

**YANGON UNIVERSITY OF ECONOMICS  
MASTER OF PUBLIC ADMINISTRATION PROGRAMME**

**A STUDY ON THE CHALLENGES AND  
OPPORTUNITIES FOR THE DEVELOPMENT OF  
WEAVING INDUSTRY IN RAKHINE STATE**

**AUNG MYO THEIN  
MPA - 2 (17<sup>th</sup> Batch)**

**MAY, 2019**

**YANGON UNIVERSITY OF ECONOMICS  
MASTER OF PUBLIC ADMINISTRATION PROGRAMME**

**A STUDY ON THE CHALLENGES AND OPPORTUNITIES FOR  
THE DEVELOPMENT OF WEAVING INDUSTRY IN  
RAKHINE STATE**

A thesis submitted in partial fulfillment of the requirements for the  
Master of Public Administration (MPA) Degree

**Supervised by**

U Thein Naing  
Associate Professor  
Department of Applied Economics  
Yangon University of Economics

**Submitted by**

Aung Myo Thein  
MPA – 2 (17<sup>th</sup> Batch)  
(2016- 2019)

**May, 2019**

## **ABSTRACT**

This study is conducted to Challenges to Opportunities for the Development of Weaving industry in Sittwe Township. This thesis has attempted to examine the present situation of weaving industry and analyze challenges of weaving industry in Rakhine State. The descriptive method is used based on primary and secondary data. For the qualitative analysis, primary survey data is collected from the respective organizations and weaving industry in Sittwe Township. For qualitative analysis, primary data are collected by using key informant method (KII). A sample of 100 weaving firms are selected among 781 firms in Sittwe Township. According to the analysis, lack of technology cause underdeveloped condition of weaving and it leads to low quality textile, low quality yarn, low quality finishing product and less profit condition. The government organizations are still key responsible organizations of weaving technology, controlling and implementing policy for national incentives on export promotion for weaving industry.

## ACKNOWLEDGEMENTS

First and foremost, I would like to express my heartfelt gratitude to Professor Dr. Tin Win, Rector of the Yangon University of Economics, Dr. Ni Lar Myint Htoo, Pro-Rector and U Kyaw Min Htun, Pro Rector (Retired) and thank to Master of Public Administration Programme Committee, Yangon University of Economics for rewarding me the opportunity to go for study this programme. I am very much proud of being a student at Yangon University of Economics. My special thanks to go to Professor Dr. Daw Phyu Phyu Ei, MPA programme director of Yangon University of Economics, and Daw May Hnin Tin, Associate Professor (Retired) Department of Applied economics for her enthusiasm, intensity, willingness, gorgeous and continuous encouragement. It gives me immense pleasure to acknowledge my thesis supervisor, Associate Professor, U Thein Naing who helped me to prepare this thesis. And I would like to thank all the people I met at YUE who have supported me in writing my thesis. It would not have been possible to write this thesis without the help and support for those kind people around me, to only some of whom it is possible to give particular mention here.

I have furthermore to thank Daw Thet Hnin Phyo, Principle of Sittwe Weaving School, U Aung Phyo, Deputy Director and U Nyein Myint Zaw, Assistant Engineer of Small Scale Industry Department (SSID), Sittwe Township, supporting me mainly with reverent data.

I am also thankful to Daw Ma Aye, Entrepreneur and owner of Shwe-Kyar weaving firm and some Sittwe weaving firms owners for answering my key informant interview.

Last but not least, my special thanks to my friend, Hein Zaw Htut who help and support for interview.

Finally, I have to thank my family for their support and encouragement to this study.

# TABLE OF CONTENTS

	<b>Page</b>
<b>ABSTRACT</b>	<b>i</b>
<b>ACKNOWLEDGEMENTS</b>	<b>ii</b>
<b>TABLE OF CONTENTS</b>	<b>iii</b>
<b>LIST OF TABLES</b>	<b>v</b>
<b>LIST OF ABBREVIATIONS</b>	<b>vi</b>
<b>CHAPTER I INTRODUCTION</b>	<b>1</b>
1.1 Rationale of the Study	1
1.2 Objectives of the Study	2
1.3 Method of Study	2
1.4 Scope and Limitations of the Study	2
1.5 Organization of the Study	2
<b>CHAPTER II LITERATURE REVIEW</b>	<b>4</b>
2.1 Historical Background of Weaving Product Manufacturing	4
2.2 The Role of Weaving Textile in Society	7
2.3 Types of Weavers	7
2.4 The Role of Weavers	8
2.5 Weaving Production in Developing Countries for Economic Growth	9
2.6 Review on Previous Studies	12
<b>CHAPTER III CURRENT STATUS OF WEAVING INDUSTRY IN MYANMAR</b>	<b>13</b>
3.1 Policy Laws, Regulations of Weaving Industry	13
3.2 Preservation and Promotion of Weaving Industry in Myanmar	15
3.3 The Role of Ministry of Culture	17
3.4 Industrialization Policy under Market Oriented Economic System	18

<b>CHAPTER IV</b>	<b>ANALYSIS ON SURVEY FINDING IN STUDY AREA</b>	<b>21</b>
4.1	Profile of the Sittwe Township	21
4.2	Study Design	22
4.3	Weaving Firms in Sittwe Township	23
4.4	Factor Influencing the Growth of Weaving Firms in Sittwe Township	24
<b>CHAPTER V</b>	<b>CONCLUSION</b>	<b>41</b>
5.1	Findings	41
5.2	Recommendation	42
<b>REFERENCES</b>		
<b>APPENDIX</b>		

## LIST OF TABLES

<b>Table No.</b>	<b>Title</b>	<b>Page</b>
4.1	Types of Weaving Firms in Sittwe in Sittwe Township	23
4.2	Number of Enterprises in Sittwe Township and its Location	24
4.3	Survey Profile	26
4.4	Demographic Characteristic	27
4.5	Reasons for Starting Weaving Firm by Owners	28
4.6	Business Background of the Business	29
4.7	Organizational Factors of the Respondents	30
4.8	Market Condition of the Respondents	31
4.9	Types of Distribution by Respondents	31
4.10	Access to Trainings of Respondents	32
4.11	Types of Training Received by Respondents	32
4.12	Reasons for not Attending Trainings	33
4.13	Organization that Provide Trainings	33
4.14	Types of Business	34
4.15	Types of Technology	34
4.16	Types of Products Produced by Weaving Firms	34
4.17	Challenges Faced by Weaving Firms in Sittwe Township	35
4.18	Opportunities of Weaving Industry in Sittwe Township	35
4.19	Perception of Firm's Owners on Supporting Factors by Government	36
4.20	Demand Condition and Competition	38
4.21	Situation of Weaving Firms in Rakhine State	40

## **LIST OF ABBREVIATIONS**

BCE	Before Common Era
EESL	Energy Efficiency Service Ltd
GDP	Gross Domestic Product
IIP	Index of Industry Production
JICA	Japan International Cooperation Agency
KII	Key informant interview
NGOs	Non-Government Organization
SLORC	State Law and Order Restoration Council
SMEs	Small and medium enterprises
SOEs	State Own Enterprises
SPDC	State Peace and Development Council
UMFCCI	The Union of Myanmar Chambers of Commerce and Industry



# CHAPTER I

## INTRODUCTION

### 1.1 Rationale of the Study

Weaving is one of the oldest manufacturing activities and still largely household enterprise in Myanmar. It has been one of the most promising sectors of huge employment for both skilled and unskilled labor in the weaving industry. In fact, after agriculture, this industry is one of the largest providers of workforce. The abundance of natural resources, raw materials and the continuous supply of cheap work force is the contributing factors behind the success of weaving industry in domestic market.

However, the liberalization of the international trade coupled with change in the reforms of domestic economy, have made affected weaving industry of Myanmar negatively. Especially the importation of cheap new clothing textiles and second hand products from developed countries, it provides low-cost clothing for people living in poverty. At the same time, however, there are concerns that the demand may be undermining the local weaving, textile, garment industries and livelihoods. So, it is considered as a falling industry. Through the ancient industry of Myanmar is experiencing the bad phase, but a large market for weaving products still exist in the domestic market. The weaving industry in Myanmar has self-depending mechanism that includes training the young weavers, abundance of resources and capacities, thereby, helping the industry not to be dependent on the Government but compare with other countries in the region, Myanmar's weaving industry is still small. So, it need to lift up more.

