BANGLADESH

Export earnings from USA drops in last fiscal

The fall is export earnings are due to inadequate performance of the RMG sector. Bangladesh exports to the USA totalled $ 5,846.64 million during the last fiscal (2016-17) compared to $ 6,220.65 million during the corresponding period of the previous fiscal (2015-16).The amount represents 16.78% of the country's total export earnings during the period.

According to the statistics compiled recently by the Export Promotion Bureau (EPB), the major exports to the US market during the last fiscal year were woven garment ($ 3,901.94 million), knitwear ($ 1,302.06 million) and home textiles ($ 188.30 million).

During the period, around 27.11% of the country's total woven garment exports entered the US market, followed by knitwear 9.46% and home textile 20.32%. Despite political unrest, Bangladesh's export earnings from the US in fiscal 2014-15 were impressive with $ 5.783 billion, up from $ 5.583 billion in fiscal 2013-14.

The export earnings of Bangladesh in the last fiscal year (2016-17) totalled $ 34,835.09 million against the strategic target of $37,000 million which is also 5.85% short of the strategic target.

China a preferred destination for Bangladesh RMG makers

Bangladesh's garment export to China increased 14.77% year-on-year to $391.59 million in fiscal 2016-17 riding on duty-free trade privileges. Exporters are taking it as a sign of new opportunities waiting to be tapped. China has transformed into a major export destination for Bangladesh because of its huge population with a growing section of middle-income households.

China also has advantage of a shorter lead-time and better prices from retailers and brands, which makes it a preferred manufacturing paradise.

China itself is strong in jackets and lingerie, and Bangladesh's export of such products is not too high. Growing Chinese middle class are the main customers of Bangladeshi apparels. Asif Zahir, Director, Ananta Group, a leading exporter, garment exports has been maintaining 10% growth every year to China.

China is a new destination for them. Zahir exported garments, mainly denim and trousers, worth $15 million last year. Retailers like H&M, GAP and Zara are his main buyers from Chinese markets. Additionally, China has its own retailers and brands which buy a lot of garments from Bangladesh. Export of trousers, denim, non-denim and T-shirts, is high from Bangladesh to China.

Boosting TSP services to help textile sector

Boosting the Textile Sustainability Platform (TSP) could help encourage sustainability and cleaner production in the textile sector of Bangladesh, according to some industry officials. TSP acts as a platform for public-private co-operation to strengthen environmental sustainability and promote efficient use of resources in the textile sector.

Harnessing the potential of digital technology can help strengthen communication and deliberation in the TSP platform and the textile sector, said Asif Ibrahim, former Chairman of Business Initiative Leading Development (BUILD).

The Partnership for Cleaner Textile (PaCT) had led to the origination of TSP. PaCT is an initiative supported by International Finance Corporation (IFC), said Faruque Hassan, Senior Vice President of BGMEA. He said that business organisations are getting sensitised towards the idea of efficient use of water resource.

Government changes incentive structure for exports

Five new sectors to get it, rates of four go up government changes incentive structure for exports. The government has brought some major changes to the incentive structure for exports in order to achieve a higher overseas sales target set for the current fiscal year.

Bangladesh Bank released an incentive structure for 2017-18, granting stimulus to five sectors for the first time and increasing existing rates for four. With the new additions, 27 sectors will receive 2% to 20% incentive on the price of the goods. The number of sectors entitled for the benefit was 22 in the last fiscal year.

The export target for 2017-18 has been set at $37.2 billion, up 8.2% from that of the last fiscal year. Bangladesh earned $34.65 billion in exports in 2016-17 against a target of $37 billion.

CHINA

Cotton volume goes down to 7.2 million tonnes

Chinese cotton sales from the state reserves, from May onwards, have reached above 1.1 million tonnes. This number has brought down the net volume of cotton held by the government of China, to about 7.2 million tonnes. If cotton stocked with non-government entities is added, China's total cotton stocks are projected down 17% to 9.2 million tonnes at the end of July this year.

The decreasing stocks in China are because of the decrease in production, according to the latest report by ICAC. In the 2016-17 seasons, China's cotton production declined by 2% to 4.9 million tonnes, but its mill use is projected to increase by 2% to 7.7 million tonnes. Imports by China are anticipated to increase by 10% to 1.06 million tonnes, which is the first increase since 2011-12, though any further increase is limited by the import quota. Thus, sales from the reserve are being used to make up for the shortfall in production while mill use is forecast to remain unchanged at 7.7 million tonnes in 2017-18.

The cotton stocks in China are falling, the stocks outside China are forecast to increase by about 6% to 8 million tonnes by the end of July this year.

