BANGLADESH

RMG factories come under digital mapping system

Readymade garment (RMG) factories in Bangladesh, for the first of its kind, have been brought under a digital mapping system mainly to ensure transparency through credible data. Under the move, a total of 961 export-oriented garment factories, located in Dhaka district, have been mapped.

Of them, 855 units are the members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and 144 are the members of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). There are some units that have registered with both the trade bodies. About 774,422 workers have been employed in the listed factories where 60.8% are female and 39.2% are male workers. However, out of the 961 factories, 13 are not members of any of the trade bodies-BGMEA and BKMEA. Out of the 961 factories, some 448 factories have been assessed by Accord and 169 by Alliance, according to the map information.

A total of 579 units are affiliated with Business Social Compliance Initiative, 356 with SEDEX, 175 with OEKO-TEX, 126 with WRAP and 109 with ISO inspection organizations. The map incorporating factories from across the country are expected to be completed in 2021.

CHINA

China's textile and apparel exports dropped sharply from January to February 2019

According to statistics, China's textile and apparel exports fell sharply from January to February 2019, with textile and apparel exports of 38.155 billion U.S. dollars, down 11.61% year-on-year. Compared with the annual average growth rate, China's textile and apparel exports have fallen below the lowest level of -10.5% created in the financial crisis of 2009.

Certainly, the annual export of textile and apparel is generally low in the early stage and high in the later period.

After the Spring Festival factors are eliminated, export growth rate gradually returns to the normal level in the later period. Among them, textile exports amounted to $17.380 billion, down 7.82% from the same period last year, while apparel and accessories exports amounted to $20.775 billion, down 14.55% from the same period last year.

Valued in Renminbi, China's textile and apparel exports from January to February 2019 totaled 262.47 billion yuan, down 7.15% from the same period last year. In January this year, textile and apparel exports reached a new high level since September last year, while in February, textile and apparel exports suffered a sharp decline, which reached a new low level since February 2017.

In addition, China's footwear exports totaled the U.S. $5.164 billion in January 2019, an increase of 9.4% and the number increased by 15.5% year on year.

INDIA

Cotton fabric and yarn exports decrease due to high duties

India is lagging in cotton exports to major markets due to a duty disadvantage vis-a-vis Bangladesh, Vietnam, and Pakistan, as stated in the findings of the study by Confederation of Indian Textile Industry (CITI).

Indian export of cotton yarn to the likes of the European Union (EU) and China slumped 25% in the past five years, while fabric export fell 7%.

As per the Apex Chamber of Indian textiles, Indian cotton yarn exports fell to US$ 3.4 billion in 2017-18, from US$ 4.5 billion in 2013-14. China, the largest importer of cotton yarn, has replaced India with Vietnam and Indonesia, as they have duty-free access while Indian yarn carries a 3.5% import duty.

Similarly, Indian exports of cotton yarn are subject to a 4% duty in the EU, while Vietnam and Indonesia have a 3.2% tariff and least developed countries (LDCs) get duty-free access.

CITI has suggested the inclusion of cotton yarn and higher incentive for fabric from the current 2% in the Merchandise Exports from India Scheme, to make them competitive. As per the CITI analysis, India's raw cotton is going to various markets at zero duty instead of being converted to yarn or fabric, resulting in loss of employment and foreign exchange. India exported US$ 1.9 billion of raw cotton in 2017-18.

INDONESIA

Indonesian Textile industry seeks government protection

The textile industry is seeking the government's protection from the high growth of imports as the sector could not compete in both domestic and international markets. According to data from Statistics Indonesia (BPS), export growth in the textile industry has been just 3 percent annually over the last 10 years, while import growth was 20 percent annually in the same period.

Indonesian All Textile Experts Association (IKATSI) chairman Suharno Rusdi said the textile industry was currently in very bad condition because the domestic market was flooded by imported products.

He further explained that "If it is allowed to happen continuously, it would endanger our textile industry and textile products because we will rely on imported products and the local textile industry will further lose its domestic market."

Chairman Suharno added that in order to deal with this issue, Indonesia needs to introduce a law on cloth sovereignty to help the domestic textile industry to develop, adding that the law would not only regulate imports but also had to offer incentives to support the development of the national textile industry.

Indonesian Filament and Fiber Producers Association (APSyFI) secretary-general Redma Gita Wirawasta made a similar statement, saying the upcoming Eid celebration should be used as an opportunity by the government to protect local textile products from the storm of imported products.

"In the last five years, Indonesia's local textiles could not benefit from Eid because of the entry of thousands of containers of textile products to the Indonesian market," Redma said, adding that in 2017, Finance Minister Sri Mulyani Indrawati tried to stop the massive entry of textile products, but it only lasted six months.

Therefore, Redma called on the Trade Ministry to immediately control the entry of textile imports to help the local industry survive. He also called on President Joko "Jokowi" Widodo to pay attention to the issue because the massive imports of such products had also contributed to the country's trade deficit.

PORTUGAL

Portugal worries Brexit could jeopardize its fabric exports

Portugal's textile industry is closely monitoring the developments in the future of the European Union, including Brexit, as it relies heavily on the European market, stated Paulo Vaz, Director General of ATP, the Textile and Clothing Association of Portugal.

A European "identity crisis" could affect Portugal's textile industry, as Europe is its main customer, Vaz said, noting that international sales are almost 80%.

"Of course, Portugal is quite engaged in this European project. It will be a disaster if this European project starts to collapse. Surely, I don't believe that for instance, the UK is going to exit. At the end of the day, they will remain. But, it could be quite interesting that all these problems we face today could help European leaders to rethink Europe and re-launch the European project," Vaz said speaking on the sidelines of Portugal Fashion at the Alfândega do Porto (old customs house).