This paper discuss the role of weaving in economic development and present various problems and constraints of weaving development in Myanmar. Crafts play an important economic role in developing countries. Traditional weaving skill were passed on from one generation to another within the family line. Most of the weaving business are privately owned.

Weaving industry is growing in domestic market but the quality of weaving from Myanmar is lower than neighboring countries. So, it need to upgrade the technology.

In this paper, it has stated the situation of weaving industry which are facing with the challenges. It may also propose measures and policy recommendations to cope up with these problems by offering suggestions.

## **1.2 Objectives of the Study**

The two main objectives of the study are to Rakhine state examine the present situation of the weaving industry and to analyze challenges of weaving industry in Rakhine State.

## **1.3 Method of Study**

The method used in this study is both quantitative and qualitative research method. For qualitative analysis, primary data is collected from respective organizations and weaving industry by using method Key Informant Interview (KII). KII method is qualitative in- depth interviews with people who know what is going on in this sector and to know about internal and external factors influencing weaving industry in Rakhine State. For quantitative analysis, one hundred questionnaires were distributed in Sittwe weaving industry.

## **1.4 Scope and Limitation of the Study**

The scope of the study is weaving industry in Rakhine state from 2008 to 2018. It has represent the situation of weaving industry but not stressed on environmental pollution because of weaving industry.

## **1.5 Organization of the Study**

This thesis will organized into five chapters. Chapter (1) is introductory chapter composed with rationale of the study, objectives, method of the study, scope and limitation of the study and also organization of the study. Chapter (2) presents literature review on international weaving industry and review on related studies. In Chapter (3) the current status of weaving industry in Myanmar has described, including the policy, rules, regulations of weaving industry. Chapter (4) analyses

survey profile: study design, background information of weaving firms in Rakhine state, Characteristics of the respondents of weaving firms in Sittwe District, Chapter (5) describes the findings of the study, the recommendations and conclusions.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Historical Background of Weaving Product Manufacturing**

Weaving is acknowledged as one of the oldest surviving crafts in the world. There are some indications that weaving was already known in the Paleolithic era, as early as 27,000 years ago. An indistinct textile impression has been found at the Dolní Věstonice site. According to the find, the weavers of Upper Palaeolithic were manufacturing a variety of cordage types, produced plaited basketry and sophisticated twined and plain woven cloth. The artifacts include imprints in clay and burned remnants of cloth.

The oldest known textiles found in the Americas are remnants of six finely woven textiles and cordage found in Guitarrero Cave, Peru. The weavings, made from plant fibers, are dated between 10100 and 9080 BCE.

In Middle East and Africa, The earliest known Neolithic textile production in the Old World is supported by a 2013 find of a piece of cloth woven from hemp, in burial F. 7121 at the Çatalhöyük site suggested to be from around 7000 B.C. Further finds come from the advanced civilisation preserved in the pile dwellings in Switzerland. Another extant fragment from the Neolithic was found in Fayum, at a site dated to about 5000 BCE. This fragment is woven at about 12 threads by 9 threads per cm in a plain weave. Flax was the predominant fibre in Egypt at this time (3600 BCE) and continued popularity in the Nile Valley, though wool became the primary fibre used in other cultures around 2000 BCE. Weaving was known in all the great civilisations, but no clear line of causality has been established. Early looms required two people to create the shed and one person to pass through the filling. Early looms wove a fixed length of cloth, but later ones allowed warp to be wound out as the fell progressed. The weavers were often children or slaves. Weaving became simpler when the warp was sized.

In America, the Indigenous people of the Americas wove textiles of cotton throughout tropical and subtropical America and in the South American Andes of wool from camelids, primarily domesticated llamas and alpacas. Cotton and the camelids were both domesticated by about 4,000 BCE. American weavers are "credited with independently inventing nearly every non-mechanized technique known today."

In the Inca Empire of the Andes, women did most of the weaving using backstrap looms to make small pieces of cloth and vertical frame and single-heddle looms for larger pieces. Andean textile weavings were of practical, symbolic, religious, and ceremonial importance and used as currency, tribute, and as a determinant of social class and rank. Sixteenth-century Spanish colonists were impressed by both the quality and quantity of textiles produced by the Inca Empire. Some of the techniques and designs are still in use in the 21st century.

In East Asia, the weaving of silk from silkworm cocoons has been known in China since about 3500 BCE. Silk that was intricately woven and dyed, showing a well developed craft, has been found in a Chinese tomb dating back to 2700 BCE.

Silk weaving in China was an intricate process that was very involved. Men and women, usually from the same family, had their own roles in the weaving process. The actual work of weaving was done by both men and women. Women were often weavers since it was a way they could contribute to the household income while staying at home. Women would usually weave simpler designs within the household while men would be in charge of the weaving of more intricate and complex pieces of clothing. The process of sericulture and weaving emphasized the idea that men and women should work together instead of women being subordinate to men. Weaving became an integral part of Chinese women's social identity. Several rituals and myths were associated with the promotion of silk weaving, especially as a symbol of female power. Weaving contributed to the balance between men and women's economic contributions and had many economic benefits.

There were many paths into the occupation of weaver. Women usually married into the occupation, belonged to a family of weavers and or lived in a location that had ample weather conditions that allowed for the process of silk weaving. Weavers usually belonged to the peasant class. Silk weaving became a specialized job requiring specific technology and equipment that was completed domestically within

households. Although most of the silk weaving was done within the confines of the home and family, there were some specialized workshops that hired skilled silk weavers as well. These workshops took care of the weaving process, although the raising of the silkworms and reeling of the silk remained work for peasant families. The silk that was woven in workshops rather than homes were of higher quality, since the workshop could afford to hire the best weavers. These weavers were usually men who operated more complicated looms, such as the wooden draw-loom. This created a competitive market of silk weavers.

The quality and ease of the weaving process depended on the silk that was produced by the silk worms. The easiest silk to work with came from breeds of silk worms that spun their cocoons so that it could be unwound in one long strand. The reeling, or unwinding of silk worm cocoons is started by placing the cocoons in boiling water in order to break apart the silk filaments as well as kill the silk worm pupae. Women would then find the end of the strands of silk by sticking their hand into the boiling water. Usually this task was done by women of ages eight to twelve, while the more complex jobs were given to older women. They would then create a silk thread, which could vary in thickness and strength from the unwound cocoons.

After the reeling of the silk, the silk would be dyed before the weaving process began. There were many different looms and tools for weaving. For high quality and intricate designs, a wooden draw-loom or pattern loom was used. This loom would require two or three weavers and was usually operated by men. There were also other smaller looms, such as the waist loom, that could be operated by a single woman and were usually used domestically.

In Southeast Asia, Philippines, numerous pre-colonial weaving traditions exist among different ethnic groups. They used various plant fibers, mainly abacá or banana, but also including tree cotton, buri palm (locally known as *buntal*) and other palms, various grasses (like *amumuting* and *tikog*), and bark cloth. The oldest evidence of weaving traditions are Neolithic stone tools used for preparing bark cloth found in archeological sites in Sagung Cave of southern Palawan and Arku Cave of Peñablanc, Cagayan. The latter has been dated to around 1255–605 BCE.

## **2.2 The Role of Weaving Textile in Society**

Weaving, which is made of textiles, is one of the three basic necessities of man, alongside food and shelter (Adu-Akwa,2010). Although, clothing is usually prioritized second to food, (Agye.2001) posits that one can go unnoticed without food or shelter for a moment, but without clothing, he or she may be perceived in a civilized world as insane or a mad person. All items used in covering and ornamenting the body which is found in body arts can be termed as fashion.

In countries where it is very warm or very cold most of time, the same of clothing is worn year after year. Where the temperature is constantly changing, as in the temperature zone, the style of clothing is also subject to frequent change; and these varying modes constitute what is called 'Fashion'.

While the primary use of clothes is to afford protection from the heat and cold, they should be made and worn with a view to pleasing the eye. It is essential, therefore, that they be carefully cut and neatly made, and they should be kept clean and in good order. Clothing performs a range of social and cultural functions, such as individual, occupational and sexual differentiation, and social status. In many societies, norms about clothing reflect standards of modesty, religion, gender, and social status. Clothing may also function as a form of adornment and an expression of personal taste or style. Elise (1998) also states that fashion exists as a means of creating an outward appearance that reflects something about the individual, whether it is identification with a cultural movement, economic status such as wealthy businessman.

