



AUSTRALIA

Cotton crop production on track for 2017-18

The cotton crop is giving a strong push towards Australia's target of achieving around 4.0 million bales and bring in \$2.5 billion to the nation. According to Cotton Australia CEO, Adam Kay, while yields were back from the records of the past couple of years, strong prices meant good returns for growers. The cotton crop is giving a strong push towards Australia's target of achieving around 4.0 million bales and bring in \$2.5 billion to the nation. According to Cotton Australia CEO, Adam Kay, while yields were back from the records of the past couple of years, strong prices meant good returns for growers. Irrigated yields are back to average yields. The last two years have been record-breaking and now they have backed off the records to an average of 10 to 11 bales/hectare rather than the 12b/ha earlier. Making up for that is prices have hovered in the \$530-\$550/bale for a month which is positive.

Most cotton still comes from the southern growing areas of New South Wales where the season is later than expected and production got impacted by moderate growing conditions. In the South, there were big hectares, but yields were off a bit from the last few years down to 9-10 bales/hectare rather than 11-12b/ha they have had. The dry land crop got impacted due to excess heat and lack of rain. Of the bales the industry will produce, 3.8 million will come from irrigated crops and around 300,000 from dry land.

Digital wool exchange platform for Australian industry

The AWI Wool Exchange Portal working group (WEP-WG) has endorsed the construction and implementation of a digital wool exchange platform for the long-term benefit of the Australian wool industry. The business case developed by the group has identified \$38 million in consolidated industry benefits over the first 15 years of the digital selling platform.

WEP-WG Chairman, Will Wilson has presented the group's findings to the



AWI Board -the main recommendation being to move to the "discovery phase", where industry moves to build the portal.

The WEP will deliver greater pricing efficiency and increased competition within the wool selling system as well as provide all industry participants with a one-stop port, where all buying and selling options can be transparently evaluated and future price realisation mechanisms can be accommodated and made available.

The WEP-WG has proposed to engage current online commodity market operators to help develop the WEP and has already received proposals from 10 potential vendors. This allows the industry to target speciality service providers to best fit the various offerings that WEP will aim to provide. It will also be a more cost-effective use of funds and reduce the likelihood of duplication where certain software may already exist.



BANGLADESH

Country wishes to get duty free access to the US

Bangladesh is one of the biggest cotton importers from the USA. It now wants the USA to consider duty-free market access for such garment products. Bangladesh is the second largest cotton importer in the world and the country has long been importing cotton from the US to make apparel for exports.

Bangladesh's apparel exports to the US, its single largest destination, have declined 1.96% year-on-year. Garment items account for 95% of the goods exported from Bangladesh to the US market. There is a change in the attitude

of US consumers, who now prefer spending more on electronic gadgets compared to clothes. Bangladesh now faces an export duty of 15.62% under America's most favoured nations' category.

Bangladesh has long been urging the US to allow it tariff-free market access. The US has already granted unilateral tariff-free market access to African and Caribbean less developed countries. Only Bangladesh, Cambodia, Nepal and a few other Asia-Pacific less developed countries are yet to get the access. Both imports from Bangladesh to the US and exports from the US to Bangladesh declined in 2016.

Government plans to boost cotton production seven-fold

The Bangladesh government has taken up a Tk 105 crore project to increase production of raw cotton, only 3% of which is now collected from local producers. The Executive Committee of the National Economic Council approved the Extended Cotton Farming Project Phase-1 through which an additional 7 lakh bales of cotton will be produced a year.

Bangladesh produces only 1 lakh bales of cotton, which meets only 2%-3% of the garment industry's demand. Planning Minister AHM Mustafa Kamal said the additional production will be ensured by planned cotton farming in 35 Upazilas under 10 districts.

He said at present, the government has to spend around \$4.5 billion a year to import cotton. The country will be able to meet 30% of its demand for cotton if the project is implemented to the full. Under the project, which is expected to be

completed by 2018, cotton will be produced in saline-prone areas of the southern region, char areas, plain lands between two hills.

The project aims to supply high-quality seeds to farmers and arrange motivational tours and exchange visits to different countries for selected farmers. The farmers will also be provided with high-quality seeds, fertilizer, irrigation and pesticide for cultivating 660 hectares of land free of cost.



