



BANGLADESH

Woven garments growth in Bangladesh

The woven products sub-sector is the largest foreign currency earner for Bangladesh, even though value addition by the woven sub-sector is much lower than that of knitwear, the country earned \$14.73 billion from woven garment exports, while knitwear fetched \$13.35 billion in the last fiscal year FY2015-16.

The earning from RMG sector stood at \$28.09 billion, that means 80% of the total export earnings in the last Fiscal Year. However, Bangladesh's woven garment sub-sector, unlike the knitwear, has failed to enhance value addition to the desired level over the years mainly due to the former's large dependence on imported fabrics. The woven garment makers are now able to add value to the extent of 35% to 40% as they still need to import around 60% of their fabrics requirements from abroad. Local textile millers, on the other hand, supply nearly 90% and 95% of the required yarn and fabric to knitwear industry.

The entrepreneurs are increasingly moving towards backward linkages, especially in accessories, fabric for denim items and washing segment. Still larger part of the requirement of fabric is met with imports as the industry is hugely capital intensive while scarcity of power is also a major obstacle to drawing investment in this sub-sector. Huge investment is required to set up a woven



fabric unit while a knitwear unit can be established with comparatively less money, explains Faruque Hassan, Senior Vice-President, Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The lack of fresh investment due to power shortage is marring the fortunes of the industry. There is also a suspension on gas connection to new industrial units, knowing that gas supply is a must for fabric manufacturing for its sustenance. However, the country enjoys duty benefit in many of its major markets including European Union though fabric for woven items is imported. The government provides cash incentive for using local raw materials, which helps flourishing of the backward linkage industry for the knitwear sector.

Recent years have seen improved scenario due to the integrated growth of spinning units with growth of country's stitching capacity and increased demand for yarn and fabric. There are some new additions in the knitwear such as lingerie and sportswear. Value addition is majorly happening in denim with around 30 fabric companies having their base in the

country. There are 413 yarn manufacturing mills that spin 2,250 million kgs of yarn annually, 792 fabric manufacturing units including 30 denim and 22 home textiles, with 2810 million metres capacity and 240 dyeing units having fabric processing capacity of 2720 million metres. The country imported about 5.5 million bales of raw cotton in 2015.

Domestic companies are capable of meeting the demand for accessories like zippers, buttons, labels, hooks, hangers, cartoons, thread, by 90%, helping the country reduce its dependence on imports. Bangladesh initially imported accessories from China, Hong Kong, Singapore, Japan and India.



CHINA

China encouraging industries to relocate to the western China

China has said that it will encourage labour-intensive manufacturing industries located along the eastern coast to relocate inland. The government in its new 2016-2020 plan, has also urged industries to develop the economy of its western region.

The country's cabinet, the State Council, approved the western development five-year plan. China's rapid economic development over the past four decades has been skewed heavily towards the eastern coast. Beijing has been trying to correct the imbalance not only in order to promote growth in politically crucial and energy-rich western regions such as Xinjiang and Yunnan, but also to ease environmental pressures in eastern regions, including the congested and polluted Yangtze and Pearl River deltas.

Prime minister, Li Keqiang, who chaired the cabinet meeting, said China



would continue to implement measures aimed at reducing the tax burden in the west to cut the cost of doing business. He also maintained that the West must promote new forms of urbanisation and industrialisation and pay attention to protecting the environment, particularly its scarce water supplies, which have constrained development in large parts of the region.



CCI: Country consumes 31.3 million bales cotton this year

The total cotton consumption of India is likely to increase to 31.3 million bales in the current crop season as compared to 31.2 million bales during the previous year, said the Cotton Corporation of India (CCI). The acreage under cultivation could decrease by 12% to 105 lakh hectares, but production may increase by about 4% to 35.1 million bales. During current cotton season 2016-17, the acreage under cotton cultivation is expected to decrease by around 12% to 10.5 million hectares as against 11.8

million hectares during previous year due to delayed rains, fear of pest attacks viz white fly in Northern zone and pink boll worm in Gujarat region and farmers switching over to other crops, said MM Chockalingam, Chairman and Managing Director, (CCI). He said cotton yield will increase from 33.8 million bales in 2015-16 to 35.1 million bales this year owing to above normal rains and favourable agro-climatic conditions. The rise in the consumption of cotton will help reduce India's dependability on cotton export. After including import and opening stock, the exportable surplus availability of cotton in the country is getting concentrated and it is expected that during cotton season 2016-17 cotton export may reduce to 4.8 to 5.0 million bales as against 6.9 million bales during cotton season 2015-16. The cotton production of the country for 2016-17 will be adequate to meet the demands of the textile industry of the country. During the current cotton season, cotton production in the country is estimated at 35.1 million bales as against estimated total consumption including mills. China was the biggest importer of Indian cotton and imported about 55% to 60% of the

total cotton export from India. Thereafter, due to changes in import policy of China for lesser import up to bare minimum requirement as per WTO agreement and huge unsold stock, export to China started reducing and reduced to 9% of total export by India during 2015-16. After cotton season 2013-14, demand of Indian cotton by other neighbouring countries like Bangladesh, Pakistan, Vietnam, Indonesia, Turkey and Thailand increased due to an increase in their consumption and establishment of numerous newly constructed spinning and weaving mills.