## **2.3 Types of Weavers**

### **Handloom Weavers**

Hand loom weaving was done by both sexes but men outnumbered women partially due to the strength needed to batten. They worked from home sometimes in a well lit attic room. The women of the house would spin the thread they needed, and attend to finishing. Later women took to weaving, they obtained their thread from the spinning mill, and working as outworkers on a piecework contract. Over time competition from the power looms drove down the piece rate and they existed in increasing poverty.

## **Power Loom Weavers**

Power loom workers were usually girls and young women. They had the security of fixed hours, and except in times of hardship, such as in the cotton famine, regular income. They were paid a wage and a piece work bonus. Even when working in a combined mill, weavers stuck together and enjoyed a tight-knit community. The women usually minded the four machines and kept the looms oiled and clean. They were assisted by 'little tenters', children on a fixed wage who ran errands and did small tasks. They learnt the job of the weaver by watching. Often they would be half timers, carrying a green card which teacher and overlookers would sign to say they had turned up at the mill in the morning and in the afternoon at the school. At fourteen or so they come full-time into the mill, and started by sharing looms with an experienced worker where it was important to learn quickly as they would both be on piece work. Serious problems with the loom were left to the tackler to sort out. He would inevitably be a man, as were usually the overlookers. The mill had its health and safety issues, there was a reason why the women tied their hair back with scarves. Inhaling cotton dust caused lung problems, and the noise was causing total hearing loss. Weavers would mee-maw as normal conversation was impossible. Weavers used to 'kiss the shuttle', that is, suck thread through the eye of the shuttle. This left a foul taste in the mouth due to the oil, which was also carcinogenic.

### **2.4 The Role of Weavers**

A distinction can be made between the role and lifestyle and status of a handloom weaver, and that of the powerloom weaver and craft weaver. The perceived threat of the power loom led to disquiet and industrial unrest. Well known protests movements such as the Luddites and the Chartists had hand loom weavers amongst their leaders. In the early 19th century power weaving became viable. Richard Guest in 1823 made a comparison of the productivity of power and hand loom weavers:

A very good Hand Weaver, a man twenty-five or thirty years of age, will weave two pieces of nine-eighths shirting per week, each twenty-four yards long, and containing one hundred and five shoots of weft in an inch, the reed of the cloth being a forty-four, Bolton count, and the warp and weft forty hanks to the pound, A Steam Loom Weaver, fifteen years of age, will in the same time weave seven similar pieces.



He then speculates about the wider economics of using powerloom weavers: ... it may very safely be said, that the work done in a Steam Factory containing two hundred Looms, would, if done by hand Weavers, find employment and support for a population of more than two thousand persons.

## **2.5 Weaving Production in Developing Countries for Economic Growth**

Weaving industries form a major part of manufacturing production, employment and trade in many developing countries. The weaving industry is one of the oldest, largest and the most global industries in the world. It is typical 'starter' industry for countries engaged in export-oriented industrialization (gereffi.2002) and is labor intensive. Weaving and clothing offers a range of opportunities including entry-level jobs for unskilled labor in developing countries. Weaving and clothing industries are important in economic and social terms, in the short-run by providing incomes, jobs, especially for women, and foreign currency receipt and in the long-run by providing countries the opportunity for sustained economic development in those countries with appropriate policies and institutions to enhance the dynamic efforts of weaving and clothing. The potential of the weaving and clothing industries to contribute to long-run growth and development will depend not only on the attributes (desirable or otherwise) of the investors, but also the quality of effectiveness of government policies and institutions in developing countries to build on this investment.

The weaving and clothing industries are very important for a handful of countries, in terms of trade, GDP and employment and have contributed significantly in several other countries. The weaving and clothing industries provide opportunities for export diversification and expansion of manufactured exports for low-income countries that can exploit their labor cost advantages and fill emerging niches and meet buyer demands. There are also dynamic effects of weaving and clothing industries and these dynamic effect are greater, the more linkages have been built up between the weaving industry and local textile suppliers.

There are also important social aspect of the weaving and clothing industry. While wages in developing countries in some assembly activities will be lower than wages in developing countries in downstream activities in the same clothing value chain.

## **Bangladesh**

The weaving and clothing industry in Bangladesh is the largest employer after agriculture, Bangladesh is particularly dependent on the export of clothing (Yang et al. 2004). The weaving and clothing industries provide the single source of growth in Bangladesh' rapidly developing economy. Exports of weaving and garment are the principle source of foreign exchange earnings. By 2002 exports clothing accounted for 77% of Bangladesh's total merchandise export. In 2015, the World Bank approximated the gross domestic product (GDP) of Bangladesh at USD 6.29 billion and it grew to USD 173.82 billion by 2014, with USD 31.2 billion of the granted by exports, 82% of which was ready-made clothing. As of 2016 Bangladesh held 2th place in producing weaving just after China. Bangladesh is the world's second-largest clothing exporter. In the financial year 2016-2017, the weaving and clothing industry generated US\$28.14 billion, which was 80.7% of the total of the export earning in export and 12.36% of the GDP; the industry was also taking on green manufacturing practices.

The role of women is important in the debate as some argue that the weaving industry has been an important means of economic security for women while others focus on the fact that women are disproportionately weaving and clothing workers and thus are disproportionately victims of such accidents. Measures have been taken to ensure better worker conditions, but many still argue that more can be done.

## **India**

India's weaving and textile industry is one of the oldest industries in India economy dating back several centuries. Even today, textile and weaving sector is one of the largest contributors to India's exports with approximately 13 percent of total exports. The weaving and clothing industry is labor intensive and is one of the largest employers. The weaving and clothing industry employs about 105 million people directly and indirectly. India's overall weaving and clothing exports during financial year 2017-2018 stood at US\$37.74 billion.

The India weaving and clothing industry, currently estimated at around US\$150 billion, is expected to reach US\$ 230 billion by 2020. The India weaving and clothing industry contributes approximately 2 percent of India's Gross Domestic

Product (GDP), 10 percent of manufacturing production and 14 percent to overall Index of Industrial Production (IIP).

The Union Ministry of Textile, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the powerloom sector of India. The government has planned to connect as many as 5 crore (50 million) village women to charkha (spinning wheel) in the next 5 years with a view to provide them employment and promote khadi and also, they inaugurated 60 khadi outlets which were to renovated and re-launched during the 60<sup>th</sup> anniversary and a khadi outlet. The Textile Ministry will organize 'Hastkala Sahyog Shivirs' in 421 handloom-handicrafts clusters across the country which will benefit over 1.2 lakh weavers and artisans. The Gujarat government's decision to extend its textile policy by a year is set. It is believed to attract RS 5000 crore (US\$ 50 billion) of more investment in sectors across the value chain.

The Government of India plans to introduce a mega package for the powerloom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of absolute loom, along with tax benefits and marketing support, which is expected to improve the status of powerloom weavers in the country. The Government of India has taken several measures including Amended Technology upgradation Fund Scheme (A-TUSF), launch of India Handloom Brand and integrated scheme for development of silk industry, for strategic enhancement of India textiles quality to international standards.

## **2.6 Review on Previous Studies**

There is a thesis from EMPA (12<sup>th</sup> Batch) related studies with weaving industry in Myanmar. "A Study on SME Cluster in Myanmar (Case Study of Weaving Industry in Meikhtila District)", studied by Kyu Kyu Aung (EMPA 12<sup>th</sup> Batch, 2016) with the objectives of the study on SME policies and SME cluster in Myanmar and to examine the situation and challenges of weaving industry in Meikhtila and Wundwin Township. It was found increasing condition of weaving production with application of advanced technology, government supporting function, government policy regarding on weaving industry and SMEs department and UNIDO organized the weaving firms as a weaving cluster with 189 members to developed the industry. Cluster can create the improvement of processing and production of the products so it can be enhanced to be stronger in accessing market, advanced technology, product and process innovation, buying power, selling power and research and development centre. Moreover, weaving firms face labor shortage and mainly threatened by difficulty to get skillful labors than before, therefore weaving firms are providing more incentives to their employees.

