



BANGLADESH

RMG industry to fail meets the US\$ 50 billion export target by FY21

Bangladesh's export earnings from the apparel sector in the FY 2020-21 would be US\$ 11 billion less from the US\$ 50 billion target set by the government. The estimate shows that the earnings from RMG in the FY21 would be US\$ 38.73 billion, against US\$50 billion targets.

To mitigate this situation, the government has taken a move to set export earnings target at US\$ 51 billion from textile and clothing sector including RMG, packaging and accessories and home textile as export trend showed that US\$50 billion targets by FY 21 would not be achieved alone from RMG.

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CHINA

Chinese textile city to harm Egypt's domestic industry

Setting up of a Chinese textile city in Egypt will severely harm the debt-ridden domestic apparel manufacturing industry that operates with antiquated equipment and machinery, feel domestic producers and textile industry experts. The Mankai Textile Industrial Park will have 592 factories, making it one of the largest specialized industrial zones. The pilot operations of the Chinese industrial city's first-phase factories will start in May 2019.

All phases of the project in Sadat City, 90 km north of Cairo, are expected to be completed within four years. The value of



the total annual production of the project, once it becomes fully operational, will be about \$9 billion.

Mufrih el-Beltagy, president of Misr Ameriya Spinning & Weaving Company, said new textile and clothing city spells the end of the Egyptian textile industry, especially because the project's output is meant for the domestic market instead of export. The Egyptian ministry of business sector allocated \$1.5 billion to update state-owned spinning and weaving companies but the process has been reportedly difficult.

Of the 32 companies of the state-run Cotton & Textile Industries Holding Company, 22 are operating at losses totaling nearly \$152 million. Egypt's domestic textile industry is facing economic reform measures, especially the lifting of energy subsidies, implemented by the government more than two years ago. The industry had grown with governmental support and protection since its inception.

The Chinese units will rely on digital automation, greatly reducing labor costs and making matters more complicated for domestic manufacturers. In Egyptian textile factories, and especially the state-owned ones, about 74 percent of revenues go to wages, compared to 13 percent in global companies. Mohamed el-Morshedi, head of the Textile Industries Chamber of the Federation of Egyptian Industries, said the new park should focus on foreign markets.



EGYPT

Egyptian cotton steering committee announced

Exports of Egyptian cotton grew by 181.6% from December to February this

year. The Egyptian government has appointed an official steering committee to safeguard the future of the Egyptian cotton brand. It will be responsible for the licensing and promotion of Egyptian cotton globally, as well as policing the integrity of the supply chain to ensure full compliance, traceability and transparency.

The Cotton Egypt Association (CEA), which until now has had sole responsibility for licensing and promoting the luxury cotton brand, has been incorporated into the new structure. "I am proud to be a member of the new steering committee will build on the work already carried out by the CEA to promote Egyptian Cotton globally, protect the supply chain and ensure the welfare of the workers, said Khaled Schuman, Executive Director of CEA and Head of the newly formed Egyptian Cotton Logo Unit.

The brand has been on a course to recovery since 2011 when output fell drastically – following political upheaval. Despite the setbacks, Egyptian cotton is still widely recognised by the consumer as a luxury brand and a recent US consumer survey found Egyptian cotton was the name most people associated with quality and were prepared to pay a premium for, ahead of Pima cotton, Turkish cotton and Supima.

Recent moves to improve confidence in the Egyptian cotton logo include the introduction of a partnership with Bureau Verities and a new rigorous accreditation process, which uses DNA testing to distinguish between genuine Egyptian cotton and regular cotton. Exports of Egyptian cotton grew by 181.6% from December to February this year, and in August an investment of US\$ 1.3 billion for modernising Egypt's textiles sector was announced.



GHANA

Government suspends tax stamp policy on textile

Government has suspended plans to begin the implementation of the tax stamp policy for the textile industry which is slated for this month. The move is to ensure additional security features are added to the stamp.

Government revealed last year of its plans to extend the tax stamp policy to textiles in order to curb smuggling of the product in the country and to increase jobs in the sector.