US formally leaves Trans-Pacific Partnership

The top trade representative in the United States has informed TPP members that America no longer has any legal obligations under the treaty.

The United States has formally pulled out of the Trans-Pacific Partnership (TPP) trade deal.

Acting US trade representative Maria Pagan has written to the TPP's secretariat office in Wellington saying the "United States does not intend to become a party to the Trans-Pacific Partnership agreement".

"Accordingly, the United States has no legal obligations arising from its signature on February 4, 2016," the letter says.

Pagan asked the secretariat to inform other signatories of the treaty namely, Australia, New Zealand, Canada, Singapore, Vietnam, Malaysia, Japan, Mexico, Peru, Brunei, and Chile.

Trump's withdrawal from the TPP may have ushered in an era of Chinese-

led trade deals throughout the world, according to an examination of what each nation is considering instead of the agreement.

"The United States remains committed to taking measures designed to promote more efficient markets and higher levels of economic growth, both in our country and around the world," Pagan said.

She said: "We look forward to further discussions as to how to achieve these goals. The rejection of the TPP fulfils a campaign pledge from US President Donald Trump in an effort to return jobs to American shores under the auspices of an "America first" mantra."

"The president understands how critical it is to put American workers and businesses first when it comes to trade. With tough and fair agreements, international trade can be used to grow our economy ... this strategy starts by withdrawing from the Trans-Pacific

Partnership and making certain that any new trade deals are in the interests of American workers," the White House said in a statement.

Alongside the TPP, the new administration has said it will also renegotiate the North American Free Trade Agreement (NAFTA), and has threatened to withdraw from the trilateral agreement with Mexico and Canada if American workers are not given a "fair deal".

Among the other signatories to the trade deal, some nations looking to push ahead and legislate its terms despite the withdrawal of the nation making up 60 percent of the GDP covered by the agreement, while other countries are walking away or looking to alternative bilateral deals.

Japan has already ratified the deal, but it cannot come into force, as its terms state that at least six nations making up 85 percent of the GDP of the signatories must ratify it. ♦



NEPAL

Jute products export to India halted completely

Indian government had released a notification to levy excise duty on jute products from Nepal, Sri Lanka and the Maldives in 2015. India has only started enforcing the notification from December 15, 2016, and following, the enforcement of the excise duty of 12.5% on different jute products like jute sacks and hessian jute fabric.

India is Nepal's largest importer of jute products. As per traders, more than 90% of Nepali jute products are exported to the Indian market. India's decision to enforce excise duty on different jute products is against the Nepal-India Trade Treaty, which guarantees duty-free access to Nepali products in the Indian market, said Raj Kumar Golchha, president of Nepal Jute Industries Association.

According to Golchha, India, however, has not imposed excise duty on jute yarn and it is being exported without any hassle. Following the recent Indian move, jute traders have said that a huge quantity of jute products have piled up in different jute factories in Nepal.

According to traders, Nepal produces 200 tonnes of jute products every day and only 10% is consumed in the domestic market. Domestic traders import almost 70% of raw materials for the jute industry from India itself and exports only finished products.



NIGERIA

ASACCIMA wants government to revitalize textile industry

The Asaba Chamber of Commerce, Industry, Mines and Agriculture (ASACCIMA) have urged the Federal and State governments to revitalize the textile industry in the country to create more jobs. The President of the Chamber, Mr Emmanuel Moweta, made the call in an interview with the News Agency of Nigeria (NAN) in Asaba.

Moweta appealed to the government to encourage cotton production and provide the enabling environment that would encourage private sector



participation for the industry to thrive. He noted that the provision of critical infrastructure, such as electricity and good transportation system were crucial for the industry to boom.

The ASSACCIMA President said that once this textile industry had the capacity to employ between 1000 and 10,000 workers, depending on the number of shifts. He said that the industry had a value chain of cotton cultivation, fabrics production and fashion business, which would boost the economy of the country. Moweta noted that in the past, the industry played a dominant role in boosting the nation's economy.

Nigeria witnessed a boom in the textile industry in the 1960s and 1980s with companies such as Kano, Kaduna and Aba textile mills and others employing millions of people.

The industry was able to contribute to the country's Gross Domestic Product (GDP). The situation changed, following the shifting of focus to oil and government's neglect of the agriculture sector. The abandonment of the sector has adversely affected the textile industry.



QATAR

Joint venture Sur textile factory opens in Sudan

Turkish-Qatar textile factory named Sur Textile Factory, a joint venture between Sudanese and Qatari ministries of defence and Turkish businessmen opens in Khartoum, Sudan.

The Sudanese President Omar al-Bashir, HE the Minister of State for Defence Affairs Dr Khalid bin Mohamed al-Attiyah, and Turkey's Defence Minister Fikri Isik, inaugurated the new phase of Sur military and civilian clothing factory.

