5. CONCLUSION

It is clear from the case-study presented thus far that while the way may be tough since the industry is encumbered by a host of problems set amidst a changing international trading environment, as has been discussed in Chapter Four, the adoption of four broad-based strategies could contribute much to the development of a viable Malaysian textile and apparel industry. Basically, there must be a fresh vision for such an industry. The textile and apparel industry group should not be intimidated by the predictors of doom but should instead align itself with the vision forth by the Malaysian Government for the industry in the recently-launched IMP 2. The Malaysian Government should be applauded for setting the direction right by including the textile and apparel industry group in IMP 2.

The market opportunities are plentiful for the textile and apparel industry. As discussed in Chapter Three, the textile and apparel trade registered a growth rate of between 13.2 per cent annually between 1985 and 1992. In addition, the textile and apparel trade in 1992 at US$247.6 billion accounted for 9.3 per cent of total world trade for that year, which, represented a 240 per cent increase from 1985. This scenario illustrates the scope for market penetration and development by the Malaysian textile and apparel industry.
Besides, it should be noted that a vibrant textile and apparel industry is not incompatible with the status of a developed country. In fact, Anson & Simpson (July, 1995) reports that Germany continues to be the world’s biggest textile exporter with about 10 per cent of world trade in 1993, giving the country a substantial lead over its nearest rival i.e. Hong Kong. In third place is Italy. What should be noted is the fact that the only developing or low-cost country to make it to the list of top ten textile exporter is China. As for clothing or apparel, in 1993, five developed countries are included in the list of ten leading clothing exporters: Italy, Germany, USA, France and Portugal.

All these statistics support the view that textile i.e. yarns and fabrics can still be made competitively in developed countries, even if clothing production is rapidly relocated to low cost regions i.e. high-cost countries are still competitive. What is evident is the need for the Malaysian textile and apparel industry to move up the value chain.

In Europe in particular, there is an increase in the use of outward processing (OPT) of apparel to counter the emergence of competition of low cost countries. OPT is justified and encouraged at official level - through duty and quota breaks - in order to secure a market for the European fabrics industry. Critics have argued that this strategy of safeguarding capital-intensive textiles manufacture accelerates the decline of clothing manufacture within EU countries. However, thus far, many of the EU countries have continued to perform remarkably well even for the apparel sector.
Italy, Germany, France and Portugal were among the top ten clothing exporters in 1993 (Anson & Simpson, July 1995).

Besides earlier studies have shown that trade barriers that curtail free competition do not necessarily work to the advantage of all textile and apparel manufacturers. As such, the phase-out of the MFA and Malaysia's participation in the CEPT under AFTA may well signal a positive turning point for the industry - could be viewed as the coming of age of the textile and apparel industry.

In light of the above, would it be fair to rule out continued significant contributions by the textile and apparel industry towards the Malaysian economy as the country moves on to the next millennium? In other words, is the Malaysian textile and apparel industry a sunset industry?

Based on the experiences of the developed countries and other newly industrialised countries such as Korea, the obvious conclusion is that there is hope yet for sustaining the development of a vibrant textile and apparel industry in Malaysia. It is clear that the Malaysian textile and apparel industry is far from being a sunset industry. To sum up the future of this industry, the following excerpt from IMP 2 is quoted:

".... Although inter and intra-industry linkages are weak, the prospects are good for the textile and apparel industry group to evolve into a developed cluster. This can be
achieved by moving up the value chain, developing innovative fashion designs with brand names, enhancing product development with R&D in the areas of dyeing, printing and finishing, developing new fibres, yarns, industrial and home textiles, improving productivity through automation, flexible manufacturing and technical assistance; encourage the setting up of buying and sourcing houses; the development of an efficient global distribution and marketing network; and strengthening linkages both vertically and horizontally. Further upgrading of its upstream activities in the production of synthetic fibres, dyestuffs and finishing chemicals as well as the supporting foundations are important for the growth of the cluster.”