



AUSTRALIA

Australia, ILO work to raise Bangla working conditions

Australia and the International Labour Organisation (ILO) have strengthened their partnership to improve working conditions, advance women's economic potential and boost the competitiveness of Bangladesh's readymade garment (RMG) sector. The partnership has been strengthened by the re-commitment of funds for the 'Better Work Bangladesh' (BWB) program.

A joint International Finance Corporation-ILO program, BWB is being used as part of Australia's ongoing partnership with ILO to empower women and boost garment industry in Bangladesh, according to a joint media statement issued recently by both sides.

Australia's ongoing support for the BWB program drives important changes to workplace safety in the garment industry. The Australian government has been supporting BWB since 2016 and the program this month reached 485,708 workers in 210 factories who work with 22 international brands, according to Australian High Commission in Dhaka.



BANGLADESH

BGMEA to set up RMG Sustainability Council for monitoring

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has planned to establish a Readymade Garments (RMG) Sustainability Council (RSC) to ensure a complete and independent national compliance monitoring system in Bangladesh. It will be governed by BGMEA, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), brands and workers' representatives.

The RSC will take over the structure, operation, and resources of the Accord on Fire and Building Safety in Bangladesh as it phases out from Bangladesh in the 281 days of the signing of the memorandum of understanding between the BGMEA and Accord recently. The RSC



will take over all the safety-related matters in the RMG industry within the legal framework of the Government, BGMEA said.

During the transition period, the BGMEA will immediately establish an operating unit within the Accord's Dhaka office to ensure a smoother transition, according to media reports. The unit will regularly update RCC on the progress made.

There will be no termination or escalation of any factory from Accord's end without the agreement of the BGMEA unit. Accord agreed that there will be no group termination in the case of failure of one factory. In the case of any dispute between the BGMEA unit and Accord, the matter will be referred to RCC for the final settlement.



CHINA

China tariffs may lead to 'widespread store closures': UBS

The US-China trade war could cause prices to rise on everything from apparel to toys, but it also could lead to 'widespread' store closures, according to a report by investment bank UBS, which said tariffs on Chinese imports could put \$40 billion of sales and 12,000 stores at

risk. In April, UBS anticipated 20,710 apparel stores need to close by 2026.

"The market is not realising how much brick & mortar retail is incrementally struggling and how new 25% tariffs could force widespread store closures," UBS analyst Jay Sole wrote in the report.

Potential 25% tariffs on Chinese imports could accelerate pressure on these firm's profit margins to the point where major store closures become a real possibility, the report said.

The Trump Administration earlier this month, increased US tariffs on \$200 billion in Chinese imports from 10% to 25%. The president has also threatened to add a 25% tariff on almost all the remaining \$325 billion in goods shipped in from China.

Even before, retailers have been struggling this year and have announced more closings in the first 20 weeks of 2019 than all of last year, US media reported citing Coresight Research.

The global market research firm tracked the 5,864 closings in 2018. Coresight has tracked nearly 6,400 closing announcements this year, but in a fresh report estimates 12,000 stores could close by the end of the year. Retailers say they are closely monitoring the trade situation and how a potential fourth wave of tariffs could impact prices.



ETHIOPIA

Ethiopian textile workers are the world's worst paid

Days after a damning report on low paid laborers, the Swedish fashion giant H&M says it is committed to ensuring that workers who produce some of its items from Ethiopian factories receive fair wages. The released report titled "Made in Ethiopia: Challenges in the Garment Industry's New Frontier" revealed that Ethiopian labourers at garment workshops are the worst-paid in the world.

The report stated some of the world's biggest fashion brands including H&M, Tommy Hilfiger, Calvin Klein, and others, source items from Ethiopia.

Ethiopia's long-held ambitions to become the world's next big destination for textile and fashion production has not panned out as planned. Entry-level workers in the country's garment industry allegedly earn a mere \$26 a month, according to the study from New York University's Stern Center for Business and Human Rights.

While the government has overseen directives to attract global investment in the sector, that hasn't translated into prosperity for the employees, who struggle to save, send money home, or afford basic necessities like housing or food.