## **CHAPTER III**

### **CURRENT STATUS OF WEAVING INDUSTRY IN MYANMAR**

#### **3.1 Policy, Laws, Regulations of Weaving Industry**

For the development of any industry, the supporting and encouraging Policy, Laws, Rules and Regulations are essential. There are Policy, Laws, Rules and Regulation concerning with the weaving industry in Myanmar.

##### **3.1.1 Government Policy on Myanmar Weaving**

Myanmar people are very familiar with cultivation and uses of handicrafts as well as highly skill in weaving to be part of their traditional knowledge and folklore. The weaving products are useful in daily life of people in Myanmar. Some products are popular in urbanization and appreciation to the tourists and also adopted for souvenir of our country. Our government has explored idea and strategies for the development of Myanmar Arts and Crafts especially for crafts products to promote the ecotourism in the region. Myanmar's weaving industry is thousands of years old. It is a land rich in culture, and with abundant natural resources; situated in Southeast Asia having China, India, Bangladesh, Laos and Thailand as neighbors. The weaving industry of Myanmar has a huge potential to contribute to national economic growth as a substantial employment giver, and attract foreign investment. Nevertheless, to achieve its full potential the weaving industry needs to overcome some major challenges.

##### **3.1.2 History of Myanmar's Weaving**

Agriculture is the backbone of Myanmar's economy. The government is carrying out development projects for agriculture which will also be the foundation for the all-round development of other sectors. Myanmar's most popular handicraft is traditional weaving. Medieval wall paintings, palm leaf writing and literatures show

that since the Bagan period (9th to 13th centuries), the weaving industry had flourished. Ancient wood carvings, sculpture and mural paintings of ancient pagodas clearly indicate the high quality of apparel woven during those times. Even though traditional weaving gears are hand operated, it is still possible to produce excellent clothes.

In the 19th century, local factories were set up that produced 'lun taya acheik longyi' (one hundred shuttle wave) with patterns of horizontal wavy lines. Pure silk threads were used to weave for both weft and warp, and more than 100-200 shuttles were used depending on the design. The traditional weaving technology has become a national treasure, a legacy that has been handed from one generation to another. To promote the traditional weaving and revive local weavers, the government of Myanmar is trying its best to preserve traditional weaving heritage.

### **3.1.3 The Recent Past of Weaving Industry in Myanmar**

During the years from 1962-88 all major industries were nationalized. Therefore, any development in the weaving industry could happen only with the support of the Ministry of Industry. During this period weaving and textile production received some foreign investment mainly from China, Japan and Germany. The Foreign Investment Law was enacted in November 1988, which allowed foreign companies to start business in Myanmar. This gave a major push towards the development of modern weaving industry in Myanmar.

During the period 1990-2001, weaving textile exports increased from 2.5 per cent of total exports to 39.5 per cent. This meant that it became the largest export industry in the country. There were around 400 factories with three lakh employees in early 2000 generating revenue of US\$ 600 million. Most exports went to US (more than 50 per cent), countries in EU (40 per cent), and the rest to South Korea, Malaysia, Canada, Singapore and Australia. Unfortunately, the trade regulations and sanctions in 2003 greatly impacted the garment industry of Myanmar. Instantly, the US market was lost. The textile weaving industry was adversely affected due to the changes in the country's taxation and regulations, besides the international agreement on textiles and clothing being phased out in 2005. Other reasons such as emergence of China and Bangladesh as leading garment exporters and limited access to finance also stopped many producers from expanding or renovating the factories to become more

competitive. This made Myanmar's weaving firms less competitive and globally isolated. As a result, hundreds of firms closed down and more than a lakh of workers became unemployed.

### **3.1.4 Present Situation of Weaving Industry in Myanmar**

From 2005 to 2010 around 130 weaving firms which survived the down fall started exploring new markets in some Asian countries. In 2011 the new government took up a series of reforms and changes to facilitate trade and foreign direct investment (FDI) The government lowered export duty, reduce restrictions on the financial sector, revised the foreign investment law and executed currency reforms. All these factors greatly improved the political and business conditions in Myanmar and textile weaving sector is rapidly growing today. Today many textile weaving factories are operating in Bago, Mandalay, Pathein, Hpa-An and greater Yangon.

### **3.2 Preservation and Promotion of Weaving Industry in Myanmar**

Traditional weaving skills were passed on from one generation to another within the family line. Myanmar Government is trying its best to preserve and promote Myanmar traditional textile and revive local weavers so the government established the Ministry of Co-operatives.

#### **3.2.1 The Role of Ministry of Co-operatives**

Ministry of Co-operative has been formed aiming at laying down policies for contributing towards national economic development through undertaking business by like-minded persons collectively and for flourishing socio-economic activities broadly through enlivening co-operative principles. Under the Ministry of Co-operatives, there are three departments namely the Co-operative Department, the Cottage Industries Department and the Co-operative Export and Import Enterprise.

Among them, the aims and objectives of Cottage Industries Department is as follows:

1. to supervise cottage industries according to Cottage Industries Promotion Law and carry out promotion activities for these industries.

2. to monitor weaving schools in States and Divisions, and Lacquer ware Technology College, Bagan.
3. to provide technical services to Industrial cooperatives, and cottage industries and handicraft enterprises from private sector.

Training School and their Perspective: Saunders Weaving Institute (Amarapura) The Government founded the Saunder's Weaving Institute in 1914 under the Department of Cottage Industries, Ministry of Cooperatives. It trains the students Power loom weaving practice, Chemical dyeing and screen-printing as well as traditional resist dyeing techniques.

The aim of the Institute is as follows:

1. To know about the knowledge of weaving technology.
2. To bring up the skillful weavers and technicians.
3. To maintain and develop the racial and traditional weaving knowledge.
4. To train the knowledge of weaving by using modern-technique and equipment.
5. To research for developing the weaving technology.

According to aims of Institute, the following courses are being taught in practical and lecture.

1. Textile Technology - 1 years course
2. Traditional weaving - 6 months course
3. Tapestry - 3 months course

### **Weaving schools in States and Divisions:**

In addition, 14 weaving schools in States and Division are established under the Cottage Industries Department to preserve the traditional weaving through regular formal training courses.

The education system for textile corresponds with the goals of art education. The vocational education trainings is an integral part of human resource development and is one of the major ways of improving the ability to society and to future self-development of the weaver.



### **3.3 The Role of Ministry of Culture**

Culture represents the most important basic for the existence of nation and it is as instrument to build the nation. As cultural heritage has high value for keeping the tradition and spirit of the people. Myanmar people are very much oriented to the cultural preservation and dissemination of Myanmar culture.

#### **Objectives for National Heritage Preservation and Promotion**

The objective of National Heritage Preservation and Promotion has been laid down for the sake of preservation and dissemination of Myanmar cultural heritage as follows.

1. to explore and preserve cultural heritage like ancient pagodas, stone inscription, manuscripts and parabeiks, ancient monuments and its decorative styles.
2. to sustain, disseminate and revive Myanmar literature, music, theatrical performances in Myanmar style.
3. to preserve, sustain and develop Myanmar arts and crafts in Myanmar traditional style
4. to wear Myanmar dress in accordance with traditional culture
5. to nature the youths/younger Myanmar generation to be well behaved bodily and verbally in accordance with the teaching of religion, teachers and parents.

To fulfill the objectives of the national policies of culture, Ministry of Culture was establish in 1952 to study and explore for preservation of Myanmar culture and to carry out the various cultural affairs .

In order to preserve and promote the Myanmar traditional textile and wearing Myanmar dress, Myanmar traditional costume Exhibition and other related exhibitions are organized by the Ministry of Culture. And to preserve, sustain and develop Myanmar arts and crafts in Myanmar traditional style, National Universities of Arts and Culture and State Schools of Fine Arts are established under the Department of Fine Arts, Ministry of Culture and provide the crafts education as education centers for craftsmanship.

### **3.4 Industrialization Policy under Market Oriented Economic System**

In the late 1980, most of the socialist countries collapsed due to economic and political crisis. In 1988, Myanmar's socialist system was also abolished and the State Law and Order Restoration Council (SLORC) government adopted a market oriented economic system and carried out necessary reform and changes.

