BANGLADESH

Bangladeshi apparel makers to push for changing end consumer mindset

In a recent survey by The Conference Board showed consumers are expecting steep discounts. In fact, more than a third say they expect at a minimum to buy half their gifts at a discount. Most consumers will expect bargains, comparison shop, and wait up to the last minute for steep discounts, said Lynn Franco, Senior Director of Economic Indicators at The Conference Board.

This trend of getting cheap fashion apparel among the consumers is deeply worrying and increases the urgency to create sustainability awareness among the consumers.

In a desperate move by the Bangladeshi apparel, makers are planning to hold rallies and human chains in major European cities to create awareness among the consumers, as most brands did not increase the price and denied the idea of fixing a base price for garment items.

The situation is so severe that around 39% of Bangladeshi RMG exporters accept prices less than their production costs for the Cheap products should not come at the cost of workers' miserable life or polluting the environment. Hardworking labors cannot be provided basic necessities due to the consumer's mindset.

The absence of any safeguard mechanism among the international retailers exposed the Bangladeshi manufacturers in this dire situation and paving the way for this type measure, said Rubana Huq, President of BGMEA. Most consumers will expect bargains, comparison shop, and wait up to the last minute for steep discounts.

RMG sector must focus on three areas to survive

H&M has a long collaboration with the Bangladeshi manufacturers for the last 27 years and an amount of US$ 3 billion apparel products are importing from the country said Ziaur Rahman is a Regional Country Manager of Bangladesh, Pakistan, and Vietnam at H&M. He is the 1st Bangladeshi nationalist who obtains such a higher leadership position.

Recently he has expressed his deep concern about Bangladesh RMG sector in a conversation with one of the leading Bangladeshi newspapers.

He said that Bangladesh should think only of China as its supreme competitor in the apparel market. Myanmar has a bad image in human rights, Ethiopia still long runs to go to be competitive, and the Vietnam apparel industry mostly set by foreign investors. In this respect, Bangladeshi manufacturers are more ahead in workplace safety and industry development. The country has the highest capacity in apparel production that no other country can provide. He recommended RMG owners to be focused on three areas if they really want to survive in this crisis situation.

Bangladesh is working on product diversification concept but bit slowly and they are clearly lagging behind in product positioning Ziaur Rahman mentioned. The key success factor to adopt effective design and product development is to work with the high-end product if Bangladesh wants to sustain this business.

CHINA

China textile group created to boost the garment sector in Cambodia

The Chinese Textile Association in Cambodia (Ctac) aims to increase Chinese investments in the garment industry in the country of Southeast Asia.

China bets for the Cambodian textile industry. Several Chinese textile companies have created the Chinese Textile Association in Cambodia (Ctac), with the aim of encouraging Chinese investment in the country.

The organization, which includes Chinese textile companies, including manufacturers and suppliers, provides legal advice to investors who are interested in entering Cambodia. In addition, the Ctac will also promote the contact of Chinese companies with the Cambodian government, according to media reports.

Cham Prasidh, minister of industry and handicrafts of Cambodia said that this organization will become an important partner to boost the textile and clothing industry in the country. "We hope that the association will help attract investment in garments and related industries. We are ready to help and facilitate your investment in Cambodia."

Cambodia is the eighth largest exporter of clothing and footwear, with annual exports of around 9.2 billion dollars (8.3 billion euros), which represents 78% of the country's foreign sales.

INDIA

India rejects the RCEP deal, textile industry hails decision

India rejects the RCEP deal textile industry hails decision Prime Minister Narendra Modi announced India's decision not to join the China-backed mega Regional Comprehensive Economic Partnership (RCEP) deal as negotiations between the nations failed to satisfy Indian government's outstanding issues and concerns. The announcement was made during the Prime Minister's speech at the RCEP Summit in Bangkok. He said the present form of the Agreement does not fully reflect the basic spirit and the guiding principles of the RCEP. "India is looking at greater integration through this trade deal and had made efforts in those directions from the very beginning.

The Clothing Manufacturers Association of India (CMAI) also welcomed the decision to not join RCEP. Rahul Mehta, President, CMAI called the RCEP "a double-edged sword that would benefit only some Industries while others will suffer due to it

During the last five years, India's trade deficit with China increased to a whopping US$ 711.298 billion. Imported Chinese goods are creating havoc in the Indian system due to their gross under-valuation through misdeclaration.

These grossly undervalued Chinese goods enter the Indian market through a fake certificate-of-origin of goods issued by a third country. This monopolized entry of Chinese goods renders the valuation rule inadequate, ineffective and obsolete.

To grant further duty concessions to these Chinese goods will, therefore, prove disastrous for the Indian industry as it will result in loss of tax, closure of the industry, loss of jobs, rise of unemployment; social unrest; and finally, loss of foreign investors' confidence.

ITALY

Falling orders for third quarter 2019

The orders index for textile machinery compiled by ACIMIT, the Association of Italian Textile Machinery Manufacturers, from July to September 2019 was down by 10% compared to the same period in 2018. The value of the index came in at 97.4 points (basis: 2015=100).

