BANGLADESH

Country to enhance cotton production to 1.0 million bales

Bangladesh Cotton Development Board has adopted a five-year project titled "Extensive Cotton Cultivation" considering importance of the sector and its further development. According to experts, cotton production can be enhanced to around 0.8 million bales to 1.0 million bales from the existing hardly 0.1 million bales annually.

On successful implementation of the project, the cotton production will increase many fold and that will save huge foreign currency. At a regional workshop titled "Prospect of Cotton Farming in Barind Tract and Extension Strategy" held at Barind Multipurpose Development Authority (BMDA) in Rajshahi, Agricultural scientists and researchers urged the farmers and others concerned to expand cotton farming for boosting up its production to meet up the country's demand.

They viewed prospect of boosting cotton production in the drought-prone baring region is bright as its topography and climatic condition are suitable for the cash crop. Dr Farid Uddin said that there is an enormous prospect of boosting cotton production after the best uses of existing natural resources.

ETHIOPIA

Potential to become Africa's textile, apparel hub

Ethiopia's export is currently dominated by Coffee which represents 16.5% of the total exports of Ethiopia, with flowers, vegetables and oily seeds follow in big fractions underscoring the fact that the economy still depends on Agriculture.

The government of Ethiopia has been keen on diversifying exports with priorities focused on strategic sectors like textile and garment manufacturing in the move towards industrialization from a primarily agriculture based economy. The effort is part of the structural transformation of Ethiopia's economy to exports of industrial outputs rather than raw agricultural products.

Ethiopia's history in textile began in 1939 when the first garment factory was established. Data shows that in recent years, the country's textile and apparel industry have grown at an average rate of 51% per year. More than 65 international textile investment projects have been licensed for foreign investors.

The growth in the textile industry is directly linked to the government's move to set up an industrial development strategy. As a result of this effort, 124 foreign investors have expressed interest in the Ethiopian textile sector, 71 of which are from China.

Investors are also taking advantage of the Ethiopian textile and garment industry from its high quality cotton that is grown in the country as well as duty free access to US and EU markets. It is estimated that the country has three million hectares of arable land available to grow cotton, of which only less than 10% of this abundant resource has been utilized so far.

The government has set up the Hawassa Industrial Park, which is exclusively dedicated to textile and garment manufacturing industries. The US $250 million Park is the only such facility on the continent, and it will eventually encompass 1.3 million square meters making it Africa's largest manufacturing park.

Initiatives such as the Africa Growth and Opportunity Act (AGOA), Common Markets of East Africa (COMESA) and other bilateral trade agreements with Western countries offer free trade benefits and access to the global and regional market for Ethiopia. Moreover, an array of bilateral trade agreements concluded with Western countries, including the Netherlands, Belgium and Luxembourg are boosting textile markets abroad.

Swedish apparel giant H&M, International Labour Organization (ILO) and Swedish International Development Cooperation Agency (SIDA) have also launched an industrial relations project aiming to improve the development of a socially sustainable textile and garment industry in Ethiopia.

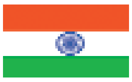
INDIA

Country maintains top position in Global Organic textile standard

The number of GOTS certified facilities in India went up from 3,814 facilities in 2015 to 4,642 facilities in 2016. These are spread across 63 countries around the world. Growth is evenly spread across all market segments including the mass market and big brands. GOTS certification covers the processing of organic fibres along the entire supply chain from field to finished products.

Countries or regions with the largest increase in GOTS certification in 2016 are: Bangladesh on top with +121 units; China (+68), Italy (+54), Germany (+41), India (+47) and Pakistan (+30). The top three countries based on total number of certified entities were: India (1,488), Turkey (423), and Germany (347). The significant growth in numbers of GOTS certified facilities shows the willingness of more and more decision makers not only to drive change by complying with the strict GOTS criteria but also to prove this change by undergoing an independent third party certification, said Herbert Ladwig, MD, GOTS. To date, the 18 GOTS accredited independent Certification Bodies report more than 1.4 million people in 4,354 (out of the actual 4,642) working in GOTS certified facilities.

For GOTS, 2016 was a revision year resulting in the release of GOTS Version 5.0 on March 1, 2017. The key changes in brief: The use of Viscose and Modal (additional fibre content) is now restricted to 10% (25% for sportswear and socks). Local fibre made from certified organic or FSC sources may still be used up to 30% because of its sustainable manufacturing processes. For the first time, GOTS will allow 'Combined Products' such as prams with textile fabrics, bassinets, car seats or furniture with textile fabric upholstery to have certified and labelled textile components.



INDIA

Government cuts textile and garment exports target to $45 billion

The government has trimmed the textile and clothing export target to $45 billion for the current fiscal. Total shipments in the last fiscal missed the initial target of $48.5 billion by a huge margin.

The target for 2017-18 will nevertheless represent a 17% rise from the actual level of $38.6 billion in 2016-17. While garments exports witnessed a marginal rise from the year before, textiles exports dropped in the last fiscal. In 2015-16, the overall textile and garment exports were to the tune of $40 billion.

