BANGLADESH

Exports to cross the US$1 billion mark by 2020

A recently study by Switzerland-based International Textile Manufacturers Federation (ITMF) said by the end of 2020, China would produce $750 billion worth of garments up from the current $300 billion, half for exports and the remaining for domestic use. Currently, about 80% of China's garment products are produced for local consumption. So Bangladesh should focus on this Asian economic giant for its future export growth. The remaining export-focused 20% make up about 40% of global apparel trade, worth nearly $200 billion. China has 1.35 billion people, for which many Chinese manufacturers do not bother with exports, the study said.

Chinese manufacturers produce high-end garment products which middle class consumers can hardly afford, and as a result, demand for Bangladeshi garment items is increasing. Since Chinese manufacturers have already shifted their focus to high-end products, Chinese government started exploring an alternative market for middle class consumers. As a measure, the Chinese government in April 2011 allowed duty-free access to 4,721 products, of which majority are garments. Therefore, the garment export to China from Bangladesh is on the rise.

Anwar-ul-Alam Chowdhury Parvez, Former President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), points out the Chinese market would grow automatically as they have already shifted from producing basic items. Local garment exporters enjoy a 3% cash incentive on export to China under a new market stimulus package introduced in 2009 to minimise fallouts of global financial recession.

China's state-owned companies and private sector entrepreneurs have also shown a keen interest in Bangladesh for Chinese government's flagship Belt and Road Initiative, which includes Bangladesh. In 2016-17, overall export increased 17.49% to $949.41 million from $808.14 million in the 2015-16, reveals Bangladesh Export Promotion Bureau figures. Soon China would become the second Asian market after Japan for Bangladeshi exports to cross the US$1 billion mark.

COLOMBIA

Apparel industry makes a mark with innovations

Innovation has been the driver of Colombia's apparel industry and it believes in social responsibility and sustainability. Sportswear and swim company Tejidos Gulfer is helping the country cut back natural resource use and minimize poverty with its latest outreach efforts.

Tejidos Gulfer currently has an environmental policy that incorporates Greentec technology stamping machines, which minimizes the amount of water used in apparel production. The company also runs a social responsibility program that builds homes for people in need.

Lafayette, one of Colombia's leading sports fabric suppliers, is also a major player in recycling and water conservation. The company currently reuses 24% of its water for other production processes, while reducing water consumption from 43.5 litres per meter to 36 litres per meter of fabric. In addition to engaging in water conservation, Lafayette also uses boiler conversion technology to reduce carbon emissions from apparel production.

ETHIOPIA

Country invites investments from textile industry

Ethiopia, which produces about 100,000 tonnes of cotton per year, is looking at investments from the Indian textile and clothing industry at its industrial parks. The country is also planning to cultivate more cotton. A delegation, including Bogale Feleke

Temesgen, Ethiopian State Minister of Industry, and Sileshi Lemma Bekele, Director General of Ethiopian Textile Industry Development Institute, held a meeting with members of Southern India Mills' Association. They had a similar meeting in Dindigul too.

According to Mr. Temesgen, Ethiopia has just about 176 textile units and produces 100,000 tonnes of cotton a year, with 3.0 million hectares of land. There is an immense potential is to increase cotton production. Just 20% of the 3.0 million ha is under cotton, and therefore, there is potential to increase the cultivation area up to 80%.

Indian textile industry can grow cotton on Ethiopian uncultivated land, set up units to produce yarn and other value-added products. Some of the main countries evincing interest to invest in Ethiopian textile sector are China, India, Turkey, South Korea, Japan, Germany, Italy and the U.K.

According to the World Investment Report 2016, Ethiopia stands next to Vietnam in attracting foreign direct investment in textiles. It offers power at competitive price and land on 60 to 80 years lease. About 500 companies have taken licenses to invest in different industries in Ethiopia, mostly in textiles. It plans to have over 150 companies in textiles by 2020. Ethiopia is developing 13 industrial parks and four of them are operational. Indian companies such as Arvind have invested in some of these. In most of these parks, the focus is on the textile and apparel sector. With a growing population, Ethiopia needs to create jobs and hence the focus on textiles.

