not applicable

Source: Ministry of International Trade and Industry

STRATEGIC THRUSTS

1.02 Six strategic thrusts have been set for the further development of the industry:

- (1) intensifying the promotion of investments in higher value-added textiles and apparel, including key support services;

- (2) sustaining the market share in textiles and apparel and promoting exports of the targeted growth areas;
- (3) intensifying regional integration of the industry;
- (4) enhancing domestic capabilities and facilitating the utilisation of ICT and new technologies;
- (5) enhancing the skills of the workforce in designing, production and marketing; and
- (6) strengthening the institutional support for the further development of the industry.

(1) PROMOTING INVESTMENTS IN HIGHER VALUE-ADDED TEXTILES AND APPAREL

1.03 Present investment policies will be continued to attract investments in the industry, particularly in the synthetic-based textiles sub-sector. Products and services which will be promoted include:

- industrial and home textiles, including industrial webbings, geo-textiles, non-woven fabrics of various applications, laces, car seats and upholstery fabrics;
- functional fabrics with special features, such as anti-bacteria, fire resistance, water proof, wrinkle-free and ultraviolet protection;
- higher value-added fabrics and apparel, including *batik* and *songket*. Strategies and policies for *batik* and *songket* include:
 - encouraging new designs and products of high value-added *batik* and *songket* for the export market;
 - intensifying the promotion of *batik* and *songket* locally and internationally;
 - enhancing the competitiveness of manufacturers of *batik* and *songket* through the utilisation of ICT and new technologies in design, production and marketing; and
 - promoting investments in the manufacture of high quality *batik* and *songket* for the export market; and
- key support facilities and services include:
 - design houses and fashion centres;
 - specialised dyeing and finishing facilities;
 - centralised waste treatment plants;

- exhibition services for textiles and apparel; and
- distribution centres.

(2) SUSTAINING THE MARKET SHARE AND PROMOTING EXPORTS

1.04 To promote the export of textiles and apparel, the industry will be encouraged to expand existing markets and explore new markets, such as Japan, the USA, Canada, the EU, West Asia, Africa and Latin America. Measures in sustaining present market shares and promoting exports in new markets include:

- encouraging greater participation in international exhibitions and establishing a dedicated textiles and apparel portal to facilitate trading;
- improving market presence of the industry through the setting-up of sales and distribution offices overseas to enhance the response by manufacturers with direct sourcing;
- promoting in-coming buying missions for fabrics and apparel at international apparel and trade fairs in Malaysia;
- promoting brands through collaboration with international fashion houses;
- linking with major fashion centres and design houses;
- enhancing market access through FTAs;
- encouraging outsourcing of labour-intensive activities; and
- attracting buying houses to locate in Malaysia.

(3) INTENSIFYING REGIONAL INTEGRATION

1.05 The Malaysian textiles and apparel industry will be encouraged to undertake measures to enable it to benefit from ASEAN's efforts in integrating the industry regionally through:

- outward investments (including relocation of high cost operations to lower cost producing countries);
- regional sourcing of parts and components, and support services;
- expediting the implementation of bilateral and regional cooperation programmes, such as introducing 'green lane' facility, reducing non-tariff barriers and harmonising customs procedures for textiles and apparel; and
- exporting support services, such as printing, dyeing and finishing.

(4) ENHANCING DOMESTIC CAPABILITIES AND FACILITATING THE UTILISATION OF TECHNOLOGIES

1.06 Measures to enhance domestic capabilities and facilitate the utilisation of technologies include:

- providing assistance to encourage industrial adjustment and consolidation through mergers and acquisitions (M&As), and restructuring of operations;
- encouraging the utilisation of nanotechnology and biological processes for dyeing, printing and finishing; and
- promoting the application of advanced systems in technology, such as enterprise resource planning, CAD, CAM and CAE.

(5) ENHANCING SKILLS

1.07 Focus will be given to enhance the skills in designing, production and marketing. Measures include:

- providing training programme through internship and apprenticeship scheme, including facilitating industry attachment of graduates specialising in textiles and apparel designs;
- encouraging collaboration between local and foreign colleges and universities in providing twinning diploma or degree programmes in textiles science and technology; and
- promoting on-the-job training and industrial practical training.

(6) STRENGTHENING THE INSTITUTIONAL SUPPORT

1.08 Measures in strengthening the institutional support for the industry include:

- upgrading the existing textiles and apparel production area into a specialised and integrated zone, in collaboration with the State Government. The identified zone will be strengthened with the development of facilities, such as:
 - centralised waste treatment plants;
 - 'green lane' facility;
 - utilisation of Port of Tanjung Pelepas (PTP) as load and distribution centre, and for exports; and
 - warehousing and distribution centre; and
- providing assistance to the Malaysian Textiles and Apparel Centre, through the allocation of RM2 million under the Ninth Malaysia Plan (RMK-9), to upgrade the existing facilities and expand the skilled training courses of the centre.