



BANGLADESH

Africa can be cheaper cotton source for BD textile sector

African countries could be a the cost-effective alternative source of raw cotton for Bangladesh's textile sector, said Finance Minister AMA Muhith.

The demand for cotton in the local textile sector is here to stay as RMG will lead our export sector for another twenty to twenty-five years, he said during the African-Asian Cotton B2B Meeting held in the capital.

In context, our textile sector can look towards Africa as an alternative source of raw cotton due to its cost effectiveness, amid a growing consensus among the stakeholders about the country's overdependence on Indian cotton.

Bangladesh is currently the largest cotton importing country in the world. It spends more than US\$ 3 billion per year to import cotton and more than half comes from India.

Statistics showed that while China's cotton import from India was falling, Bangladesh's cotton import from India was actually rising. If the current trend continues, Bangladesh might well become the largest importer of Indian cotton.

The Finance Minister was also not quite optimistic about the prospect of local cotton as a large source of raw material for the local textile industry.

He said local cotton farmers are unlikely to be able to meet the bulk of the huge demand for cotton due to the land shortage. At the same time, the rising demand for chemical and other fibre materials as a substitute for cotton is also not helping the local cotton industry.

Currently, Bangladesh grows around 180,000 bales of cotton a year, which is just one percent of the annual demand. However, the local producers have a target to meet 10% of the demand by the end of 2025. President of Bangladesh Cotton Association M. Shahidullah said that African countries were increasingly becoming an important source of cotton for Bangladesh's garments industry.



Bangladesh garment sector demands exemption from tax at source

At a pre-budget discussion with the National Board of Revenue (NBR), several trade bodies associated with the Bangladesh garment export industry put forth various demands. These included reducing corporate tax to 10% from existing 20% and also exempting the apparel industry from tax at source for a minimum period of two years.

Other demands made by various trade bodies were to allow the import of pre-fabricated building material under bonded facility at zero duty to ensure workplace safety. They also demanded duty-free import of sprinkler systems, equipment, fire-resistant doors and other related equipment for safety compliance measures.

There was also a request that the policy for the apparel industry should be fixed for a five year period, as changes in policy, every year created problems for the industry.



CHINA

China to maintain balance while reducing risk

China is capable of maintaining financial stability and will strike a proper balance, reducing leverage rates while sustaining economic growth and the

government's top priority is to prevent financial risk, stated Premier Li Keqiang.

Li made the remark in a meeting with Christine Lagarde, managing director of the International Monetary Fund (IMF), who was in Beijing to attend the two-day Belt and Road Forum for International Cooperation.

Li expressed China's willingness to enhance its policy communication with the IMF, advocating a more globalized economy and fostering international trade and investment.

He also said China will keep a managed floating exchange rate system based on supply and demand.

Lagarde said the IMF is willing to continue to enhance its communication and cooperation with China. While China has experienced encouraging economic growth, it has adopted a prudent approach to financial regulation and has a sound financial system.

The IMF upgraded its forecast for China's economic growth in its latest outlook in mid-April. It now expects a growth of 6.6 percent in 2017, which is 0.1 percentage point higher than its January forecast.

An IMF statement following the report said the upward revision is the result of China's strong growth momentum and anticipation of continued policy support.

The report also raised its forecast for the global economy by 0.1 percentage point from its January projection. IMF

Chief Economist Maurice Obstfeld said the improvement is due primarily to good economic news for Europe and Asia, and within Asia for China and Japan.



Country in next five year to see use of digital technology for textile printing

Most of the Indian textile manufacturers going all out for digital technology for textile printing are to capture the market within five years. At present, there are around 3,000 dyeing mills in India and around 3% of them have deployed digital printing machines.

Monotech Systems has installed four Homer digital textile printers in India - three in Faridabad and one in Gurgaon. Their total installation is around 20 printers, including four installations in the industrial segment and 15 in dye sublimation, said Manoj Kumar Garg of Monotech Systems. All the 20 printers were installed in the last few months.

According to Garg, in the next five years, most of them will be using digital technology for printing. Thus, the potential and opportunities are huge. The major market for digital textile printing is Surat.

New Delhi-based Infinity Digital Solutions (IDS), the trader and supplier of wide-format printers also launched the VT-JET grand high-speed digital textile printer. The 3.2 million direct fabric printer comes in three variations the high quality model runs at 70 sq/m per hour; the production model runs at 100 sq/m an hour and the high speed model runs at 150 sq/m an hour.

IDS have around 200 installations across the country, around 70% of which is dye sublimation and rest 30% is direct-to-fabric.



Country hits record cotton production

Mali forecasts cotton production for the upcoming 2017-18 season at

725,000 tonnes, up about 12% from the current season's record yield of at least 645,000 tonnes, as reported by Agriculture minister. The 2016-17 seasons ending in March will see the highest yield in more than a decade for the West African country, aided by increased prices and fertiliser subsidies fixed in 2015.