CHINA

Huge market for global apparel brands

China's young have taken to fashion in a big way. And a ripple down effect, it has given a huge boost to global labels, whose stores have mushroomed in most cities across the country. Indeed, it is easy to understand why China has emerged as one of the biggest markets for consumer products, particularly for clothing.

China has seen a quick expansion of big brand names led by a sudden rise in fashion-conscious among consumers and the weak performances of world's largest fashion retailers in their home markets in the US and Europe. Though growing rapidly, the Chinese market is still at an early stage of expansion offering attractive opportunities for foreign apparel brands. As Magnus Olsson, Country Manager at H&M AB points out this year, China and the US would once again be their biggest expansion markets.

GAP Inc, the San Francisco-based company, is focusing on the global market, particularly China. This way, the brand would reduce its dependence on North America, where it is struggling to win back consumers. GAP revealed that they would open new stores in Asia with a focus on GAP China, Old Navy China, and Old Navy Japan this year.



EUROPEAN UNION

New draft for textiles products and services

The European Union has announced a draft of new developments with its voluntary Green Public Procurement

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(GPP) criteria for textiles products and services. With criteria largely based on the EU Ecolabel criteria for textiles, this is an area with a high public spend, particularly on the uniforms of military, police and hospital staff. With the EU Ecolabel closing in on its 25th birthday, recent changes to EU Ecolabel criteria for textiles have focused on sustainable cotton, recycled synthetics, the recovery of wool waste and man-made cellulose.

The updated criteria aim to reduce the environmental impacts of textiles destined for use in European public sectors. As part of this, public authorities are being encouraged to purchase textiles that contain recycled materials or which are made from fibres that are produced using fewer fertilisers and hazardous chemicals. Longer lasting fabrics, textiles that use less energy when being washed and services that maximise the recycling potential of textiles are also being encouraged. EU seeks greener public textile procurement.



INDIA

Power loom units likely to get hit by higher GST on man-made Fibres

The power loom sector of India accounts for more than 86% of the total MMF production in India, while the rest comes from other segments like handlooms, hosiery and composite mills. Incidentally, the GST on cotton textile products has been fixed at 5% while GST on man-made fabric (MMF) is kept at 18% due to which power loom units are expected to take a hit, said J Thulasidharan, Chairman, Confederation of Indian Textile Industry (CITI).

He said that if rates are not reduced then there will be flooding of the fabric from China which would wipe out power looms industry. Power looms alone employ around 65 lakh workers in 5.5 lakh units spread across the country.

Also, the SME (small and medium enterprises) and those who do not have composite mills are going to suffer from competition and high cost. These players have a majority share in fabric production of the country.

An independent weaving unit having around 50 looms and producing 100% viscose fabric would incur an additional cost of over Rs 2 lakh per annum with 18% GST rate on yarn when compared to a composite unit, said M Senthil Kumar, Chairman, Southern India Mills' Association (SIMA).

Even with 12% GST rate on synthetic yarn, the additional cost would be Rs 1.3 lakh per loom per year thus creating unhealthy competition between the composite and independent weaving units.



NIGERIA

Reviving Nigeria's declining textile industry

Nigeria's modern textile industry which started in 1956 with the establishment of the Kaduna Textile Mills Limited had about 63% of the textile manufacturing capacity in West Africa. The industry has passed through various phases of growth and until the 1980s; it was one of the most vibrant in the world.

At its peak during the period, the industry provided about 500,000 direct jobs with over 250 functional factories and was renowned as the largest employer of labour in the manufacturing sector.

The sector, however, started to witness some decline in its fortunes at the turn of the millennium with the closure of some major factories while some others relocated to other countries.

As at the dawn of the millennium, only about 25 textile companies are functional in the country with widespread concerns that even those functioning were barely managing to survive as the operating environment was to put it mildly, utterly unfriendly.

The current capacity utilization in the industry is only 30% of installed capacity and this development has allowed for the thriving of imported, mostly smuggled counterfeited textile products, into the country.



Only recently, a report by the Federal Ministry of Trade, Industry and Investment said more textile industries are closing down daily. The report attributed the situation to an aggregation of a lot of factors, ranging from obsolete machinery, high interest rate, and inadequate infrastructure, to lack of improvement in the local sourcing of raw materials.