HONG KONG

Country losing apparel exports market

Hong Kong's textile exports seen a decline. In 2016, it fell by 13% and now another 7% in the first five months of 2017. The re-exports, accounting for more than 99% of total textiles exports, also fell by 7%, while domestic exports rose by 2%. With more than three-quarters of the textile re-exports originating from the Chinese mainland, Hong Kong's re-exports of textiles of China origin registered a decrease of 6% in January-May 2017.

Asia accounted for 93% of Hong Kong's textile exports in the first five months of 2017. Other major export markets of Hong Kong textiles include Vietnam, Bangladesh, Cambodia, Indonesia, Sri Lanka, the US, India, Thailand and the Philippines. In particular, because of Vietnam's cheap labour compared to neighbouring countries and WTO membership, many foreign investors, including those from Hong Kong, have set up garment factories there. This gives rise to the sustained demand for textile imports, making Vietnam the second largest market for Hong Kong's textile exports, after the Chinese mainland.

Hong Kong's exports of knitted or crocheted fabrics, textile yarns, woven fabrics, textile made-up and floor coverings registered respective declines of 3% in the first five months of 2017. However, finishing accessories and special yarns and fabrics increased by 3% and 2%, respectively, in the first five months of 2017.

INDIA

Textile exports show 3.2% CAGR rise in 3 years

India's export of textiles and garments showed a CAGR increase of 3.2% in the last three years from Rs 2,47,546 crore in fiscal 2014-15 to Rs 2,63,494 crore in 2016-17. The foreign direct investment (FDI) equity inflow in the sector rose by 169% from US$ 230.13 million in 2015-16 to $618.95 million in 2016-17, says the ministry of textiles.

To enhance investment, production and export in the textile sector, the government has launched a special package for the apparel and made-ups segments. The package includes enhanced duty drawback coverage, a rebate of state levies on the export of garments and made-ups, additional incentives under Amended Technology Up gradation Fund Scheme (ATUFS).The FDI equity inflow in this sector in April-May in the current fiscal was $ 21.41 million.

The export of readymade garments increased from the US $16.21 billion in 2014-15 to the US $17.09 billion in 2016-17, whereas in the same period the export of cotton textiles, man-made textiles, silk, wool and woollen textiles, and handloom and jute products witnessed a decline.

INDONESIA

Fourth-largest market of USA cotton

Indonesia is cotton USA's fourth-largest market after China, Turkey and Mexico. Sales in Indonesia range between US$300 million and $600 million a year. This year, according to Cotton Council International (CCI), the export promotion arm of the National Cotton Council, a US industry association promoting the brand cotton USA is eyeing a 3% increase in sales in Indonesia.

CCI Indonesian representative Andy Do said that the target would be achieved by approaching consumers directly to promote the products rather than only approaching businesses, as in the past.

As a clothing material, cotton is competing with cheaper synthetic materials like polyester. Mr. Do said that the cotton market share in the raw material market fluctuated from time to time, depending on ever-changing market demand.

To strengthen its grip on Indonesia's market, CCI held the first Cotton Day Indonesia, a series of business seminars and fashion shows, to increase awareness about its products among Indonesian consumers.

MYANMAR

EU displaces Japan as Myanmar's largest apparel market

The European Union displaces Japan as Myanmar's largest apparel market. The orders from the European Union have been increasing, after the reinstatement of Generalised Scheme of Preferences (GSP) rights to Myanmar, and it has now become the top market for Myanmar's cut-make-pack (CMP) garment sector.

This has reduced Myanmar's heavy dependence on Japan for its CMP exports, according to Myanmar Garment Entrepreneurs' Association. In the past, the sector had to rely heavily on the Japanese market. Now it receives more orders from the EU market, said Association Chairman Myint Soe.

There are more than 400 companies in Myanmar's garment sector which together employ over 400,000 people. These companies together fetched export earnings of US $2.2 billion last year, beating estimates of US $2 billion.

In the first four months of the current fiscal year, CMP export earnings have reached nearly US $700 million, and they are expected to touch the US $3 billion this fiscal. Currently, garment exports account for around 16% of total export earnings by Myanmar.

NORTH KOREA

Chinese textile firms using North Korean factories

The Chinese textile firms are increasingly using North Korean factories to take advantage of cheaper labour across the border. The clothes made in North Korea are labelled "Made in China" and exported across the world. Using North Korea to produce cheap clothes for sale around the globe shows that for every door that is closed by ever-tightening U.N. sanctions another one may open. The UN sanctions, introduced to punish North Korea for its missile and nuclear programs, do not include any bans on textile exports.