The exports were way off the target in the last fiscal, as demand from China — especially for cotton and yarn was tepid and recovery in the developed markets like the US and the EU still remained fragile. Demonetization, too, hit the labour-intensive sector, albeit temporarily, as many workers are paid in cash daily or weekly. Stiff competition from countries like Vietnam, Bangladesh and Pakistan— with zero-duty access to some of the key markets— added to the woes of Indian exporters. Bangladesh, for instance, exports products at zero duty to the US and the EU, which together account for around 65% of Indian supplies.

For its part, the textile ministry has sought a quick resolution of the India-EU free trade agreement, which would pave the way for duty-free access of Indian textile and garment items to the EU, which account for more than a third of the country's garment exports.

KENYA

New clothes traders face steep tax raise in bid to revive textile sector

Clothing and shoe traders could face a steep tax increase on imports in new proposals that are aimed at reviving the East African Community's ailing textile and leather sectors.

The proposals to raise taxes by up to 50% are included in a report that was commissioned on the two sectors by the EAC, and whose findings were presented to the region's heads of state last week.

They seek to limit cheap imports that have undercut once vibrant local industries.

Over the years, the clothing and shoe manufacturing industries have collapsed due to the emergence of informal sector trade in used clothes and shoes (UCS) and the impact of trade liberalization. East Africans spend an estimated Sh36.1 billion ($350 million) on second-hand clothes and shoes (mitumba) annually.

While the report endorses an existing proposal to ban mitumba, it also proposes a 40% tax on "readymade garments or $5 per kg whichever is cheaper. This implies that importers of new clothes would also be affected.

A three-year tax waiver for textiles inputs and shoe manufacturing equipment that are not available locally has been proposed as is a ban on the export of raw hides and skins. There are also fears that a mitumba ban may see EAC countries deemed illegible to retain duty-free access to the United States under African Growth Opportunity Act (Agoa).

MOZAMBIQUE

Country increases cotton producer price by 50%

The government of Mozambique, a country in southeastern Africa, has increased the minimum price paid to farmers by more than 50% for the 2016-17 agricultural seasons. The minimum price has been raised based on a proposal presented by cotton growers. For Mozambique, cotton is the third largest export earning commodity after coal and shrimps. For first-grade cotton, the minimum price has been increased from about 22.5 US cents per kilo to about 35 US cents per kilo.

Likewise, for second-grade cotton, the minimum price has now been raised from 16 US cents per kilo to 24 US cents per kilo. Mozambique has set a target to increase cotton production to 200,000 tonnes by 2020, compared to the current output of around 70,000 tonnes a year.

NIGERIA

FG commended for promoting sale of locally made textiles

The Federal government's decision to promote the sale of locally made textiles is in line with the demands to boost production and capacity in the textile companies.

Recently, the Federal government had directed all public workers to wear locally made fabrics (Ankara) to work twice a week. NUTGTWN believe that if workers patronise more of the local fabrics, it will revive the industries.

According to Mr Issa Aremu, the General Secretary of the union, workers Nigeria in the private sector should also be directed to wear local textiles throughout the week. The decision would help to diversify the economy as well as improve tax for the country.

Further to ensure only locally made textiles were sold in the country, the government has been called on to sustain the fight against smuggling.

USA

Ably presents eco-friendly clothing

The apparel industry accounts for over 10% of global carbon emissions and remains the second largest industrial polluter, second to the petroleum industry. About 4.0 million people are employed in the US fashion industry. The average household in America spent almost $2,000 last year on apparel and footwear, releasing high amount of carbon footprint.

Presently, the US is the largest importer of garments in the world and nearly 40% of apparel products sold in the US are imported from China. According to the Environmental Protection Agency, 13.1 million tonnes of textiles are trashed each year in the US, but only 15% are donated or recycled. Washing and drying a load of laundry every two days produces roughly 970 pounds of CO_2 per year.

VIETNAM

Textile sector urged to diversify raw material import sources

The Vietnamese textile and garment industry needs to diversify its raw material import sources if it wants to develop, said Nguyễn Thị Tuyết Mai, Deputy General Secretary of Việtnam Textile and Garment Association (VITAS). She said with exports of US$28.5 billion last year, Vietnam is one of the five biggest exporters in the world, but to achieve this, the country imports large volumes of feedstock including yarn, fabric and others.

Depending on one or two sources will limit manufacturers' production capacity and development. Seeking new sources is necessary for the industry to lessen its dependence on traditional sources in ASEAN and China.

Members of VITAS and the HCM City Association of Garments, Textiles, Embroidery and Knitting (AGTEK) agreed that India is one of the best alternative choices. Many Vietnamese garment companies have visited India to explore co-operation opportunities and returned impressed with the country's garment and textile industry.

Indian products have good quality and prices due to the free trade agreement signed between India and ASEAN, she said. Furthermore, garment and textile is among the products on which India would cut taxes in future. This is an opportunity for Vietnamese to find a new raw material source.◆