The new target will be achieved by planting more land, renewing subsidies and continuing a two-year-old programme that provides tractors at reduced prices, according to a statement from the agriculture ministry.

In terms of cotton production, we have just crossed the threshold of 645,000 tonnes for a forecast of 650,000. This is a production record. Minister Kassoum Denon said, "We want to go to 725,000 tonnes for the next campaign. Mali is West Africa's biggest cotton producer and its season runs from April to March in two phases, production between May / June and September/ October, with commercialization from October/ November to March 31.

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SPAIN

Textile industry recovering with help from 'fast-fashion' brands

The clothing and textiles sector account for nearly 3% of the country's gross domestic product. In terms of sector sales, Spain is Europe's fifth-largest producer behind Italy, Germany, Britain and France, according to Spanish textile association Texfor.

Texfor calculated that the number of Spanish suppliers of fabric, fibres and accessories such as buttons has plunged by about a third since 2008.

Spain's textile sector, with the success of brands such as Zara, is beginning to recover from a crisis sparked by cut-throat competition from Asia that has destroyed a third of its firms in less than a decade.

Inditex, owner of brands such as Zara, Massimo Dutti and Bershka, beat its closest rival, Sweden's H&M, in terms of earnings last year, booking a bottom-line net profit of over 3 billion euros (\$\$4.5 billion).

Thanks to the success of Inditex's "fast-fashion" brands along with that of two other major Spanish high street clothing retailers, Mango and Desigual, Spain is a key player in the global fashion sector.



USA

Cotton exports to touch 13.2 million bales in 2016-17: USDA

Cotton exports to touch 13.2 million bales in 2016-17 due to recent high shipments and sales to all major markets. According to US Department of Agriculture (USDA), US cotton export outlook for 2016-17 is increased by 500,000 bales to 13.2 million bales for 2016-17. The report also projects US cotton exports to remain at 13.2 million bales in 2017-18.

Among other major exporters, India's cotton exports in 2016-17 are projected to go up by 100,000 bales to 4.5 million on increased overland demand from Bangladesh, substituting for lost Chittagong shipping. While exports from Brazil are likely to be reduced by 100,000 bales and declines to 2.7 million due to competitiveness with US cotton and declining available supplies. Also, exports from Uzbekistan are likely to fall by 100,000 bales to 1.7 million on continued weak shipments to major markets.

The USDA expects a 6.0 million bale decline in global ending stocks in 2017-18, all of which is expected to occur in China, as consumption continues to significantly exceed production while imports remain restricted, eliminating much of existing stockpiles.

Textile and apparel industry continues gradual upturn

After years of significant decline, the US textiles and apparel industry are gradually bouncing back as both its shipments and exports increased in 2016.

In 2016, the total value of textiles and apparel shipments in the US reached US\$ 74.4 billion, increasing by 11% from 2009, while total US exports of fibre, yarns, fabrics, made-ups, and apparel recorded US\$ 26.3 billion.

The US continues to be one of the world's largest net textile exporters and net apparel importers, the US trade surplus in textiles significantly dropped US\$ 68 million in 2016 from US\$ 347



million in 2015. However, the US trade deficit in apparel products reached US\$ 81,754 million in 2016, which was slightly lower than 2015's US\$ 86,311 million.

To further boost the recovery of the US textiles and apparel industry, the US government announced the establishment of new fibres and textiles manufacturing innovation hub in Massachusetts, and more than US\$ 2 billion in manufacturing research and development investments. Other initiatives have also been taken to create more textiles jobs, and promote domestic textiles printing and manufacturers in the US.

Impact of Free Trade on US textiles and apparel trade

US Free Trade Agreements (FTAs), such as the North American Free Trade Agreement (NAFTA) and the Dominican Republic Central America Free Trade Agreement (CAFTA-DR), play an important yet controversial role in the country's textile and apparel sector.

Among all the US\$ 26.3 billion in US textiles and apparel exports in 2016, shipments to NAFTA and CAFTA-DR countries accounted for 56% of the total exports. The largest exports markets for the US textiles and apparel products by region are NAFTA (US\$ 11.5 billion), Asia (US\$ 7.0 billion), CAFTA-DR (US\$ 3.2 billion), Europe (US\$ 2.8 billion) and the rest of the world (US\$ 1.8 billion).



VIETNAM

Textile, apparel exports grow 11% in first quarter

Vietnam earned US\$ 6.84 billion from garment and textile exports in the first quarter of this year, a rise of 11.2% year on year, according to the Vietnam Textile and Apparel Association (VITAS).

Currently, Vietnamese garment and textile products have been available in 40 countries and territories over the world, with major markets including the US, Japan, the Republic of Korea, China and the EU.

Most businesses have had orders for the second quarter this year. However, orders have been in shorter and shorter terms with price not increasing. The VITAS urged enterprises to optimize the capacity of their equipment to reduce production costs and seek orders for high-quality products.

This year, the garment and textile industry have set a target of reaching a growth rate of 6.5%-7% compared to 2016 with the total export earning of over US\$30 billion. ♦

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