The most important reforms were as follow:

- Decentralization of economic control
- Encouraging private sector development
- Abolishing price controls
- Allowing farmers to do business freely
- Allowing foreign direct investment
- To do local banking business
- Improving infrastructure support
- Private participation in foreign trade and
- Privatization of SOEs intensively

Moreover, in order to get required capital which was the most essential input for industry, Foreign investment law, Myanmar Citizen's Investment Law, the State-Owned Law and Private Enterprise Law, were enacted to attract foreign investment. Besides, the establishment of industrial zones, development of infrastructure, opening of border trade, and diversification of exports, and effort were made to encourage effective and smooth transition for market oriented activities within the short period.

In market oriented economic system, the growth of nation depends greatly on international trade. Usually, the prices of primary raw materials are always cheapest and those of intermediate goods and finished goods are relatively higher. Therefore, as a country practicing market oriented system, Myanmar should export value added goods and finished goods rather than exporting raw materials due to the income elasticity of demand.

The main objectives of processing and manufacturing sector are to transform the predominantly agricultural economy into agro-based industrial economy by giving priority to the establishment of consumer goods producing industries, to establish export oriented production countries, to promote regional development and especially to establish industries based on domestic available materials.

More importantly, the Head of State and other government leaders of SPDC emphasized certain aspects of industrial policy, namely,

- To develop export oriented industries and to promote the export of industrial products
- In the industrial sector, the government should only be responsible for the industries beyond the scope and capacity of the private sector while the private sector was allow to handle the rest
- To encourage the establishment of agro-based industries
- To promote the development of small scale industries into medium scale industries and then to the large scale industries
- To conduct research for upgrading the quality of export commodities
- Factories should make efforts to produce their own required machinery and parts instead of importing from abroad
- To encourage production of value-added manufacturing products utilizing local natural resources as far as possible development of human resources for industrial development.

Thus, natural resource-based export oriented industrialization policy can be seen as the nation's basic industrial policy as well as its long term development strategy.

Import substitution industries intend to sell their products in local market but export oriented industries are expected to compete in the international market with foreign firms. Thus, import substitution industries have narrow market potential and limited consumer demand while the export oriented industries can reach out to wider markets as well as extensive demand but face tight competition. In modern times, intentional trade is mainly based not only on comparative advantage but also on

competitive advantage. The process of industrialization can be classified by forward linkages and backward linkages. Forward linkages are: increase in industrial products and income, increase in exports, increase in consumption etc. Backward linkages, due to industrial production, are more employment in industrial production, more inputs and utilization of industrial raw materials, and more investment for industrial production.

## **CHAPTER IV**

### **ANALYSIS ON SURVEY FINDING IN STUDY AREA**

#### **4.1 Profile of the Sittwe Township**

Profile of Sittwe Township is shown with the base four sessions. Session one is location and area, two is climate situation and three is population. Population is shown on rural and urban situation and age distribution.

Sittwe Township is one of the seventeen townships in Rakhine State, northern Myanmar. It lies between North latitude 20° 0' and East 92° 54'. Originally a small village, Sittwe became an important seat of maritime commerce, especially as a port for the export of rice after the British occupation of Arakan, now known as Rakhine state.

Sittwe is located on an estuarial island created at the confluence of Kaladan, Laymyro rivers emptying into the Bay of Bengal.

#### **4.1.2 Climate**

Climate is a physical characteristic of the environment and can be an influencing factor of social and economic development of the area. The fair temperature is contributory to the weaving industry of the Sittwe District. It is located on the bench of the ocean but it is also different in temperature between summer and winter.

#### **4.1.3 Population**

In 2016, the total population of Rakhine State is over 4.1 million and the total population of Sittwe is 185194 numbers, 16 numbers of wards and 5304 numbers of households. Entire population live in urban area. The population density of Sittwe township is 7458 person per square kilometer.

## 4.2 Study Design

To analyze the situation of weaving industry, it has mainly used with qualitative study design by Key Format Interview (KII). It has studied in the related fields as follows –

- (a) Ministry of Industry
- (b) Small and Medium Development Department in Sittwe Township
- (c) The study has interviewed sixteen key formats, each two person for eight organizations above. It concern with-
  - (1) What constraints and challenges faced in weaving industry
  - (2) Which need services are provide by the Government and non-government organizations concerning weaving industry to overcome these constraints and challenges.
  - (3) What kind of products are exporting and importing in Myanmar
  - (4) What factors are influencing to improve weaving industry in studied region
  - (5) How research and training activities are conducting in weaving industry
  - (6) The objectives and activities of NGOs concerning with the weaving industry
  - (7) Situation of weaving production and weaving quality in studied region
  - (8) How do weaving producers face with financial opportunities and challenges
  - (9) The situation of weaving industry in Sittwe Township

Quantitative questionnaires were used in survey for weaving factories. One hundred questionnaires have randomly distributed in Sittwe weaving firms. This analysis can be used to explore new solutions to problems, to identify constraints that limits to achieve goals, to decide on directions are most effective, to revel possibilities and limitations for change to reverse the best outcomes in the markets.

This analysis enable company or organization to identify the positive and negative influencing factors internal and external of a company or organization. The development of full awareness of all factors may affect strategic planning and decision making.

To Analysis of weaving industry, facts and primary data from quantitative questionnaires and qualitative questions of KII interview with various sectors. Secondary data from MIDC, SME, JICA paper, Sittwe weaving school and relevant websites are used.

According to the questionnaires, it is correlated with the following,

### **Production**

- (1) Machine capacity
- (2) Labor employment
- (3) Raw materials
- (4) Production line
- (5) Worker's attitude towards work
- (6) Distribution pattern
- (7) Market potential
- (8) Open questions for difficulties and challenges

### **4.3 Weaving Firms in Sittwe Township**

**Table (4.1) Types of Weaving Firms in Sittwe in Sittwe Township**

<b>Sr. No</b>	<b>Types</b>	<b>Number of Weaving Firms</b>	<b>Percentage</b>
1	Machine Weaving (Powerloom)	35	35
2	Hand Weaving (Handloom)	65	65
	Total	100	100

Source: Township GAD (2018)

According to the above data, majority of the weaving firms within the township are hand weaving which contributes 86% of the total weaving firms followed by 11% of machine weaving firms.

Sittwe is famous for its silk and cotton weaving industries. As being a famous and interesting cottage industry, it is also a place for visitors to have a look. The weaving firm owners continue to hand over their weaving technology to their families and they are surviving still today. Most of weaving owners are in Sittwe and they produce various items of weaving products.

A handloom is a simple machine used for weaving. In a wooden vertical shaft looms, the heddles are fixed in place in the shaft. This loom is powered by hand. A powerloom is a type of loom that is powered mechanically instead of using human

power to weave patterns or thread into cloth. The powerloom is invention that combines thread to make cloth.

#### **4.4 Factor Influencing the Growth of Weaving Firms in Sittwe Township**

##### **4.4.1 Background Information of Weaving Firm in Sittwe Township**

Survey was conducted in Sittwe Township during March and April 2019. Among different type of weaving firms, survey conducted to 100 weaving firms within the township. In conducting, the questionnaires was face to face to weaving firm owners.

Main objectives are to understand the current to understand the challenges and difficulties in weaving industry and formulate sound strategies to promote the industry, to identify the major issues and problems in cluster and recommend implementable strategies for the long term and sustainable development of the firms and to create a baseline for future monitoring and evaluation.

Questionnaire is divided into three main parts, individual factors, organizational factors, and support factors.

**Table (4.2) Number of Enterprises in Sittwe Township and its Location**

<b>Sr. No</b>	<b>Village</b>	<b>Number of Owners</b>
1	Kantkaw Kyun	67
2	Ngataut Tat	35
3	Kyauk Tan Chay	74
4	Wahbo	184
5	Minhla	74
6	Myit Nah Ywar	99
7	Nyo Yaung Chaung	60
8	Kyan Taw	54
9	Yah-Tan	47
10	Thein-Tan	2
11	Taw Kan	85
Total		781

Source: Sittwe Weaving School



To be modern industry developed country, weaving industry in Rakhine State laid down the following industrial is based on agriculture, to be able to use the highest technique to produce and to increase machine for farming, to develop human capital and to build up industrialized country.