The policy requires that specified excisable products are affixed with tax stamps with specific features designed and supplied by the Ghana Revenue Authority before they are delivered ex-factory, cleared from any port of entry and presented for sale.



INDIA

Covering cotton yarn under MEIS will help boost India's exports

The CITI Chairman highlighted that China which is the largest importer of cotton yarn has shifted from India to Vietnam and Indonesia as these countries have duty free access while Indian yarn carries 3.5 percent import duty.

Textile Industry body CITI on Monday appealed to the Centre to include cotton yarn under Merchandise Exports from India Scheme (MEIS), to help boost India's exports and penetrate new markets. The Confederation of Indian Textile Industry (CITI) noted that cotton yarn and fabric shipments are struggling because of the duty disadvantage faced by the Indian exporters in major markets and asked the Government to enhance MEIS rate for fabric from 2 percent to 4 percent.

According to CITI, there has been a continuous decline in exports of cotton yarn and fabric in recent years. "India's exports of cotton yarn declined by 25 percent from USD 4,570 million in 2013-14 to USD 3,443 million in 2017-18. In the same period, fabric exports declined by 7 percent from USD 4,941 million to USD 4,598 million," CITI said in a statement.

CITI Chairman Sanjay Jain requested the Government to cover cotton yarn under MEIS to help boost India's exports and penetrate new markets, especially in Africa while enabling the farmers to get a better price for raw cotton. He said that cotton yarn is the only segment which is not covered under MEIS. He also highlighted that China which is the largest importer of cotton yarn has shifted from India to Vietnam and Indonesia as these countries have duty free access while Indian yarn carries 3.5 percent import duty.

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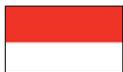
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INDONESIA

Free trade deals would boost Indonesia's textile industry

Indonesia's textile businesses urge the central government to reach an agreement with the European Union (EU) for the establishment of the Indonesia-EU Comprehensive Economic Partnership Agreement (abbreviated: Indonesia-EU CEPA), a trade deal that is expected to improve the flow of goods between both regions as the deal involves the reduction of trade barriers and liberalization of government procurement.

The textile industry is one of the industries in Indonesia that is expected to benefit from this trade deal as there exists significant demand for textiles in the EU. Negotiations about the Indonesia-EU CEPA, which started in 2011, were suspended in 2014 amid Indonesia's legislative and presidential elections. However, the government seems committed to reach an agreement before 2018.

Another trade deal that would boost demand for Indonesian textile from the United States and Japan is the Trans-Pacific Partnership (TPP). The Indonesian government has expressed its intention to join this free trade deal. However, it can take years before Indonesia can become member of the Indonesia-EU CEPA and TPP as local regulations and standards need to be harmonized with international ones. If Indonesia will not become a member of such trade deals then the major markets can decide to import textile products from countries such as Vietnam (member of the TPP) as tariffs are lower. Indonesian textiles firms, on the other hand, will be liable to around 40% duties hence reducing Indonesia's competitiveness.

Indonesia is famous for its batik, particularly batik from the island of Java. Batik recognized as a World Cultural Heritage by the UNESCO in 2009 is traditional textile produced by using a technique of wax-resist dyeing applied to cloth.

The United Nations agency said technologies including 3D printing, wearable technology, nanotechnology and robotic automation could disrupt the sector.

The Indonesia Textile Association once released an estimate that Indonesia could boost its market share in the world's textile market to 5% by 2030. Indonesia's share is now estimated at around 1.8%. By that reckoning, textile exports from Indonesia would reach a value of around US\$ 75 billion by 2030.



GERMANY

Tintex presents water saving initiative in Munich

The Blue Sweater by Blue Ben. © Tintex Visitors had an opportunity to experience the new Naturally Advanced solutions by Tintex Textiles at least month's Munich Fabric Start, an international textile trade show that takes place twice yearly with a vast selection of collections ranging from plains to haute couture fabrics and accessories.

