AZERBAIJAN

State cotton programme showing results

The state programme for development of cotton growing in Azerbaijan for 2017-2022, approved by President Ilham Aliyev in July 2017, has started to show results, said Bahruz Jamalov, General Director of Azercotton LLC (Azerpambig). Cotton production in the Central Asian country has increased from 35,000 tonnes in 2015 to 207,000 tonnes in 2017. Owing to implementation of the state programme, the annual cotton production in Azerbaijan is expected to reach 500,000 tonnes by 2022.

The increase in cotton production, under the framework of the state programme, would be achieved through various institutional measures, improving the regulatory framework, strengthening human resources, applying innovative technologies, attracting foreign investments and implementing a number of other measures.

The increase in cotton production will boost the development of the textile industry in the country. This will, in turn, contribute to the growth of Azerbaijan's industrial potential, creation of new jobs and improvement of the welfare of the people.

BANGLADESH

Country's textile industry holds big lessons for Nigeria

At the moment Nigeria's total non-oil export is less than US$2 billion, Bangladesh, once among the poorest countries in the world, is raking in US$28 billion just from textile export.

Bangladesh's oil is the textile industry, which accounts for over 70% of export revenue and 13% of the country's gross domestic product.

Bangladesh is reputed for having more investor-friendly policies than many of its neighbours and has cheaper skilled labour. According to Reuters, the country has tax-free access to 37 countries, including the European Union, Canada and Australia. This is different from Nigeria, which has continued to get its trade polices wrong and serially adopts protectionist policies that make free trade hard. In fact, around 2011, Bangladesh wooed some investors in Pakistan, who discovered that it was easier to do business in the country.

However, the country took a more capitalistic view of development by not only opting for a market-oriented economic policy but also handing over these mills to the private sector in phases.

The country today is an export-oriented economy, thriving on cotton and ready-made garments. Last year, Bangladesh came up with a textile policy, targeted at expanding the export market.

One of the focal points of the policy is to strengthen the primary textile sector to fulfil the local demand of textiles and promote a medium and high value added export oriented garments industry.

Knitting industries in the country are self-sufficient. Bangladesh and Nigeria have things in common. The country has 163 million people and Nigeria's population is 193 million. Two, both countries have energy challenges, with shortage of gas hurting many factories in Bangladesh. Nigeria too is hard hit by high energy cost, which raises expenditure of many manufacturers. However, Bangladesh has found a better way to manage its gas and electricity shortages.

CHINA

Country is still the world's largest clothing exporter

China's textile and apparel makers are going through a painful industrial restructuring. While the country is still the world's largest clothing exporter with enormous production capacity, oversupply at home, high labour costs, and rising global protectionism have all eroded its competitiveness.

China's market share by value in the global textile and clothing industry fell from 38.6% in 2015 to 35.8% in 2016, with a downward trend in major apparel importing regions such as the US, European Union and Japan.

Since 2014, exports of Chinese textiles and clothing have declined sharply from about US$236 billion in 2014 to US$206 billion in 2016, according to the World Trade Organisation. Chinese customs data showed exports of clothes and accessories fell by 0.4% last year from 2016, while textiles exports saw annual growth of 4.5% last year.

ETHIOPIA

Country ups textile sector in industrialization bid

Ethiopia is largely an agrarian economy but the country is working hard to change this by upping its game in the textile sector. Eighteen leading apparel and textile companies from the U.S., China, India, Sri Lanka and six local manufacturers have set up factories at an industrial park in Hawassa a lakeside resort city 170 kilometres south of the capital Addis Ababa.

Buoyed by medium term prospects for growth, the textile and apparel companies are all set to expand their operations. The state-of-the-art park in the regional capital is part of Ethiopia's second growth and transformation plan.

Ethiopia with a young labour force of 45 million people has a huge potential in the manufacturing sector. The annual manufacturing growth which is currently 25%, which is projected to increase gross domestic product (GDP) fourfold and its share in exports to 50%.Of the companies intent on tapping this potential is Chinese manufacturer JP Textile that is currently expanding its production at the park, and planning to inject US $22 million and expand our production, said Danny Leung, JP Textile general manager told Anadolu Agency.

Ethiopia's textile industry is picking up now and fast catching up with the likes of Vietnam, Indonesia, Cambodia and other Far East countries.

INDIA

Budget 2018: Boost for textiles exports with Rs. 71.48-bn special package

Textiles exports from India are likely to get a boost with the increase in the Budget-2018 with special package for the financial year 2018-19.

Finance Minister Arun Jaitley in the Union Budget 2018-19 raised special package by 19% to Rs 71.48 billion for apparel sector to boost exports. In 2016, the government had announced a special package of Rs 60 billion for the same purpose.

Rahul Mehta, President of Clothing Manufacturers Association of India (CMAI) said that the increase in the outlay looks prima facie was positive but, it is yet to be seen how impactful the enhanced outlay would be for the entire apparel value chain.

Ashok G Rajani, chairman, Apparel Export Promotion Council said it was an excellent announcement and would also increase women's employment and boost export growth. He added that when the last package was given India's exports grew at 12% to 14% subsequently.

