

## CHAPTER V

### BATEK INDUSTRY

Batek means "wax printing" and it more or less describes the process in which the textile is made. First of all wax is applied to the cloth which is afterwards dyed and certain portion of which are protected by the wax so that they do not absorb the dye leaving as a result a pattern or design on the cloth.

Batek is a very popular textile in the Malay Archipelago, Polynesia, Hawaii and other island states. It has many uses but is especially suited for making sarong, sport shirts, skirts, beach wear and shawls. The batek industry forms one of the three components of the textile industry of Malaya. The other two are hand-weaving or the handloom industry and the modern power loom weaving in Johore Bahru. The annual gross value per year of the three in the Federation amounts to \$17.6 million. The figure can be broken down as follows :-

- (i) Power loom weaving - \$10 million.
- (ii) Batek industry - \$ 6 million.
- (iii) Handloom industry - \$ 1.6 million.

Batek industry is of special importance to the economy of Kelantan in which state is to be found sixty-nine factories forming 69% of the total in Malaya. The industry provides the principal source of income for a large number of families and for many part-time workers it is a subsidiary source. R.I.D.A.'s interest in this industry was aroused in 1959 following the application of certain Indonesian investor for "pioneer status"<sup>(1)</sup> in this industry. After detailed consideration and examination the government arrived at the conclusion that it was not feasible to grant the applicant "pioneer status" because such action would not stimulate the local producers but instead such foreign competition would bring damage to the existing producers. Earlier an official

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Under the Pioneer Industries (Relief from Income Tax) Ordinance, companies granted pioneer status receive relief from income tax for varying periods depending on the amount of fixed capital they invest.

report by Mr. S. A. Abishegan of the Industrial Development Division of the Ministry of Commerce and Industry, on the batek industry had been published. Hence in 1960 a nation-wide survey of the industry was made by R.I.D.A. and to look into the problems and needs of the producers and in what ways R.I.D.A. can help them. At present there are two different types of batek in production :-

- (i) the screen printed batek which has designs on one side only and hence undergoes less elaborate process. This type accounts for about \$1.9 million of the total value. Its price varies from \$28/- to \$60/- per Kodi (20 pieces)
- (ii) The wax batek which is the traditional type of batek with colourful designs on both sides. It is sub-divided into 3 types

(a) Batek sa-lapis :

It is simple and has only one colour design made from lower grade cloth. Its price ranges from \$35/- to \$45/- per Kodi.

(b) Batek dua-lapis :

The main design is printed in two colours at different time. Hence the design is covered with wax twice. Price range is \$60/- - \$70/- per Kodi

(c) First grade wax (lilin) batek.

It is of multi-coloured design with complex pattern. It is dyed many times and requires large quantity of wax. It is the most expensive type of batek produced in Malaya with prices ranging from \$85/- to \$95/- per Kodi.

## Distribution and Structure

There are 100 batek factories of all kind in Malaya and they are concentrated in Kelantan for a number of reasons.

- (i) Kelantan being the home of true batek where the first wax factory was established and evidently knowledge of this trade is easily disseminated around the State.
- (ii) Remuneration of labour in terms of man-hours and womanhours is low compared with that earned in other economic activities such as rubber tapping and tin mining in the west coast.
- (iii) The advantages of economies of scale tend to encourage this concentration. This is manifested in the availability of raw materials and designs.
- (iv) Entrepreneurial opportunities and ability seem to be higher among Kelantan Malays and skilled labourers are in greater supply.

The 100 factories in the country employ a total of 829 full-time workers and part-time workers outside the factories number 1,765. The number of part-time workers being bigger than that of full-time is because batek production involves many processes (e.g. printing of wax designs, dyeing, washing the batek and glazing) and not all are carried out in the factories. Some of these processes can be carried out at home and constitute a kind of industrial homework.

(7) TABLE SHOWING THE DISTRIBUTION OF BATEK PRODUCERS IN MALAYA

STATE	TOWNS	DISTRIBUTION OF BATEK PRODUCERS BY TOWN
Kelantan	Kota Bharu	68
	Pasir Mas	1
Trengganu	Kuala Trengganu	8
Pahang	Temerloh	2
	Kuantan	1
	Pekan	1
Johore	Muar	6
	Batu Pahat	1
	Mersing	1
Malacca	Batu Berendam	1
Selangor	Kuala Lumpur	3
Penang	Georgetown	3
Kedah	Alor Start	4
T O T A L :		100

The batek factories in Malaya are small in size with a majority (68%) employing less than 9 workers. Many factors account for the preponderance of small size units :

- (i) lack of capital for expansion because it is a trade which gives a narrow margin of savings. Moreover, the producers are not able to do their own marketing.
- (ii) shortage of working capital to buy the required raw materials especially bleached white cloth.
- (iii) Due to competition from bigger factories and imported textiles they have to keep cost and prices low by producing inferior grade of batek
- (iv) the factories are of marginal nature characterised by expansion and contraction in boom and slump due to changes in demand and supply.