"Smart ingredients take the lead being enhanced by the unique Tintex's dyeing and finishing expertise. The seasonal collection that fuses science and innovation, leading the way towards a more conscious evolution was presented at Munich Fabric Start," the company reports.

Tintex, driven by its strong DNA toward responsible innovation, took the chance to introduce a brand-new project that was born in Germany and is now flying at international level thanks to a group of pioneer key players who are implementing it. A unique initiative called The Blue Lab, created by the NGO Drip by Drip is aimed at developing alternative textile solutions with the lowest possible water footprint, in collaboration with a network of participants.

Among the key partners are Lenzing that provides the fibers, Tearfil supplying the yarn, Tintex realizing the fabrics, Blue Ben creating the garments, Montebelo that works closely with brands, organizations and manufacturers to create responsible fashion products, and Agroho, the non-profit organization that is working for marginalized communities in Bangladesh.

"The connection between fashion consumption and water resources is a key



fact, and it has been the premise for the creation of the world's first saving water fabrics," the company explains. The company presents a range of five water-efficient innovations, whose production is using between 443 and 965 liters per kg, while the amount of water needed to produce 1 kg of conventional cotton fabric ranges from 7,000 to 29,000 liters per kg. "We are talking about water savings of up to 90%, achieved starting from the cultivation of raw materials such as well as in the fabric dyeing process and of course through water recycling," the company continues.

This fabric collection has been developed using the following key smart fibers: Tencel Lyocell, Modal, hemp and Roica V550, the sustainable premium stretch fibre from Asahi Kasei, a Cradle to Cradle Certified Gold Level for Material Health product and ingredients certified yarn evaluated throughout the supply chain for lower impact on human and environmental health. This yarn also boasts the Hohenstein Environment Compatibility Certificate as it breaks down without releasing harmful substances.



Textile manufacturing in the US getting a fresh look

The United States can do a better job of bringing back its textile production by focusing on high-quality textiles, complete automation, and improved cotton-breeding programs. In speaking about improved production efficiencies, Kanti Jasani, President of Harrisburg, Pa.-based Performance and Technical Textile Consulting, emphasized the importance of less manual handling, sustainable practices and automation in the production sectors in developed economies.

The cotton breeding program needs to focus on length, enhanced length uniformity and strength according to Hequet. Today, cotton's strength can reach 40 grams/tex, but efforts must be streamlined to go up to 50 grams/tex, stated Eric Hequet. Skilled labour, cheap energy and the availability of high-quality cotton within its borders should encourage the United States' textile sector to take a serious look at revitalizing its spinning and the upstream textile sector.

Global jeans market set to grow to US\$ 60 billion by 2023

A new report predicts that the world jeans retail market will hit US\$ 60.09 billion by the year 2023, with particularly strong growth expected in developing markets.

The jeans retail market will grow by 4.9% in the next five years, building from this year's appraisal of US\$ 57.30 billion.

Despite heavy-hitting numbers from the US and China, the report found that the fastest growing markets are to be found elsewhere. South America is in the lead with a 12.1% growth rate, while the rest of the world (all markets excluding North America, Europe, Turkey, Asia and South America)" is set to increase in value by 19.7% during the period.

The demand for jeans market is gradually increasing. Particularly strong growth is expected in developing markets. South America is in the lead with a 12.1% growth rate, while the rest of the world (all markets excluding North America, Europe, Turkey, Asia and South America) is set to increase in value by 19.7% during the period.

The US is predicted to maintain its position as the largest jeans market globally, with China following in second place. Nearly half of China's jeans production stays inside the country, marking a significant increase from data collected five years prior. Around 22% of the jeans manufactured in China are traded outside of traditional retail markets in exchange for goods or services rather than currency.

The global jeans market benefits from its unique position as a category that has surpassed trends, allowing consumers to buy any jean style they prefer without being out of step with fashion.

The demand for jeans remains strong as U.S. imports of denim apparel increased 7.87% worth of US\$ 3.24 billion compared to the same period in 2017 where Bangladesh shipments to the U.S. rose 12.78% to US\$ 481.41 million.◆

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ko@rastgar-co.com
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