"In their eagerness to create a 'Made in Ethiopia' brand, the government, global brands, and foreign manufacturers failed to anticipate that the base wage was simply too little for workers to live on," said Paul Barrett, who authored the report. Ethiopia has no official minimum wage for the private sector.



INDIA

The country has the right to protect specific sectors: experts

India has the right to take measures to protect specific sectors like agriculture as it is not a tariff king, according to international trade experts in the country, who have rejected the recent US allegation that India's import duties are

one of the highest. Trade Promotion Council of India Chairman Mohit Singla said the US assertion is factually incorrect.

Experts said several developed countries and regions, including Japan, South Korea, the European Union, and the United States maintain extremely high tariffs, primarily on agriculture products. Singla said that countries like Japan levy 736% duty on certain products, while Korea imposes 807% on some goods.

US President Donald Trump has repeatedly claimed that India is a 'tariff king' and imposes 'tremendously high' import duties on US items. Biswajit Dhar, professor of economics at Jawaharlal Nehru University in New Delhi, said that the US allegations are completely unfounded. Sharing similar views, professor R M Joshi from the Indian Institute of Foreign Trade in New Delhi said the United States, being a developed nation, should rationalize its duty structure.

The United States recently decided to withdraw incentives being provided to Indian exporters under the generalized system of preference (GSP) program.



INDONESIA

Country increases its viscose rayon capacity

Indonesia's viscose rayon fiber capacity increased from 8.7% of total world production in 2004 to 11% of total world production in 2018. Since cotton is difficult to produce, the country has turned to viscose rayon fibers. Mixed with polyester as men's clothing, viscose fibers are highly absorbent, with soft hand feel, have bright colors, and are resistant to resin processing.

Asia Pacific Rayon, which began operations earlier this year in Indonesia with a production capacity of 2,40,000 tonnes of viscose rayon fiber per year, is the first integrated producer of viscose rayon fibers in Asia with traceable raw material sources.

Indonesia is set to become one of the top five textile and textile product producers in the world by 2030. Of the use of raw materials, the industry uses 51% synthetic fiber, such as polyester

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and nylon, 37% cotton fiber, and 12% rayon. But the industry still faces obstacles in reaching its full competitive potential, as nearly all cotton must be imported. In contrast, 80% of synthetic fiber and 85% of rayon is domestically produced, with these numbers expected to increase further. The aim is to increase the sector's share in Indonesia's total exports to 1.6%.



Textile exports up in 2018

Iranian textile exports rose over 6% in value and 26% in weight during the last Iranian year (ended March 20), an official said. Last year, 312,000 tonnes of textiles and clothing products worth US\$ 1.93 billion were exported, which shows a rise of nearly 6% in value and 26% in weight as compared to the preceding year's corresponding period, said Afsaneh Mehrabi, the Director General of the Textile and Clothing Industry. Iran exported 10,000 tonnes of tissue paper as well as 180,000 tonnes of packaging materials.

Mehrabi further said that Iranian textile manufacturers imported 397,000 tonnes of textile raw materials worth US\$ 1.12 billion during the last Iranian year, showing a reduction of 32% in value and 35% in weight. Iran's textile and clothing industry needs some US\$ 4 billion worth of raw materials, supplies, and machinery, US\$ 2.5 billion of which is imported.



Malaysia's textile industry can bounce back, say German industrialists

Several German exhibitors at the Techtextil & Texprocess 2019 international trade fair believed that Malaysia's textile industry, seen by many as a sunset industry, can reassert its position in the global markets.

Helmut Gottzmann, an indenting agent near Frankfurt, said Malaysia can benefit from the US-China trade war, which has led some manufacturers to leave China for such countries as Vietnam, Indonesia, Bangladesh, and even Ethiopia.



"As long as China continues to offer cheaper and low-end textiles, other countries with higher labor and production costs will find it difficult to compete even though they produce better quality material.

"However, China's production and labour costs have risen sharply over the years. The trade friction with the US has provoked a migration by some manufacturers out of China to countries including Vietnam, Indonesia, Bangladesh, and even Ethiopia.