Global $16.94 billion silk market 2017-2021

The global silk market is projected to reach US$ 16.94 billion by 2021, at a CAGR of 7.8% from 2016 to 2021. Silk is witnessing increase in demand in the Asia-Pacific region, mainly in China. Asia-Pacific is the largest producer of raw silk with easy availability of raw materials in the region. Silk finds application majorly in the textile industry. Increasing demand for silk from the textile industry has promoted the usage of silk. Furthermore, technological advancements in the sericulture industry are expected to drive the silk market.

Based on type, the mulberry silk segment is projected to lead the silk market from 2016 to 2021. Mulberry silk is majorly used in the textile industry. Mulberry silk is used in blends made with other natural fibres such as cotton to enhance the properties of the base fibre. The improving quality of silk is expected to increase the demand for mulberry silk and drive the silk market in the future. Tussar silk is the second-largest type of silk used after mulberry silk.

The Asia-Pacific region was the fastest-growing market for silk, in terms of value and volume, in 2015 and this trend is expected to continue till 2021. China, India, Uzbekistan, and Thailand are lucrative markets of silk in the Asia-Pacific region. The demand for silk is primarily driven by increasing population and export of textile goods in these countries. In addition, the domestic demand for silk in China and India is significantly influencing the demand for silk in the region.

Though the silk market is gaining importance, few factors are restraining the demand for silk from the textile industry. China is the largest producer of raw silk in the world. This increases the dependency on China for raw materials, which is considered as a major restraint for growth of the silk market.

HONG KONG

Tough times for clothing sector with global competition

The clothing industry is a major manufacturing sector of Hong Kong. It is the fourth largest manufacturing employer, with 657 establishments hiring 4,763 workers as of March 2017. The major reason for declining exports is relocation of production facilities offshore. In a major upheaval, developed markets, such as the US, the EU and Japan, have started sourcing products from countries, including ASEAN and Bangladesh, thereby hampering the competitiveness of Hong Kong and mainland manufacturers.

Hong Kong's clothing exports saw 10% decline year-on-year in the first five months of 2017, when re-exports fell by 10% and domestic exports by 46%. In January-May 2017, Hong Kong's clothing exports to the US and EU, the two largest markets that accounted for more than 60% of the total, fell by 9% and 12%, respectively.

EU markets including the UK, Germany, France and Italy witnessed 13% to 33% de-growth. Clothing exports to the Netherlands rose by 7%. Hong Kong's exports of woven wear fell by 9% year-on-year in the first five months of 2017. Exports of knitwear decreased 10%, whereas clothing accessories and other apparel articles declined 9%and 10%, respectively.

Online shopping gaining might

Online shopping is gaining prominence across the globe and that's true for Hong Kong as well with major clothing markets, including the mainland China registering 467 million online shoppers in 2016. Recent a PwC survey indicated Chinese consumers are most inclined to online clothing shopping, with more than 72% of the Chinese respondents saying that they prefer buying clothes through the Internet.

The growing variety of online shopping sites such as Taobao in China and ASOS Market place in the UK, plus the bloom of group shopping and mobile retailing, is expected to boost online shopping and sales further. The continuous improvement of third party payment such as Alipay by Alibaba Group and WeChat Pay by Tencent also aids in enhanced online shopping. It is estimated that global retail e-commerce sales will more than double from the current level and exceed US$4 trillion by 2020.

INDIA

682 textile mills closed

As many as 682 textile mills were closed as on June end this year and 232 of them were in Tamil Nadu. Textiles Minister Smriti Irani told the Lok Sabha 1,399 textile mills were operational as on June 30, 2017. All of them are in the non-small scale industry.

At the end of June, 682 textile mills were closed in the country, she said during the question hour. Of them, 232 mills were in Tamil Nadu while 85 were in Maharashtra and 60 in Uttar Pradesh. As many as 42 such mills are in Haryana. Among the 1,399 operational textile mills, 752 were in Tamil Nadu, followed by Maharashtra (135) and Andhra Pradesh (112).

She said under this government, the textiles industry saw the largest amount of Foreign Direct Investment (FDI), she said, adding that the GST (Goods and Services Tax) as well as the labour reforms have been welcomed by the industry.

Under the Amended Technology Up gradation Fund Scheme (ATUFS), launched last year, there are benefits in terms of one time capital subsidy of 15% for the garmenting and technical textiles segments with a cap of Rs 30 crore.

Besides, there is 10% capital subsidy for segments like weaving, processing, jute, silk and handloom with a subsidy cap of Rs 20 crore for setting up new textile units or for expansion of existing units with benchmarked technology. Responding to a query related to closed textile mills in Maharashtra, the Minister said the centre would fully support initiatives for the industry taken by the state government.

Textile machinery industry to touch Rs 35,000 crore in 5 years

The size of domestic textile machinery industry is poised to hit Rs 35,000 crore in the next five years from the present Rs 22,000 crore on the back of government initiatives like 'Make in India', an industry member said.

