



BANGLADESH

Country benefit US-China trade war

US's widening trade deficit with China is a major cause of the country's economic woes. US government has started imposing protectionist measures on imports from major trading partners like China and Canada.

US has recently decided to slap 25% tariff on imports worth up to US\$ 200 billion from China. Bangladesh can directly benefit in the event of an escalating trade war between the US and China, especially if the US imposes higher tariffs on imported Chinese apparel.

Alongside this, Bangladesh can be benefited from the capital flight, as some Chinese apparel manufacturers would be seeking to relocate operations to a country having normal trade ties with the US.

The trade war is contributing to price volatility in the cotton market, which is a key raw material for the apparel sector. China's stockpiling and procurement of cotton from regional cotton producers like Uzbekistan and India, instead of the US- will cause a mismatch in the demand-supply scenario. Bangladeshi textile manufacturers may suffer, as a result.

Almost all top clothing retailers like H&M, Walmart, JC Penney, Inditex, Zara, Gap, M&S, Uniqlo, C&A, Tesco, Hugo Boss, and Adidas have been sourcing garment items worth of billion dollars from Bangladesh every year. Presently they are shifting orders from Bangladesh to other countries.



CHINA

China to further investment in the textile industry in BRI countries

China will step up efforts to boost investment in the textile industry in Belt and Road (B&R) countries, according to the China National Textile and Apparel Council (CNTAC). In recent years, the CNTAC has helped Chinese textile and apparel firms understand foreign investment environment and contributed to the signing of many overseas investment projects by establishing international platforms for multilateral exchanges and holding investment promotion meetings, said Gao Yong, the council's Party secretary.

Over 80 percent of the Chinese textile and apparel industry's global investment flowed to the B&R region from 2015 to 2018, according to data from the CNTAC.

In the future, the CNTAC will continue to facilitate investment in B&R countries and push forward international production capacity cooperation in the textile sector, Gao said.



EUROPEAN UNION

Fast growth in the medical textiles market

The new regulation becomes mandatory in 2020. The market for medical textiles has the potential to be one of the fastest growing categories

within the technical textile sector between 2018 and 2025. But growth is threatened by new, stringent EU regulations for medical devices - according to a new report from the global business information company 'Textiles Intelligence'. Medical textiles: markets, applications, developments and regulations.

The new regulation, known as Medical Devices Regulation (MDR), becomes mandatory in 2020 and poses a threat to the growth prospects of the medical textile sector - not least because it will have a major impact on product development and innovation.

The new regulation was approved by the European Parliament in order to tighten requirements following two high profile cases, in which product safety standards were found to be inadequate and the health of the patients involved was severely impacted.

Under the new regulation, the time required to design and develop a new medical product and bring it to market could double, compared with the time it takes to bring a product to market under the current regulations.

The parties expected to be most affected will be small and medium-sized enterprises (SMEs). However, all manufacturers, regulatory authorities and notified bodies face the prospect of a heavy workload, a lack of resources and a lack of available know-how from experts.

In order to overcome the challenges posed by the new regulation, companies are advised to work in collaboration with their entire supply chains in order to ensure compliance with the regulation and focus their efforts on growing markets.



GERMANY

The country starts 'green button' seal for textile items

Starting from September 2019, Germany started a Grüner Knopf (green button in its German meaning) certification in which it would support all textile items that follow certain social and environmental criteria. The federal ministry for economic cooperation and development (BMZ) will be in charge of this certification and will evaluate companies and its products.

A pilot test will be executed until the end of 2020. This certification takes into account 26 requisites related to social and environmental responsibility.

In the first phase, which will continue till 2021, it will be applied specifically in the industrial process, cut, confection and dyes, among others. In the following years, it will extend to the rest of the processes. The certification will be given to all the companies that manufacture and commercialise any type of textile item, including suppliers and retailers.



MALAYSIA

Malaysia mulls plans for 1st textile manufacturing hub

Malaysia is mulling over a plan to establish the country's first textile manufacturing hub as part of an effort to revive the industry. The proposal is being drafted by a team from the international trade and industry ministry, the Malaysian Investment Development Authority (MIDA) and the newly-launched Federation of Malaysian Fashion, Textiles, and Apparels (FMFTA). The government is re-industrializing Malaysia's textile sector and it believes domestic investors are fully capable to develop this hub, international trade and industry minister Datuk Darell Leiking said at the launch of FMFTA in Kuala Lumpur recently.

FMFTA pro-tem committee chairman Datuk Seri Tan Thian Poh said the federation has suggested that 600-1,000 hectares of land should be allocated for the hub, according to Malaysian media reports.

Tan said the federation has also proposed that the hub be established at the least-developed state that has connected logistics services.

This hub could be managed by FMFTA or industry players through a public-private partnership with the government, he added. The textile and apparel industry is Malaysia's eleventh largest manufacturing sector, employing over 155,000 with an export target of RM24 billion to be achieved by 2020.

On the downstream and upstream segments, a total of 1,195 textile and apparel projects worth RM12.6 billion combined were implemented as of December 2018. For the first half of 2019, MIDA approved an additional investment of RM94.4 million for five projects, with RM120 million still in the pipeline.



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TURKEY

Turkey, US discuss raising bilateral trade to \$100 billion

Turkish trade minister Ruhsar Pekcan has said her country and the United States discussed steps to take bilateral trade to US\$ 100 billion from US\$ 20.6 billion in 2018. She said this during the recent four-day visit of US secretary of commerce Wilbur Ross to Turkey. Turkey conveyed its expectations for the removal of certain practices impeding bilateral trade.