The arrangement for industrial development are;

Have to lay down arrangements to plant the best quality cotton and to use the highest technique get cambric for weaving. As the crusher business, to export local products by using the highest technique. To build up water purify factory and sell out because it has water resource. It has raw-caustic, so, to be able to export international marketing by using the highest technique. To invert extra-bus and for farming and to be export things

In weaving industry of Rakhine State has following committee to develop industrial rate.

- To search raw material committee
- To look for supporting committee
- To get technique and operation committee
- Management for production committee
- Maintaining quality committee
- Looking for making committee
- Maintaining table committee
- Electricity

**Table (4.3) Survey Profile**

Factor	Items
Individual factors	<ul style="list-style-type: none"> <li>- Gender, Age</li> <li>- Education qualification, work experiences</li> <li>- Reason of the business start</li> </ul>
Organizational factors	<ul style="list-style-type: none"> <li>- Availability of the inputs (labor, capital and raw materials)</li> <li>- Market condition, access to technical assistances and trainings</li> <li>- Ability of products diversification and main challenges and opportunities</li> </ul>
Supporting factors	<ul style="list-style-type: none"> <li>- Firm's owners on supporting factors by government</li> <li>- Demand condition and competition</li> </ul>

Source: Literature review

In above table, survey profile includes three factors individual factors, organizational factors and supporting factors. Gender, age, education qualification, work experience and reason of the business start are included in individual factors. In organization factors, it includes availability of the inputs, market condition, access to technical assistance and trainings and ability to product diversification and main challenges and opportunities. And the final factor includes current local demand conditions and competitions from abroad are included.

#### **4.4.2 Individual Factors**

In this section, gender, age, educational qualification, and work experience, motivation and family background of weaving firms owners are asked. Gender of respondents is shown in the following table.

### 4.4.3 Demographic Characteristic of Respondents

The demographic characteristic of 100 respondents from Sittwe Township is shown from Table (4.4). This includes gender, age, education level and working experience.

**Table (4.4) Demographic Characteristic**

<b>Sr.</b>	<b>Demographic Characteristic</b>	<b>No. of Respondents</b>	<b>Percentage</b>
<b>1</b>	<b>Gender of respondents</b>		
	Male	21	21%
	Female	79	79%
	<b>Total</b>	<b>100</b>	<b>100%</b>
<b>2</b>	<b>Age of respondents</b>		
	Less than equal 20 years	10	10%
	21 – 30	29	29%
	31 – 40	26	26%
	41 – 50	20	20%
	Above 50 years	15	15%
	<b>Total</b>	<b>100</b>	<b>100%</b>
<b>3</b>	<b>Education level</b>		
	Basic 3Rs	9	9%
	Primary	12	12%
	Middle	12	12%
	High school	30	30%
	Graduate	28	28%
	Master and above	9	9%
	<b>Total</b>	<b>100</b>	<b>100%</b>
<b>4</b>	<b>Working experience</b>		
	Less than one year	4	4%
	2 – 5 years	16	16%
	6 – 9 years	19	19%
	10 – 13 years	27	27%
	14 – 17 years	20	20%
	18 years and above	14	14%
	<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

The table (4.4) shows the gender of the respondents, it can be observe that 79% of the respondents are female and 21% of respondents are male.

According to the age of the respondents is divided into five categories. The majority of respondents had at the age range of 21 to 30 years, followed by the second percent of 26 respondent indicates at the age range of 31 to 40 years. The third percent of 20 respondents are at the age range of 51 to 60 years. The smallest number of 15 and 10 are above 50 years old and less than equal 20 years.

The table (4.4) represents that the educational level of respondents. The majority of 30 out of 100 respondents had high school level as their high school level while only 12 respondents which had middle school level. The numbers of graduate level are 28 respondents. Significantly, the education level of 12 and 9 respondents placed at primary and literate level.

From the survey data, weaving firm’s owner experiences are grouped as less than 1 year, 2 to 5 years, 6 to 9 years, 10 to 13 years, 14 to 17 years and 18 years and above. For most of the respondents, work experiences are between 10 and 13 years in the field of the business. Those with work experience in current in current field for 14 to 17 years are the largest group.

**Table (4.5) Reasons for Starting Weaving Firm by Owners**

<b>Reason</b>	<b>Frequency</b>	<b>Percentage</b>
Just starting a business	11	11%
To continue family business	45	45%
To produce high value added good and services	14	14%
To use abundant local raw material efficiency	9	9%
To innovate new or improve product or service	21	21%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

Among the five types of reasons of the business owners in this study, majority of the respondents are doing this business to continue family business (45%). Those who wish to innovate new or improve products are 21%.

**Table (4.6) Business Background of the Business**

<b>Business Background</b>	<b>Frequency</b>	<b>Percentage</b>
First generation businessman	32	32%
Second generation businessman	44	44%
Operate due to relatives or suppose	24	24%
Total	100	100%

Source: Own Survey

From the survey, most of the respondents are second generation businessmen which mean they followed their parents' business in weaving industry in Sittwe Township. These second generation businessmen contribute 44% of the total while there is 32% first generation businessmen, which mean who started their weaving business on their own. There are only 24% of the weaving firms owners in this survey who operate their weaving SMEs due to their relatives or spouses.

### 4.3.3 Organizational Factors

To examine the organizational factors of the respondents, availability of inputs (labor, capital, raw materials etc), market condition, access to technical assistances and trainings, ability of product diversifications as well as their main challenges and opportunities were presented.

**Table (4.7) Organizational Factors of the Respondents**

<b>Sr</b>	<b>Organizational Factors</b>	<b>No. of respondent</b>	<b>Percentage</b>
<b>1</b>	<b>Availability of inputs (labor)</b>		
	within the township	19	19%
	From towns and villages	24	24%
	From other state and region	31	31%
	From near-by township	26	26%
	<b>Total</b>	<b>100</b>	<b>100%</b>
<b>2</b>	<b>Availability of inputs (finance)</b>		
	Self-investment	31	31%
	From family and relatives	37	37%
	From friends	18	18%
	From banks	3	3%
	From micro-finance institution	3	3%
	From informal money lender	8	8%
	<b>Total</b>	<b>100</b>	<b>100%</b>
<b>3</b>	<b>Availability of (raw materials)</b>		
	Within the township	9	9%
	From near-by villages and towns	18	18%
	Within the region	21	21%
	From other state and region	20	20%
	From abroad	32	32%
	<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

In availability of inputs (labor), majority obtained labor from towns and villages within the region, 31%. For needed finance, 26% of the respondents got their labor from other state or region.

In availability of inputs (finance), it can be observed that those access loans from bank and Microfinance institutions are only 3% each. There still have 8% respondents who got loans from informal money lenders.

Availability of (raw materials), major source of raw materials such as dyes, cotton threads and silk threads were bought from China and India. Therefore, 32% of the respondents got their raw materials from imports.

**Table (4.8) Market Condition of the Respondents**

Market Conditions	Frequency	Percentage
Local level	15	15%
Regional level	26	26%
Surrounding states and regions	35	35%
National level	20	20%
International	4	4%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

Among the five level of market, majority (35%) can access surroundings states and regions' market. There is only 20% of the respondent who can access national level market and those who can access international market.

**Table (4.9) Types of Distribution by Respondents**

Types of distribution	Frequency	Percentage
Direct selling	21	21%
Sold to wholesalers	37	37%
Sold to both wholesalers and retailers	35	35%
Others	7	7%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

Among the types of distribution, majority used to sell wholesalers (37%) and minority used other 7%. Sold both wholesalers and retailers' are 35% and direct selling distributes 21%.

**Table (4.10) Access to Trainings of Respondents**

<b>Access to trainings</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	35	35%
No	65	65%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

In the study, it can be observed that 65% of respondents received trainings.

**Table (4.11) Types of Training Received by Respondents**

<b>Types of training</b>	<b>Frequency</b>	<b>Percentage</b>
Managerial	8	8%
Production and operation	3	3%
Marketing	15	15%
Other related training	9	9%
No training received	65	65%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

From the above table, training are classified as managerial, production and operation, marketing and other related training. Majority of the respondents 15 out of 35 numbers attended marketing training mainly from private sector (34%).