Dozens of clothing agents operate in Dandong, acting as go-betweens for Chinese clothing suppliers and buyers from the United States, Europe, Japan, South Korea, Canada and Russia, the businessman said.

Textiles were North Korea's second-biggest export after coal and other minerals in 2016, totalling $752 million, according to data from the Korea Trade-Investment Promotion Agency (KOTRA). Total exports from North Korea in 2016 rose 4.6% to the US $2.82 billion. Chinese exports to North Korea rose almost 30% to the US $1.67 billion in the first half of the year, largely driven by textile materials and other traditional labour-intensive goods not included on the United Nations embargo list.

North Korea has about 15 large garment exporting enterprises, each operating several factories spread around the country, and dozens of medium-sized companies, according to GPI Consultancy of the Netherlands, which helps foreign companies do business in North Korea.

SPAIN

Increase in textile machine manufacturing capacity

Spanish textile machinery industry has thrived with the arrangement of small and medium-sized companies with the strength of fewer than 50 employees. These companies are still looking at the fierce competition with the world leaders to attain the international standards of price, design, quality and service.

The weaving machine spare parts, knitting, sewing, accessories and spinning are the different categories integrated under the textile machinery sector of Spain. About 80 machinery companies gain fiscal credit value 260 million Euros in Spain.

The exports in the countries like Latin America, North America and the Middle East is also noteworthy. New destinations like USA, Mexico, France, Turkey and India have been new developing markets.

Dyeing and finishing sector consists of 35 companies and is the leading sector of the country. The other sector which follows it is a spinning machinery section with 25 companies. Both sub-sectors focus on new innovations in the machinery. The export of machinery in Spain is 70% of its total production.

SRI LANKA

Country strives to become a prefered EU supplier

The EU, which is Sri Lanka's biggest export destination, absorbing 36% of total shipments, reinstated the country into the GSP Plus program in mid-May, removing import tariffs on more than 6,000 products, including clothing.

Sri Lanka was dropped from GSP Plus in 2010 for human rights violations but remained in the less-favourable GSP program, under which its exports were taxed at 9.6%. That had had an impact. Total apparel exports fell from $4.7 billion in 2014 to $4.6 billion in 2015 and 2016, according to the

Exports to the EU in 2014 stood at the US $2.1 billion but dropped to the US $1.9 billion in 2015 and 2016. The slump has continued in 2017, with apparel exports falling another 5.8% in the first five months, compared with the same period in 2016.

The JAAF adviser KJ Weerasinghe says they can now receive at least an additional US $400 million worth of orders from the EU initially, which will increase further, after regaining GSP Plus. Retailers, says it would not be possible to meet the government's target of doubling exports by 2020, although 2022 could be a possibility. Analysts say that Sri Lanka needs to do more to catch up with countries like Bangladesh, which is now the world's second-largest clothing exporter after China. Bangladesh accounts for 6.4% of global clothing exports, compared with Sri Lanka's 1.2%.

VIETNAM

EVFTA to give a big boost to Vietnam's exports

Germany is Vietnam's largest European trading partner, followed by The Netherlands as its second. It is estimated that Germany receives more than 20% of all Vietnamese exports to Europe, with bilateral trade worth almost $9 billion last year. The Netherlands, meanwhile, is the largest European investor in Vietnam with the US $7.7 billion in the total committed capital. Trade between the two nations was worth the US $6.7 billion in 2016.

EU-Vietnam Free Trade Agreement, or EVFTA, by early 2018 for Vietnam, EVFTA is the next best thing after Trans-Pacific Partnership (TPP), a monumental free-trade agreement between 12 Pacific Rim nations. After America, Europe is Vietnam's largest export market, which readily purchases Vietnamese-made garments, electrical equipment and footwear. In 2006, trade between the EU and Vietnam was worth a paltry US$ 10 billion. A decade later, it has grown to US$ 48 billion.

Experts say uniformity of goods and stability in supply chains will need to be maintained. Agricultural firms, for example, will have to adapt to the EU's strict 'rules on origins' requirements, with the hope that EVFTA will boost foreign investment from Europe, the Vietnamese government is set to make the business climate friendlier for foreign companies.◆