Sascha Dehl, director of product and innovations at Veit GmbH, a Bavaria-based company which supplies "smart machines" for the textile and garment industries, said that among their major markets in Asia are Bangladesh, China, India, Indonesia, Malaysia, and Vietnam.

He said his company's products have been sought after by textile manufacturers from several Asian, African and Latin American countries because they cut production and labor costs.

Some of the features of the machines, he said, provide maximum protection for workers, shielding them from heat transfer. "Given the uncertainties that presently characterise global trade, Malaysia can bounce back in textile manufacturing because of the superior quality of its products," he said, adding that the shortage of workers can be replaced to a not insignificant level by automation, "which is key to our future survival".

Dietrich Eickhoff, chairman of DA Group of Kaiserslautern, said the company serves the entire value chain of the textile industry through its innovative machines, technology, and digitalization.

He said their latest product, Delta, is equipped with Industry 4.0 features. "Delta is not just a sewing machine, it is revolutionizing the sewing process. Delta has the capability to communicate with the operator, making the latter more efficient.

"Such a system would be most appropriate for countries with labor shortage like Malaysia. It will be a perfect fit for the country's textile, automotive and aerospace industries. "Malaysia and Indonesia are very important. Indeed, Asean is an opportunity as well as a challenge for us," he said.



US MSU opens stitched composites development centre

Mississippi State University (MSU) in the United States recently opened a new research center dedicated to composite materials and aerospace. The Marvin B. Dow Stitched Composites Development Centre at the MSU Advanced Composites Institute has been set up by The Boeing Company, which donated lab equipment and provided additional support for the center.

The center is named after pioneering National Aeronautics and Space Administration (NASA) scientist Marvin B Dow. While working at NASA Langley Research Centre, Dow worked with McDonnell Douglas, now part of Boeing, to develop advanced stitched composite designs and manufacturing methods.

MSU presented Dow's daughter, Heather, with a plaque recognizing

Marvin's rich legacy in the field and his original vision to conduct stitched composites research that will revolutionise the way future aircraft are designed, built and flown.

Housed at MSU's Raspet Flight Research Laboratory in Starkville, the Advanced Composites Institute continues the land-grant university's legacy of innovation in aerospace and materials research and development.



VIETNAM

Vietnam and India enhance co-operation in the silk sector

A delegation of business executives representing 30 Indian companies led by the chairman of the Indian Silk Export Promotion Council met their Vietnamese counterparts at the Buyer-Seller meet held in HCM City.

The visitors were from companies producing silk, fabrics, ready-made garments, silk scarves, stoles, Pareo shawls evening wear, beachwear, fashion accessories, tops, bottoms, trousers, jackets, kaftans, bags, embroidered shawls, silk blended products, natural silk carpets, and others.

Dr. Bimal Mawandia, chairman of the Indian Silk Export Promotion Council, said: "India is promoting exports of all textiles. We are presenting the silk sector in India and as per the guidance of the Government of India, we want to increase exports and we are exploring different markets worldwide. We come here to promote the export of not only silk but also other fibers in this market." The trip was the first to Vietnam for all of the participating companies, he said.

Pham Xuân Hong, chairman of the HCM City Association of Garment Textile Embroidery-Knitting, said trade relations between Vietnam and India in the garment and textile sector had increased significantly but was still modest compared to the potential of the two countries.

The event is expected to enhance the connection between businesses of the two sides in the sector, where there is still a lot of potentials, he said. "Vietnamese garment and textile companies want to have stronger co-operation with Indian counterparts. They have a high demand for importing raw materials from India."

According to the Vietnam Textile and Apparel Association, there are 7,000 enterprises in the industry, providing jobs for three million workers in the country. Vietnam's garment and textile exports increased by 12% last year to reach over US\$36 billion and exports are expected to top \$40 billion this year. A similar buyer and seller meeting was held in Hà Noi on May 23. ♦

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We offer different technical solutions, according to the spinner needs.

The attachments allow the production of Core Yarn with the following combinations:

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As well as:

- Soft filament (elasthane)
- Rigid filament
- T400 filament
- Soft filament + rigid filament
- Soft filament + T400
- Rigid filament | T400



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