**Table (4.12) Reasons for not Attending Trainings**

<b>Reason</b>	<b>Frequency</b>	<b>Percentage</b>
Viewed trainings as not effective	8	8%
Could not access to these organizations	22	22%
No time to attend these trainings	17	17%
Low level of information	18	18%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

Among the different reasons of not attending trainings (viewed trainings as not effective, could not access to these organizations, no time to attend there trainings and low level of information), majority (34%) answered that they could not access to these organizations.

**Table (4.13) Organization that Provide Trainings**

<b>Organization</b>	<b>Frequency</b>	<b>Percentage</b>
Government	5	5%
Private	22	22%
International organization	2	2%
NGOs	4	4%
CSOs	2	2%
<b>Total</b>	<b>35</b>	<b>100%</b>

Source: Own Survey

Major organizations that provided there training (Government, Private, IOs, NGOs, and CSOs) are asked. It can be observed that 63% of respondents attending trainings received training from private.

**Table (4.14) Types of Business**

<b>Types of business</b>	<b>Frequency</b>	<b>Percentage</b>
Small	68	68%
Medium	32	32%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

From the table, it was found that 68 of weaving firms are small with less than 50 workers.

**Table (4.15) Types of Technology**

<b>Types of technology</b>	<b>Frequency</b>	<b>Percentage</b>
Hand weaving	40	40%
Machine weaving	31	31%
Both	29	29%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

Among them, majority of these firms are hand weaving. Those who produce hand weaving and both techniques contributes 31% and 29% respectively.

**Table (4.16) Types of Products Produced by Weaving Firms**

<b>Types of product</b>	<b>Frequency</b>	<b>Percentage</b>
Traditional products (highly demand items)	46	46%
Invention of new items for new markets	21	21%
Innovation products for local market	33	33%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

For these types of products, 46% mainly produce high demand weaving in local market while 33% produce innovative products for local market such as new

design and new weaving techniques or new textured weaving product. There is only 21% of the firms who are attempting to invent new items for new market.

After that, top challenges and opportunities faced by weaving firm in Sittwe Township were asked and result are shown in the table (4.17).

**Table (4.17) Challenges Faced by Weaving Firms in Sittwe Township**

<b>Top Challenges</b>	<b>Frequency</b>	<b>Percentage</b>
Production technology	36	36%
Access to labor	21	21%
Access to Market	25	25%
Access to raw material	14	14%
Government policy support	4	4%
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Survey Data

In this section, open ended question were asked to weaving firm's owners. These challenges were obtained among respondents. Major challenges are production technology, access to labor, access to market, access to raw material and government support policy.

**Table (4.18) Opportunities of Weaving Industry in Sittwe Township**

<b>Major opportunities</b>	<b>Frequency</b>	<b>Percentage</b>
Access to internet and social media	29	29%
Better communication	24	24%
Access to finance	20	20%
Infrastructure development	7	7%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: Own Survey

The major opportunities received by respondents are access to internet and social media, better communication, access to finance, favorable demand for traditional dress and infrastructure development.

#### 4.4.4 Supporting Factors

In considering supporting factors, including government supports, current local demand conditions and competition are taken into account.

The first one, government supports include policy supports, provision of technical trainings, support finance and subsidies, law and regulations. Encouraging to form cluster and provision of incubation of services for the development of weaving industry in Rakhine State.

**Table (4.19) Perception of Firm's Owners on Supporting Factors by Government**

<b>Government support</b>	<b>Good</b>	<b>Neutral</b>	<b>Bad</b>	<b>Total respondent</b>
Favorable Policy Support	16	21	63	100
Provision of Technical support	17	34	49	100
Supporting finance and subsidies	39	28	33	100
Law and Regulation	23	39	38	100
Encouraging to Firm Cluster	5	29	66	100
Provision of Incubation service	-	-	100	100

Source: Own Survey

From the above table, it can be seen that majority, 63 number of firms perceived bad in Favorable Policy Supports by Government. Because the firm's owners perceive that the policy they support by government is not effective for weaving firms. They know that the government support policy for the weaving firms but they think policies are unstable for improvement of weaving firms. It can be observed that only 16 firms perceive good in favorable policy supports.

For Technology Development and Innovation, efforts were planned for developing and transferring appropriate technology required, providing technical advice related to production and training to use modern machines and equipment, enhancing the collaboration with SMEs in order to have the availability of services related to quality and standard by SMEs and to have the production capacity by using new technology in line with market demand, undertaking technology exchange and cooperation between public and private organizations, promoting human resource development and innovation by giving awards and facilitating supports to be able to utilize new technology gained from research activities in commercial production. It can be observed that 49 firm owners think that provision of technological trainings by government is bad and 17 respondents perceive good in provision of technical training.

In supporting finance and subsidies, 39 respondents is good and 33 respondent's firm owner is bad. To access low cost financial resources, both Government Banks and Private Banks enable the loan with low interest rate required by SMEs. In law and regulations encouraged by government, perception on 23 respondents is good and 38 percent is bad.

It can be observed that encouraging forming cluster and provision of the incubation service are bad in the sense of most of respondents. Supports were made by Union Government and state or region governments for the establishment of cluster based industrial zone, enabling to link between local SME clusters and local and international large scale enterprises and encouraging Chamber or Commerce and business association to organize trainings for the establishment of cluster and their participation as advisors in cluster development.

Then, current local demand conditions includes people's taste and preferences towards Myanmar traditional weaving textile and changes social structure while competition from abroad includes availability of substitute products or textile from abroad, price of these substitutes and people's demand on these products.

**Table (4.20) Demand Condition and Competition**

<b>Items</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>
People taste favorable towards Myanmar traditional textile	82	18	100
Increasing young population	66	34	100
Approved to wear traditional dress in school, Universities, Public offices	100	-	100
Threat of local artificial weaving textile	41	59	100
Availability of substitute products from abroad	92		
Lower price of these substitutes	96	4	100
High demand on substitute products	68	32	100

Source: Survey data

From the above factors, respondents highly agree on people's taste favorable towards Myanmar traditional textile, approved to wear traditional dress in schools, universities, public offices, availability for substitute products from abroad and lower price of these substitutes. In the study 82% of respondents taste that people are favorable towards Myanmar traditional textile dress. And then 66% of respondents agree that there has increasing young population for demand of weaving products. All of the weaving firm's owners approved to wear traditional dress in schools, universities, public offices and 41% of respondents think that there has availability of substitute's products from abroad and these have lower price. And then 68% of respondent's firm owners think that it has high demand on substitute production.

Now, people's taste Myanmar traditional textile dress and young population are increasing year by year. And then many private schools, university, government office and other local organization have dressed uniform with traditional dress and many foreign competitors have in Myanmar. So, local weaving textile firms face threat and challenge. There are many availability of substitute products from abroad and price of these product are lower than domestic product and it have high demand of substitute product. In Sittwe township weaving firms owner perceive that reason.

According to the collected data, KII interview with (1) government organization sector (2) weaving factories (3) weaving cluster (4) small weaving industries are discussed and interviewed about controlling policy, research and development, processing and marketing etc. It has discussed about strength and weakness as internal factors and opportunities and threats as external factors of weaving industry.

As a result of KII interview and study of primary and secondary data, it can be analysed that the establishment of weaving industry in Myanmar is over thousand of years and well experienced in weaving production. Myanmar citizens are already used Myanmar traditional wearing so it can get the whole domestic market till now. Weaving production positively fosters rural development and women can support family welfare. Job opportunities can be got respectively in textile weaving process.

The government is encouraging the development of SMEs by setting laws, changing to political situation. There is a high encouragement of traditional wears, as SME organize NGOs and the firms to discuss concerning weaving industry, new technology can be available for products development and process development.

The raw material can got easily in the market demand for women wears, increased possibility of internationalizing their business, Foreign direct investment (FDI) can strongly enhance local SME development, policy for cluster development is also on opportunity for weaving industry because it can implement national initiatives on export promotion for weaving clusters.

It can also analysed threat as external factors of weaving industry that are lack of capital can get difficulties for weaving firms to update technology and to extend their firms. When traditional wearing demand decreases, there will be excess capacity and increase unemployment rate access to production aged technology so the firms cannot participate in regional and global value chins. Lack of standards in industry operating for enforcement of environmental standards, credit and financial support for weaving industry according to the decision of bank that avoiding risk on weaving firms, advance technology installation demand skilled labour to understand in install such facilities shortage of skill labour is also a roadblock in adoption of new

technology in weaving industry. Image of government organizations negative affect on weaving firms because of past political situation.