Indeed, this has further increased the tempo of calls for the nation's stakeholders and government at all levels to synergise with a view to bringing the sector back to life.



RUSSIA

Country promotes textile and apparel industry

Russian regions are turning out to be the main players in driving forward both the light industry (as the Russian textile and apparel industry is called) and fashion. The Ivanovo region located in the European part of the country accounts for 80% of Russia's cotton fabric manufacturing.

Construction of a synthetic fibre plant is scheduled to begin in the summer of 2017 in the Vichuga special economic zone in the Ivanovo region. Synthetic fibre is not yet produced in Russia and the plant has already secured orders for 80% of its proposed production capacity.

The Vichuga SEZ will also include an industrial technology park built to accommodate small enterprises that will use synthetic fibre to produce finished products. In addition, the city is also

building an industry-specific business accelerator to promote new designers, including the use of advanced technologies, such as 3D printing, robotic sewing machines and others.

Earlier this year, a bill was passed in Russia that allows textile, leather and apparel manufacturers with more than 250 employees to qualify as a medium-sized enterprise rather than large businesses.



SRI LANKA

Country is aiming to be the top spot for swimwear

Sri Lanka is aiming to be the leader in swimwear market. With many established brands sourcing from the country, Sri Lanka is well on the way to becoming the swimwear destination of the world. At one time, Sri Lanka was known for T-shirts, jeans and intimate apparel. Now the island is planning a swimsuit fashion show on August 7 and 8, 2017. The aim is to showcase its designers and supply chain partners and also Sri Lanka as a destination of the most beautiful beach spots in the world.

Swimwear is strategic to Sri Lanka in terms of both fashion consumption and manufacturing. The aim is to compete with top swimwear shows in Miami and Sao Paulo. The mills have technologies like bonding, flocking and laser cutting and with a well-developed supply chain, Sri Lanka is poised to meet orders faster, unlike in the beginning, when materials had to be brought from China or Vietnam.



TANZANIA

Revival of textiles essential for country's development

The revival of factories like Tanzania-China Friendship Textile Company (FTC) is essential for Tanzania's economic development, said Dr. Adelhelm Meru, Permanent Secretary in the Tanzania Ministry of Industries and Trade. He was speaking during the 50th anniversary exhibition of 'Urafiki' Friendship Textile Mill and 20th anniversary of FTC held in Dar es Salaam.

FTC is a China-sponsored project in Tanzania. It is a joint venture company between Changzhou state owned Textile Assets Operation Company of China and the government of Tanzania.

Welcoming Yan Li, China's party secretary of Changzhou Municipal Committee, Dr Meru appreciated the Changzhou initiative to visit the textile company as Tanzania is entering a new phase of industrialization.

Dr. Meru also commended the textile craftsmen from Changzhou for their dedicated service for a period of 20 years to both nations whilst facing all odds. Changzhou craftsmen have helped in the development of Tanzania by improving the situation in the textile industry and by creating employment opportunities for its citizens.



USA

Healthcare and sports are most lucrative segments

The E-textile products are primarily deployed in the healthcare segment to fulfil the unique purposes such as to track heartbeat and to study and scrutinize numerous disorders (cardiovascular, neurological or respiratory). In recent decades, a significant increase has been observed in the number of older people suffering from diseases. Due to this, automatic and smart health care services and growth in e-textiles can be foreseen as significant tools for achieving the goals of controlling the reducible costs and eliminating the inefficiencies in terms of the reactive healthcare system (action was undertaken only at times of emergency/diseases cases).

In the current scenario, need for preventive or predictive healthcare system has boosted the demand for e-textiles. Some of the most popular e-textile products in healthcare applications are SmartShirt and LifeShirt.

The SmartShirt developed by Sansatex Company possess the capability of measuring as well as displaying the vital signals (blood pressure, heartbeat, temperature etc.) of the user due to which it has gained attraction in the healthcare sector. Furthermore, increasing sales volume of health and fitness trackers across the regions indicates a scope for the e-textiles market in healthcare and sports segment. In 2015, health and fitness trackers sales in North America were numbered 8.5 million units, up from 4.8 million units in 2014. ♦

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