Turkey's exports to the United States were worth US\$ 8.3 billion, while imports totaled US\$ 12.3 billion, according to data from the Turkish Statistical Institute (TurkStat).

In a meeting in April, both sides facilitated the formation of a joint working group to draw up a road map to enhance bilateral trade ties. Ross also participated in the executive board meeting of the Foreign Economic Relations Board (DEIK) Turkey-US Business Council (TAK).

At present, the Turkish textile machinery industry is the most modern in the Middle East, North Africa, Balkans, Baltic and Central Asia and produces machinery and equipment required for the textile industry and all parts and

accessories. The sector exports are directed to about 135 countries and major export markets in order of rank are Egypt, Ethiopia, India, Uzbekistan, and Bangladesh, almost all textile manufacturing countries.



UNITED KINGDOM

UK textile exports to be hit with 25% additional tariffs to the USA

Fashion and textile products from the UK will be facing a 25% tariff in addition to the normal duties to the US market as part of the ongoing dispute between the US and the EU over subsidies granted to both Boeing and Airbus as the US has threatened to introduce the tariffs by October this year.

The clothing and textiles of the UK affected by the decision include wool, cotton and cashmere sweaters; windbreakers and jackets; men's and boy's suits; women's and girls' pajamas; women's and girls' swimwear; blankets; and bed linen.

"It has been confirmed that these tariffs will apply even if the UK leaves the European Union with or without a deal," UK Fashion & Textile Association (UKFT) said in a statement.

Barring a settlement or an end to seven years of argument over whether Europe has complied with earlier WTO findings – neither of which looks imminent, according to trade sources – tariffs could start to bite as Britain plans to leave the EU.

UKFT CEO Adam Mansell has called on both sides to resolve the 15-year old trade dispute as quickly as possible. "At a time when the industry is facing huge uncertainty over the impact of Brexit, it is devastating that one of our key non-EU markets has imposed such significant tariffs on products that have nothing to do with the aircraft dispute," said Mansell.

Some of the leading manufacturers will be hit by these punitive tariffs and that will undoubtedly affect jobs and investment.

Simon Cotton, Chief Executive of Johnstons of Elgin, the largest manufacturer cashmere knitwear in the UK, and a board member of UKFT, said these tariffs will have a significant impact on the UK knitwear industry.

US is the third-largest export market for the UK behind Europe and Japan. This will have a major impact on their knitwear business, as well as the whole of the UK knitwear industry.

The US consumer has a great affinity with British high-quality knitwear and

they urged all parties involved to come to an agreement quickly for the sake of British manufacturers and US consumers.



USA

U.S. regulators allow genetically modified cotton as a human food source

U.S. regulators recently gave the green light for genetically modified cotton to be used for human consumption, paving the way for a protein-packed new food source - edible cottonseed that tastes a bit like chickpeas - that its developers said could help tackle global malnutrition.

The Food and Drug Administration's decision on the cotton plant developed by Texas A&M University scientists means it is allowed as food for people and all types of animals.

Texas A&M AgriLife Research plant biotechnologist Keerti Rathore said the scientists are holding discussions with companies and hope to have the plant commercially available within about five years. Rathore said the team also will explore seeking regulatory approval in other countries starting with Mexico.

"Yes, we are fully aware of the resistance to GMOs in many countries, but I remain hopeful that countries who are desperate for food will adopt this technology," Rathore added.

Cotton is grown in more than 80 countries, with its fiber used to make textiles and cottonseed currently used among other purposes to feed animals such as cattle and sheep that have multiple stomach chambers. Ordinary cottonseed is unfit for humans and many animals to eat because it contains high levels of gossypol, a toxic chemical.

Rathore's team used so-called RNAi, or RNA interference, technology to "silence" a gene, virtually eliminating gossypol from the cottonseed. Gossypol was left at natural levels in the rest of the plant because it guards against insects and disease.

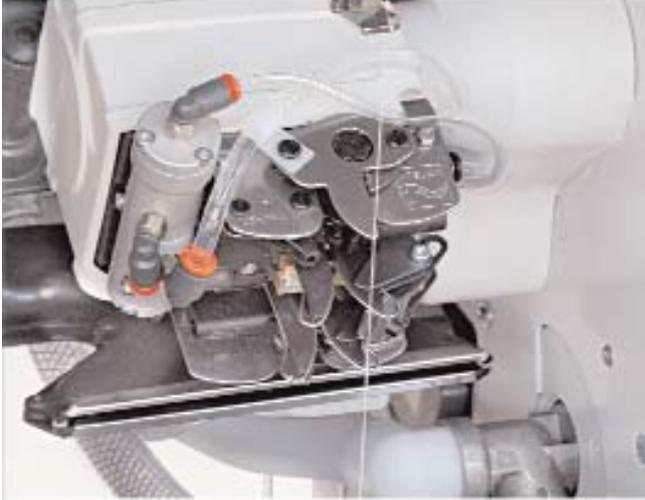
"With the adoption of this technology, cotton becomes a dual-purpose crop. It requires no additional effort on the part of farmers or inputs or land for cultivation. So, it will make cotton farming more sustainable," Rathore said.

The genetic modification does not affect the plant's fiber for use in textiles. The U.S. Agriculture Department last year lifted the regulatory prohibition on cultivation by farmers of the modified cotton plant ahead of the FDA decision on human consumption.

"Cottonseed can be consumed in many ways. We will continue to crush it to extract oil (usable for cooking). However, now the leftover meal with its high protein content can be used as a protein supplement in the tortilla, bread and baked goods. The seed kernels can be roasted and eaten as snack or as peanut butter type of spread or in protein bars," Rathore said. ♦


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