From this analysis, it can be seen that lack of technology cause underdeveloped condition of small weaving firms and it lead to low quality textile, low quality yarn, low quality finishing product and lack of profitable condition.

**Table (4.21) Situation of Weaving Firms in Rakhine State**

<b>Sr. No</b>	<b>Township</b>	<b>No of Owners</b>	<b>No of Loom</b>	<b>No of employment</b>	<b>No of product (day)</b>
1	Sittwe	781	5828	6750	16420
2	Ponnagyun	232	722	1143	9750
3	Kyauktaw	115	924	1320	7890
4	Mrauk-U	286	821	1528	8620
5	Minbya	220	610	728	1350
6	Myebon	52	142	156	5830
7	Ranbyee	72	131	182	6250
8	Pauk Taw	38	72	89	820
9	Taungogk	68	151	173	5320
10	Kyauk Phyu	98	115	137	1350
11	Man Aung	38	91	121	982
12	Rathae Taung	23	72	85	252
13	Buthee Taung	51	108	132	480
14	Maung Daw	43	95	142	280
15	Thandwe	105	238	324	621
16	Ann	28	56	83	138
17	Gwa	13	72	105	230
<b>Total</b>		<b>2263</b>	<b>10248</b>	<b>13198</b>	<b>66583</b>

Source: Survey Data



## **CHAPTER V**

### **CONCLUSION**

#### **5.1 Findings**

Weaving industry development is depend on the government organization which is responsible to support controlling and implementing policy for the weaving industry. The weaving cluster in Myanmar is at present operational, but at an initial stage, needs to help from some NGOs and donors. It is however facing a number of problems hindering its development. Upstream is production, there are the problems of processing suffers from low quality equipment, weak waste system, a high percentage of skillful labor shortage, weak designs, and low-value-added products. Downstream problems concern waste treatment, weak distribution channels, lack of market of products, hard competitions from foreign products. Therefore, real incentives are needed from facilitators such as State entities (preferential policies and regulations) and investors (preferred foreign investor with financial capacities, high production technologies, new high-value-added products and new, large foreign markets)

In Rakhine state, weaving industry is the most important industry because it is one and only industry. In Sittwe region, over 60 percent of weaving industries are established before 2001. 80 percent of industries are owned by family holders. Only 2 percent of weaving industries has branded.

In Sittwe region, 60 percent of weaving industries were funded since last 10 to 40 years and some firms have been established since 30 to 40 years. On overall ages of firms are mostly between 10 years in minimum and 50 years in maximum respectively.

So weaving firms have experience and skillful. Mostly large firm have own weaving factories and they give raw material to other small firm and taking back the finished good from them. So it can create the local employment opportunity for rural area.

Labor mobility into another growing area is increasing day by day, skilled labor after working several years are now moving to another industries for better wages and benefits and thus new manufacturing units are easily get skilled workers having previous working experience in industrial environment. The firms attract them by paying advance credit and other facilities to reduce turnover.

Women empowerments in weaving industry have 90 to 95 percent so it made themselves self- dependent in their families. Technology for weaving industry has to improve to meet demand and competitiveness. Moreover, weaving firms face the labor shortage and mainly threatened by difficulty to get skillful labors than before, therefore weaving firms are providing more incentives to other employees.

## **5.2 Recommendation**

There are key problem areas of weaving industry: lack of finance access to technology, man power and market.

From this analysis, in can be seen that lack of technology cause underdeveloped condition of small weaving firms and it lead to low quality textile, low quality yarn, low quality finishing product less profitable condition. The investment capital for technology renovation in weaving industry will be increase rapidly.

So a group of banks and financial institutions need to extend credit for setting weaving mill, dyeing mill. The industry needs to continuously invested and changed equipment and technology to meet the market demand and to improve competitiveness. It is obvious that certain increase in demand of garment products resulted in an increase in total domestic yarn and fabrics production, transportation, consumption of electricity, water and gas, consumer's products etc., by certain percentage. There has an increase in the service like banking and finance insurance, shipping lines, hotels and restaurants etc.

It can also be assume that the increase volume of export business has created additional demand for workers and thus created additional demand for housing and cooking facilities in urban area, additional market toiletries and cosmetics industries due to increased buying capacity of workers, and increased load on the recreational facilities, increase initiative for skill development training etc.

There are more trade the technology barriers such as the regulations of chemical safety product law, import countries in Myanmar. Weaving industry in Myanmar is needed to have as stable political and safe in social destination to attract business men and foreign investors.

Finally, increasing in demand of women and high encouragement of traditional wear, weaving firms are successful in domestic market but they should try to sell branded product to international market through new diversitified product, spinning, dyeing, finishing and weaving, etc should be improved by enhancing research, training and development and by enforcing on weaving industry development.

## REFERENCES

1. Kyu Kyu Aung, (2016). "A Study On SME Cluster in Myanmar (Case Study of Weaving Industry In Meikhtila District)", Yangon University of Economics, Myanmar.
2. Bui Van Tot. (2014). *Opportunity for Breakthrough*, Textile and Apparel Industry Report, April, 2014.
3. Ramaswamy Velmurugan, (2018). *Recent Issues and Challenges of Weaving Industry with Special Reference to Select Tmaildadu Districts*.
4. S. O. Halasagi, (2003). *Marketing of the Powerloom Products in the Bijapur District - A Case Study Rabkavi*.
5. The Ichalakaranji Power loom Association Weavers' Co-operative Society Ltd., Ichalakaranji (Souviner – 1981, AIPWC)
6. Thein Lwin, (2009). "Challenges on Traditional Textile Weaving in Myanmar", 2<sup>nd</sup> ASEN Traditional Textiles Symposium, Manila.
7. Tint Khaing, (2015). "Pilot Weaving Cluster Developments Initiative in Meiktila and Wundwin", UNIDO Pilot Project.

## **Appendix**

### **Survey Questionnaires**

1. Gender

Male

Female

2. Age

Less than equal 20 years

21-30

31-40

41-50

50 above

3. Education level

Basic 3Rs

Primary

Middle

High

Bachelor

Master and above

4. What are your working experience?

5. Why you started these weaving firms?

Just started a business

To continue family business

To produce high value added goods and services

To use abundant local raw material efficiently

To innovate new or improve product and services

6. What is your business background?

First generation business

Second generation business

Due to relatives

7. What's your firm's source of labor?
  - Within the township
  - From nearby towns and villages
  - From towns and villages within the region
  - From other state or region
  
8. What's your firm's source of finance?
  - Self-investment
  - From family and relatives
  - From friends
  - From banks
  - From microfinance institutions
  - From informal money institutions
  
9. What's your firm's sources of raw materials?
  - Within the township
  - From nearby villages and towns
  - Within the region
  - From abroad
  
10. Where to distribute your products?
  - Local level
  - Regional level
  - Surrounding state and region
  - National level
  - International level
  
11. How to distribute the products
  - Direct selling
  - Sold to wholesalers
  - Sold to both wholesalers and retailers
  - Others

12. Do you received training about weaving?

Yes

No

13. If you received training, what type?

Managerial

Production and operation

Marketing

Others related trainings

14. If you received training, what organizations provide?

Government

Private

International organizations

NGOs

CSOs

15. If you don't received training, why?

Viewed training as not effective

Could not access to these organizations

No time

Low level of information

16. What machines used?

Hand weaving

Machine weaving

Both

17. What are your firm types of products?

Traditional products

Invention of new items for new market

Innovation products for local market

18. What are your firms challenges?

19. What are your firms opportunities?

20. What is your opinion about the followings?

<b>Government support</b>	<b>Good</b>	<b>Natural</b>	<b>Bad</b>	<b>Total respondent</b>
Favorable Policy Support				
Provision of Technical Training				
Supporting Finance and Subsidies				
Laws and regulations				
Encouraging to form cluster				
Provision of Incubation				

21. What is your opinion about current demand and competition?

<b>Items</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>
People's taste favorable towards Myanmar textile			
Increasing young population			
Approved to wear traditional dress in schools, universities, public office			
Threat of Local Artificial Weaving Textile			
Availability of Substitute Products from Abroad			
Lower price of these Substitutes			
High Demand on Substitute Products			