(o) Size of Factories by Total Number of Full-Time Workers in Malaya

NO. OF WORKERS	KELAN-TAN	TRENG-GANU	JOHORE	PAHANG	KEDAH	PENANG	SEL-ANGOR	MALA-CCA	TOTAL
1 - 4	13	2	3	1	4	1			24
5 - 9	29	4	4	3		1	2	1	44
10 - 14	10	1	1			1	1		14
15 - 19	9	1							10
20 - 24	6								6
25 - 29	1								1
30 & Above	1								1
<b>TOTAL:</b>	<b>69</b>	<b>8</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>100</b>

Structure :

Just like the handloom industry the structure of the batek industry is very complex involving the purchase of the various types of raw materials from foreign sources. The raw materials are distributed to the producers who may be independent or are contract printers working for the middle-men.

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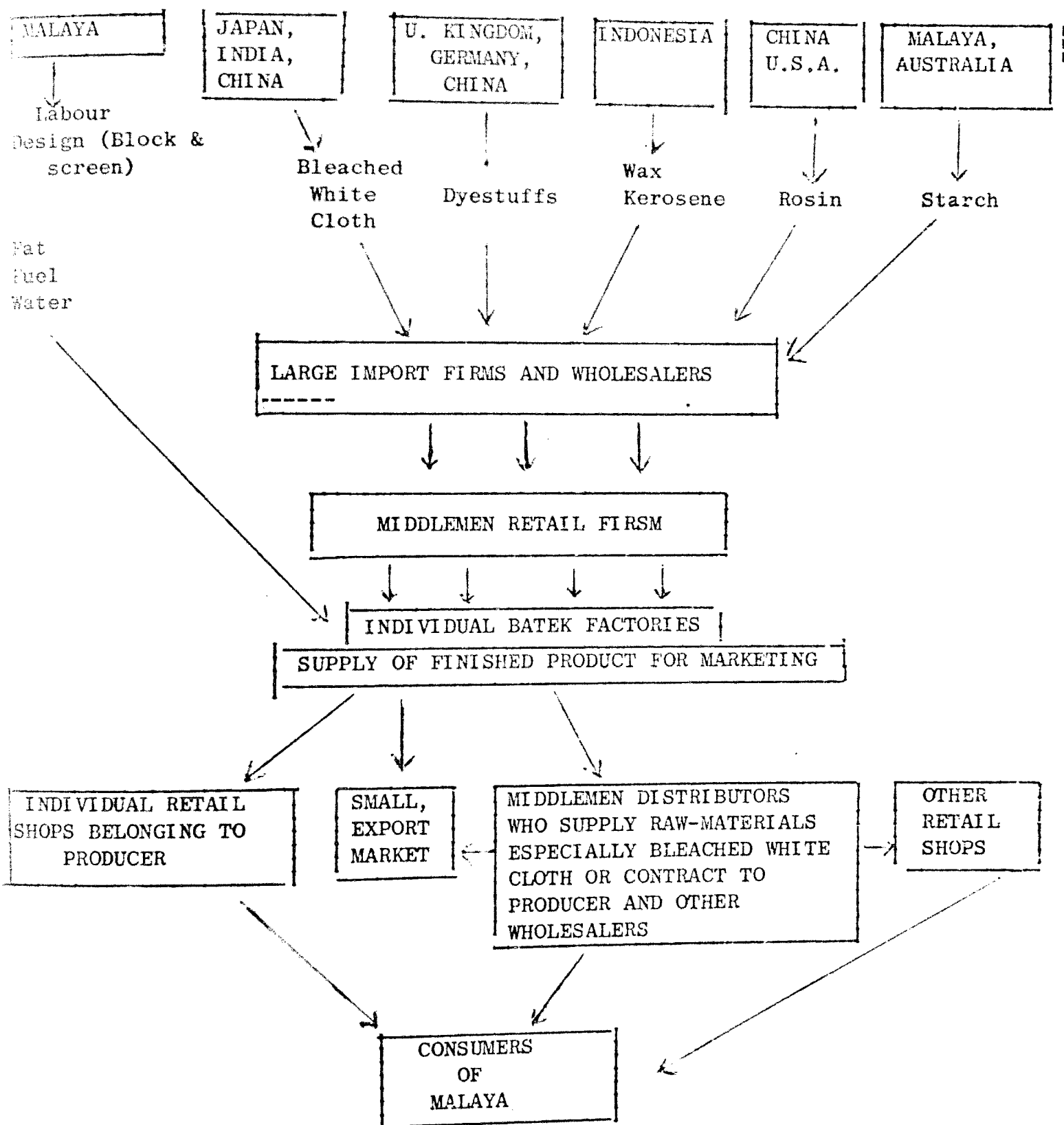
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A diagrammatic summary of the structure of the industry, covering the supply of raw materials and the distribution of the finished products through the various channels is presented below :