Textile Commissioner, Government of India had earlier stated that the textiles and clothing industry had promised the government to bring an investment of Rs 800 billion along with creation of employment opportunities for 10 million people within three years. Already two years have passed but investment to the tunes of Rs 70 billion and employment of only 100,000 persons were achieved. The Industry should try to fulfill its promise given to the government the Union Textile Ministry has announced the Rs 60 billion special apparel package in July 2017 and the garment and made ups Industry should take advantage of the scheme.

The domestic market growth rate of apparel industry was flat during 2017-18 due to demonetisation and GST. However, things are stabilising and the growth rate is anticipated to be between 10% and 12% in the fiscal year 2018-19. On the export front, if the government does not increase duty drawback rates, there could be a possibility of negative growth in the export sector, said Mehta.

Selvaraju, Secretary General, The Southern India Mills' Association welcomed the allocation to boost apparel and made-ups exports, 12% employers' provident for the first three years, and extension of fixed term employment for all segments (earlier only for apparel and made-ups).

TURKMENISTAN

Government launches new project in textile industry

The Ministry of textile industry of Turkmenistan has summed up the results of the international tender for the construction of a new textile complex for processing 5,000 tonnes of fine-fibrous cotton per year in the Babadaykhan (district) of the Akhal velayat (region).

In order to modernize this sector, to create large innovative import-substituting industries, to implement comprehensive reconstruction and to provide with the most advanced technological equipment the existing enterprises are designed to provide a significant increase in the production of quality and competitive products.

At the same time, the head of state stressed the special requirements for the construction of textile production facilities, which are geographically important to be placed in close proximity to the raw material base.

The textile industry in Turkmenistan is developing on the basis of growth of domestic processing of raw cotton cultivated in the country.

USA

US slap preliminary tariffs on PET

The US Department of Commerce will impose preliminary antidumping duties on polyethylene terephthalate imports from Brazil, Indonesia, South Korea, Pakistan and Taiwan, before making a final determination on the duties on September 17, 2018.

World cotton production to rise in 2017-18

Global cotton production in 2017-18 is forecast at 122.2 million bales, 14% above last season and the largest production in five years, according to the latest report by US Department of Agriculture (USDA).

According to the report, world harvested area in 2017-18 is estimated at 33.3 million hectares, 12% above 2016-17—as returns from cotton were more favourable and encouraged cotton plantings over alternative crops. The global yield is forecast to rise to 799 kg per hectare in 2017-18, the highest in four years and the second highest on record.

All major cotton producers are projected to harvest a larger crop in 2017-18, with increases for China and the US leading the gain. In 2017-18, the top three producing countries – India, China, and the US are projected to account for 63% of the global cotton crop.

India's production is forecast at 28.5 million bales, about 6% above last season. For Brazil, cotton production is expected to reach 8.7 million bales in 2017-18, compared with 7 million last season.

World cotton consumption in 2017-18 is projected at 120.4 million bales, 5% above 2016-17. Although cotton mill use has been rising relatively steadily for the past six seasons, an expanding global economy and the slowdown in polyester production contributed to this year's above-average growth. Despite the highest cotton consumption in a decade, 2017/18 world production is expected to exceed consumption for the first time in three years.

As a result of decision, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of PET resin from Brazil, Indonesia, Korea, Pakistan, and Taiwan based on these preliminary rates.

For Brazil, M&G Polimeros Brasil faces 24.09% duty while Companhia Integrada Textil de Pernambuco has been hit with 226.91%. All other Brazilian producers and exporters face 93.60% duty. For Indonesia, Indo-Rama Synthetics and other companies in the country face a duty of 13.16%.

For South Korea, the duties imposed are: SK Chemicals 8.81%, Lotte Chemical and TK Chemical 101.41% and all other companies there 8.81%. For Pakistan, Novatex and all other domestic companies are hit with 7.75% duty.

For Taiwan, Far Eastern New Century, Far Eastern Textile and Worldwide Polychem (HK) face 11.89% duty while Shinkong Synthetic Fibers face 9.02%. All other Taiwanese companies would be hit by 10.99%.

In 2016, PET imports from Brazil totaled 58,397 mt, 35,420 mt from Indonesia, 26,133 mt from South Korea, 36,767 mt from Pakistan and 115,327 mt from Taiwan.

VIETNAM

Textile and garment exports continue to grow

In 2017, Vietnam's textile and garment industry earned US$31 billion from exports, a year-on-year increase of over 10%. This growth momentum will continue in the next few years, with exports predicted to reach US$34-35 billion this year, and US$50 billion by 2020. Garment manufacturing accounts for the majority of businesses, at 70%.

In 2017, garment exports reached US$25.9 billion, an increase of 8.7% year-on-year, while textile exports reached US$3.5 billion, an increase of almost 20% compared to 2016. However, Vietnam's imports for textile production are almost half of their exports, at US$15.48 billion. Industry growth is not only limited to exports, but also the domestic market, which has seen a year-on-year growth of 10% in 2017.

In Q1 2018, Vietnam's textile and garment's export value reached US$7.83 billion, an increase of 15.4% over the same period in 2017. This was the highest first-quarter growth since 2014.

In Q2, the export value is estimated to reach US$8.5 billion, while the growth rate for the first six months is forecast to go up 14% compared to same period last year. Overall, in 2018, the industry can achieve a growth rate of 10%, with export value reaching US$34-35 billion.

In addition to the US, the major market for Vietnamese textile exports, exports to China, Japan, and South Korea have been growing consistently.◆