The textile machinery manufacturing section is one of the important segments of the industry in India, said India International Textile Machinery Exhibitions Society Chairman Sanjiv Lathia. He said with the government's initiatives like 'Make in India' and incentives for manufacturing sector, we expect the size of India's textile machinery industry to touch Rs 35,000 crore in the next five years from the present Rs 22,000 crore.

The textile sector is one of the largest contributors to India's exports, accounting for approximately 11% of the total outbound shipments. India's overall textile export during FY16 stood at US $40 billion and is expected to reach US $223 billion by 2021.

The textile industry is the second largest employer in India after agriculture and hence it is utmost necessary that the machine manufacturing industry strengthens its base for quality output and efficiency through innovations.

MYANMAR

Garment export earnings increased

Myanmar's garment export earnings increased to US $940 million in the year to mid-October up from US $409 million in the corresponding period last year. An increase in earnings was mainly because of a rise in exports to Japan and the European Union. Japan accounted for about a third of the country's garment exports; EU and South Korea were 25 % each, and the United States and China accounted for 2.4 % each.

Exports to the EU increased from EUR 345 million in 2013 to EUR 548 million in 2015. The garment industry in Myanmar employs more than 300000 workers in 389 factories; of which 171 are

Myanmar-owned, 196 foreign-owned and the rest are joint ventures.

Myanmar's garment sector is flourishing as the last low-cost production frontier for factory relocation and diversification in Southeast Asia. China has long been the world's top garment exporter. In recent years, however, production costs in China have soared along with a surge in wages. This, together with the difficulty in hiring garment workers and shift towards higher value-added industries, has driven many garment manufacturers to relocate to Myanmar. Chinese minimum wages are way above those in Asian countries, while those in Myanmar are the lowest in Asean.

SOUTH AFRICA

R10 million investments in digital printing

The arrival of digital textile printing in Cape Town can revive the local clothing and textile manufacturing industry and salvage some of the job opportunities lost to China. Craig Whyte, CEO of digital printing specialists ArtLab, has invested close to R10-million in new printing equipment over the past few years to bring digital textile printing to South Africa.

R10 million investments in digital printing to revive local textile industry bringing back some of the manufacturing jobs, which were a staple of Cape Town's business landscape, from Chinese factories. By offering higher quality, rapid customisation and a broad range of natural and synthetic materials; digital textile printing is also a cost-effective option for brands and retailers, many of whom have trialled the tech over the past year and are now putting in increasingly large orders.

USA

World cotton production projected 24.9 million tonnes in 2017-18

In 2017-18, world cotton production is projected to increase by 8% to 24.9 million tonnes due entirely to an 8% expansion in world cotton area to 31.7 million hectares, which is below the 20-year average of 32.7 million hectares. The world average yield is forecast at 785 kg/ha. India is expected to remain the world's largest producer in 2017-18 with output increasing by 6% to 6.1 million tonnes. After falling by 6% in 2016-17, China's production is projected to rebound by 7% to 5.2 million tonnes. Production in the United States is expected to rise by 10% to 4.1 million tonnes as high prices, sufficient soil moisture in dry land areas and beneficial weather during planting encouraged farmers to expand cotton area by 18% to 4.5 million hectares. After two seasons of contraction, better-expected returns for cotton encouraged farmers to expand the cotton area in Pakistan by 9% to 2.7 million hectares. Assuming the average yield rises by 8% to 717 kg/ha, Pakistan's production is projected to increase by 17% to 2 million tonnes, which is similar to its 15- year average. Cotton production in Brazil is forecast to increase by 5% to 1.6 million tonnes as high returns in 2016-17, resulting partially from a 17% increase in the average yield, are likely to encourage farmers to expand the cotton area.

Rise in global cotton mill use: USDA Report

The global cotton mill use is forecast to increase for the second consecutive season to 117 million bales in 2017-18, which is 3% more than that of the previous year. The estimate is given by the US department of agriculture (USDA) cotton projections for 2017-18.

World cotton consumption in 2017-18 is forecast to rise by 2% to 25 million tonnes. A modest 1% increase is projected for China, the world's largest cotton consumer, with its mill use reaching 8.1 million tonnes in 2017-18. After declining by 3% in 2016-17, consumption in India is forecast to increase by 2% to 5.3 million tonnes in 2017-18. Pakistan's mill use is expected to rise by 4% to 2.2 million tonnes, which follows a 13% decrease in mill use in 2015-16 and stagnation in 2016-17. Consumption in Bangladesh is projected to rise by 5% to 1.5 million tonnes due to strong demand domestically and internationally, and Turkey's mill use is expected to remain stable at 1.5 million tonnes.◆