STRUCTURE OF THE BATEK INDUSTRY (2)



The diagram shows the flow of raw materials through the import firms, wholesalers and middle-men retail firm to the individual factories and finally the flow of the finished output from the factories through the market to consumers. It also shows the indigenous factors of production such as labour, designs, starch, fact, fuel and water which are directly available to the factories. The producer is influenced and controlled to a large extent by the supplier of raw materials especially bleached white cloth. 67% of the batek printers do not have the capital resources to buy their own white cloth. Even if they can marketing the finished goods is also a problem due to lack of formal education, and business experience. The table also shows the wholly contract producers to whom cloth is supplied and wholly independent printers. There are also cases where a combination of the above two applies. Even in the combined case, 70% is contract and only 30% supplied their own cloth. The supplies of the basic raw materials which are required in quantity are all imported from overseas because it requires capital commercial ability and some knowledge of world market forces. Hence, it is done by large import and wholesaling firms most of whom have their head office in Singapore and Kuala Lumpur. The marketing of the finished product is not all done by the makers because they may not possess the required knowledge of market conditions and contacts. Only 30% conduct their own marketing through retail shops. Marketing is mainly in the hand of the middle-men who retail raw materials. There is a very small import market limited to Southern Thailand but it has been dwindling for the past five years due to import regulations of the Thai government and the increasing scale of Thai batek production.

#### Production :

Batek production can be broken down into many processes most of which can be performed outside the factory. Only 5% of the makers operate in separate factory premises while the rest carry out their work in their home. Nearly all the establishments are of unregistered private family ownership regardless of whether they are independent printers or work under contract.

The cost of production may be broken down into 3 main types :

- (i) Raw materials (bleached white cloth, dyestuffs, wax, rosin, starch, etc.)
- (ii) Labour
- (iii) Depreciation of equipment, administration and transport cost, etc.

For the three different types of wax batek, their costs vary within a wide range due to the difference in the value added to the raw materials. Labour costs for the 3 kinds of batek are in the ratio of 4:2:1 while that of raw materials are in the ratio of 4:3:2. This shows that the labour or processing costs are more significant in determining the price of the batek than the cost of raw material. For example glazing which is an expensive cost item is normally reserved for first grade batek. This is only a superficial process because the gloss is lost after washing. In order to reduce cost this process should be discontinued. In fact, it is estimated that cost can be cut by 5.7% by its elimination.

(g) COST OF PRODUCTION OF DIFFERENT GRADES OF BATEK PER KODI  
IN KOTA BHARU

COST OF INDIVIDUAL ITEM	1ST GRADE	2ND GRADE	3RD GRADE	SCREEN PRINTED
Raw Material:				
White Cloth	34.40	34.00	23.20	22.0
Dyestuffs	15.00	5.60	2.10	1.25
Others	9.46	7.35	4.45	1.10
TOTAL COST OF RAW MATERIAL:	58.86	46.35	29.75	24.35
TOTAL LABOUR COST	26.09	14.46	6.33	1.98
Depreciation, Administration & Others	4.00	3.30	2.80	1.50
TOTAL COST OF PRODUCTION:	88.95	64.11	38.88	27.83
VALUE ADDED TO RAW MATERIALS	51%	38%	31%	14%

The table shows that the value added to the raw materials is greatest (51%) for 1st grade and the least (14%) for screen printed batek. The cost of production figure are those prevailing before R.I.D.A. supplied the white cloth to the producers. It has since reduced the cost item of white cloth for the 1st and 2nd grade of batek from \$34.40 to \$29.60 (i.e. 11%). The total cost of production for 1st grade wax batek is reduced by 5.4% only while for the 2nd grade the reduction is 7.5%.