The factory aims to provide high quality military, logistic and civilian products to the Middle East and Africa following global standards. During the inauguration ceremony, President Bashir said that the factory represents a successful model of administration and investment and new technology, including enhancement of capacities and transfer of expertise. In addition, the factory provides new initiatives to better the environment, social responsibility and maintain the welfare of the labourers.

Meanwhile, the Sudanese minister of industry said that the factory is considered a great leap in industrial development in the country. New production lines are scheduled to open next May. Besides covering the needs of the Sudanese army the SUR will export its production to Qatar, Turkey, Kenya and Somalia.

In June 2013, the Qatari Armed forces joined the project and provided the needed funds to transform the factory into an integrated military textile company able to produce all textile products of the military and police forces in Africa besides Middle East countries.



RUSSIA

Technical textiles market attracts private investments

Russian financial conglomerate AFK Sistema, owned by a local billionaire Vladimir Evtushenkov, is considering expanding in the domestic technical textiles and fabrics market in the coming years in view of the potential in the domestic technical textiles market.

Shamolin said that despite all the attempts the state has taken in recent years to ensure import substitution, at present, up to 80% of technical textiles in

the domestic market are still imported into Russia from Vietnam, China and other countries, which is unacceptable for a country like Russia.

According to estimates of AFK Systema, the Russian technical textiles market is currently estimated at RUB 32 billion (US\$ 450 million) with a possibility of a significant increase during the next several years.

According to the plans of AFK Systema, the production of technical textiles in Russia is currently associated with significant economic benefits, and in particular lower costs, compared to China and other Asian states, which is mainly due to the cheaper energy resources and relatively low wages in the industry. That could attract investors in the sector, including foreign.

The Russian government has already welcomed the plans of domestic investors to allocate funds for the expansion of domestic technical textiles production, but also noted the necessity to provide investments for the acceleration of R&D activities in the industry. To date, the government has already invested funds in the establishment of one of Europe's largest scientific clusters and R&D centres in the technical textiles field, taking place at the facilities of the Saratov State University, one of the largest universities in Russia and Eastern Europe.



SRI LANKA

Garment factory with investment of Rs.100 million

Under the Sri Lankan, East Development program the construction work of garment factory at Sammanthurai is nearing completion. This garment factory is the second one in the Eastern Province. With the opening of this garment factory, there is a possibility of getting employment for a large number of youngsters from Ampara district.

This garment factory is constructed at an estimated cost of Rs.100 million jointly sponsored by Eastern Provincial Council and Hameedia real men wear real clothes. These types of garment factories in the Ampara and Trincomalee districts will be opened very soon. Construction works are underway.

The first garment factory was ceremonially opened at the Eravur DS division in the Batticaloa district by the President Maithripala Sirisena last year.

The progress of the weaving industry in East has greatly improved, to face the modern challenges as the textiles produced in East is now similar to the products of India.



TAIWAN

Tsai sees textiles at core of global trade development

President Tsai Ing-wen believes textiles should be at the heart of Taiwan's thinking in developing new global trade arrangements and strategies, said Presidential Office said in a statement.

During her recent visit to four of Taiwan's diplomatic allies in Central America; she found the textile sector in Central America to have considerable development potential. They also had the benefit of having free trade agreements with the United States that could be advantageous for Taiwanese manufacturers in the region. With Taiwan Textile Federation Chairman Chan Cheng-tien to propose a new strategy for the global development of Taiwan's textile sector, this is the time to begin thinking about new arrangements and new strategies, starting with the textile sector.



USA

Rising demand for waterproof textiles

Owing to rising consumer preference towards health and fitness, growing disposable income, adoption of various sports such as snow sports, water sports,

and mountaineering are augmenting the demand for sportswear resistive to water. Waterproof textiles are divided into various segments such as tents, sportswear, outdoor equipment, and industrial safety wears.

The introduction of latest developments in terms of smart breathable fabrics with water proof fabric is also a development factor in the growth of the market. High demand of water proof textile by defence sector in terms of jackets, vests, and other clothes to ensure the protection of soldiers from the harsh climatic conditions in the battle field is a vital factor responsible for raising the demand of waterproof textiles.

However, varying consumer choices related to fashion and trends may hinder the growth of the water proof textiles market. Geographically, North America is holding its influence over the market due to the huge demand of sports clothing and apparels in its regional territory such as the US and Canada. Furthermore, Europe is expected to grow rapidly. Asia Pacific is also anticipated to grow at a steady pace owing to rising demand for water proof textiles and rapid industrialization.

Waterproof textiles are basically coated synthetic or natural fabrics with rubber, silicone, elastomer, and wax. Based on recent development, polyethylene terephthalate (PET) is the material used for making bottles and utilized for producing waterproof textiles.

Waterproof textiles are widely segmented based on raw materials through which they are processed as polyurethane, polymer, and synthetic microfilament. Major Key players in waterproof textile manufacturing are focusing on developing innovative water proof fabrics to increase their influence over the market. ♦