The Brexit referendum in 2016 has already taken its toll on Portuguese fashion sales to the UK, losing 12% of the volume. Despite the economic crisis, for the past 10 years, the Portuguese textile industry has grown. Textile is responsible for more than 130,000 jobs in Portugal.

"Fashion from Portugal" program, which ran through 2016 and 2017 was co-financed by European

Structural and Investment Funds (FEEI), by POCI (Internationalization Competitiveness Operational Program) on Portugal 2020 and Compete 2020, has helped the Portuguese textile and clothing industry become more solid, after going through an adjusting period with re-structuration and modernization.

TURKEY

Turkey consolidates its role in the European fashion sourcing

Turkey consolidates its role in the European fashion sourcing while its economy weakens. The county, which has entered a technical recession, showed an increase in exports of textile and fashion goods to Europe, relying mainly on the devaluation of the local currency.

Turkey's Gross Domestic Product (GDP) registered a 2.4% fall in the fourth quarter of 2018 compared to the previous quarter, entering technical recession for the first time since 2009, according to data published by the Turkish Statistical Institute (Turkstat). In Inter-on-year terms, the country's GDP recorded a 3% drop.

Despite the setbacks of the Turkish economy in the last two quarters of the year, 2018 as a whole had a positive performance, with an annual increase of 2.6% compared to 2017. However, the rise was well below that registered one year ago, when it stood at 7.4%.

The Turkish Minister of Finance and Treasury, Berat Albayrak, stressed that

this is temporary nature of the economic slowdown and explained that the country has started a moderate recovery driven by exports and tourism income.

It is important to note that part of this recovery is based on the devaluation of the local currency executed last year on several occasions by the Turkish Government in order to gain competitiveness in foreign markets.

The textile sector, highly sensitive to production costs, took advantage of such devaluation to increase exports.

In 2018, the European Union imports increased by 2%, which establishes itself as the third largest hub in the European sector, according to the latest data revealed by ICEX.

Turkey was the only proximity sourcing destination of the European Union which increased its sales to the region last year, whereas Italy fell by 2.2%, in the Czech Republic had a drop by 5.6% in and Portugal plummeted by 10.2%.

VIETNAM

Garment and textile sector expect a huge challenge

The garment and textile sector was forecast to suffer the most from goods origin regulations under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), said Bùi Kim Thùy, the country representative for Vietnam at the US-ASEAN Business Council.

The CPTPP, which took effect in Vietnam is expected to bring huge opportunities and also challenges to Vietnam. However, materials for the garment and textile sector may still prove a headache.

The country's garment and textile sector claimed the second position in the world in terms of export turnover with US$36.1 billion in 2018. However, Vietnam had to import around 80% of its materials for production. Therefore, increasingly heavy demand for imported materials has become a serious problem for the industry.

Currently, Vietnam has to import up to 99% of cotton, 70% of fiber and 80% of fabric from foreign countries.

The biggest shortcoming, according to the Vice Chairman, is that only 10% of the fabric is imported from Japan and countries that are part of the CPTPP. The biggest bottleneck is that Vietnam has been unable to produce fabrics for export.

Vietnam is in the top three biggest exporters of garments and textiles in the world following China and India. The country has an abundant labor force and with young population. The sector has attracted US$ 17.5 billion in foreign direct investment.

Vietnam's textile and garment sector is hoping to make several breakthroughs in 2019 and sets target US$ 200 billion garment, textile exports by 2035 based on successes and momentum last year.

The Vietnam Textile and Apparel Association (VITAS) have set a target of US$ 40 billion in export turnover for the calendar year 2019, 10.8% higher than the US$ 36 billion in 2018, which was a 16% rise year-on-year.

The country's garment and textile exports are also forecast to hit US$200 billion by 2035.The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is hoped to create a boost for many industries of Vietnam, including the textile and garment sector.

Many businesses have already received orders for the first six months of 2019 and even the whole year. Vietnam's products are highly competitive and the country gradually completed the textile supply chain because flows of capital investment in the textile and dyeing industry, and material have been on the rise.

According to the Ministry of Industry and Trade, 2019 will continue to be a challenging year for the sector to integrate into the global textile supply chain.

According to VITAS, with further investment in fiber production, Vietnam is now less dependent on materials from China. Today, the domestic materials can meet 40-45% of the sector's demand while the rest is imported from China (37%), Japan, Indonesia, the Republic of Korea and Thailand.

UZBEKISTAN

United States lifts the ban on Uzbek cotton imports

Uzbekistan is celebrating a US decision to lift a ban on Uzbek raw cotton and products made with Uzbek cotton. This ban was imposed due to concerns over child labor. The US Labor Department announced the move in a notice posted in the Federal Register recently. Uzbekistan's Foreign Ministry then issued a statement welcoming the change.

The ban was imposed in 2010. In the past two years, Uzbekistan has taken significant steps towards abolishing the labor practices, which campaigners and major brands want end entirely.

The Central Asian nation, attempting to build an image as a country entering a new era, in which it is determined to promote foreign trade and investment, has been introducing both economic and human rights reforms.

The US Labor Department, Department of Homeland Security and State Department, following a review, said they "have determined that the use of forced child labor in the cotton harvest in Uzbekistan has been significantly reduced to isolated incidents."

A wide range of international brands have maintained a boycott on Uzbek cotton due to the continued use of forced and child labor in Uzbekistan's cotton industry, however, this boycott might be coming to an end.

In February, Uzbekistan sent a delegation to the US seeking to lift the ban on Uzbek cotton. The delegation held negotiations with both international brands and the representatives of the White House, the Department of State, the Department of Labor and international financial institutions. Mirziyoyev met President Donald Trump at the White House last year and was praised during that occasion by various US officials for his reform efforts.◆