New orders for Italian machinery manufacturers were negative both in foreign markets and in Italy. Abroad, an 8% decrease was recorded, with an absolute index value of 98.9 points. The drop in domestic orders was even more

pronounced, at -22% compared to the third quarter 2018. The absolute value of the index was 94.9 points.

Alessandro Zucchi, president of ACIMIT, commented the market situation: "The orders index for the textile sector provides a true picture of the global market's downsizing. Current geopolitical tensions are undermining the climate of trust for businesses that need to invest. In Italy, uncertainties linked to future processes relating to the Industry 4.0 plan have effectively slowed demand for machinery. I hope that the current government will continue on the path set out by the previous administrations.

"We don't expect any changes of course for the current trend this year," concludes Zucchi, adding that, "Exports data, updated to the first six months of the year, confirm an overall negative progression compared to the same period for 2018, with the exception of the Chinese market, which is experiencing growth. However, we expect a boost in investments in 2020."

KENYA

Country keen to learn textile sector expansion from Lesotho

Kenya and Lesotho recently signed three agreements to boost bilateral cooperation during the visit of the latter's Prime Minister Motsoahae Thomas Thabane to Nairobi. Kenyan President Uhuru Kenyatta said his country is keen to learn about developing the textile sector from Lesotho, which has one of the most vibrant textile sectors in Africa.

Kenyatta said his country is on the verge of reviving its textile industry, which has the potential to create high-value jobs to help address unemployment. He further said we recognize the Kingdom of Lesotho has deployed technology, utilized branding and market positioning to develop one of the best textile industries in Africa. The agreements were on the establishment of a Joint Commission for Cooperation (JCC), bilateral consultations and sports.

MYANMAR

Myanmar becoming strong in the global apparel business

Myanmar is coming up as a major competitor of Bangladesh in the global apparel markets. The country has really developed a lot in a short span of time.

The export volume till the end of August in 11 months of FY 2018-19 was worth $4.37 billion compared to the $3.2 billion figure in the same period a year ago - an increase of $1.17 billion, according to the Commerce Ministry of Myanmar. Myanmar targeted to export $10 billion worth of garment items by 2024 and the creation of more than one million jobs for the unskilled and semi-skilled workers.

Export figures rose from $800 million in 2015-16 to over $4 billion in the current fiscal. The rise of export figures indicates Myanmar's faster rate of garment export. Almost every year Myanmar's garment export grew by $1 billion after 2015. So it would not be difficult to reach the target of exporting

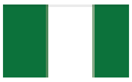
$10billion worth of garment items by Myanmar by 2024. Myanmar's garment sector has been growing at a faster rate mainly because of investment by China and Vietnam.

Recently China and Vietnam have been relocating their garment and textile sector to Myanmar because of trade privilege and cheap labor. The European Union (EU) has allowed zero duty benefit on export goods from Myanmar to the EU under its Everything but Arms scheme in 2013.

As a result, both the Chinese and Vietnam investors are setting up factories in Myanmar. If they can produce the goods in Myanmar and send those to the EU, they get zero duty benefits.

Moreover, the cost of production at the factory level has really gone high in China. China is no more competitive in labor-intensive mass garment production. Chinese manufacturers cannot make big profits by making and exporting garment items. As a result, a big number of Chinese entrepreneurs have shifted their industrial production base.

For instance, most Chinese companies now like to produce electronic goods, mobile phone technologies, home appliances, automotive parts and cars and some other industries which are not related to the garment. So there is a big shortage of workforce. The Chinese garment factory owners have been suffering from the shortage of workforce at affordable rates. So the garment industries have started relocating to nearby countries like Myanmar, Vietnam, Bangladesh, Cambodia, and Thailand.



NIGERIA

Senate wants textile imports banned for five years

The Senate appealed to the Nigerian Federal Government to ban the importation of textiles for a period of five years to allow for the production of local textiles. This followed the debate on a motion sponsored by Senator Kabir Barkiya (APC-Katsina Central) during a plenary session on "Urgent need to revamp the nation's comatose textile industry".

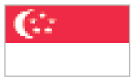
The upper chamber also appealed to the Federal Government to provide the necessary infrastructural facilities especially power supply to local textile manufacturing companies to revamp the industry. It also called on the government to encourage local textile manufacturing companies by providing them with soft loans and easy access to credit facilities through the Bank of Industry.

Barkiya noted that the textile industry played a significant role in the manufacturing sector of the Nigerian economy with a record of over 140 companies in the 1960s and 1970s.

The textile industry recorded an annual growth of 67% and as of 1991, employed above 25% of the workers in the manufacturing sector. The textile industry was then the highest employer of labor apart from the civil service.

He noted that the industry had witnessed a massive decline in the last two decades with many textile companies such as Kaduna Textile, Kano Textile, and Aba Textile closing shop and throwing their workers into the job market. Contributing, Senator Robert Boroffice (APC-Ondo North) said that the importation of textile materials was as a result of the comatose textile industry.

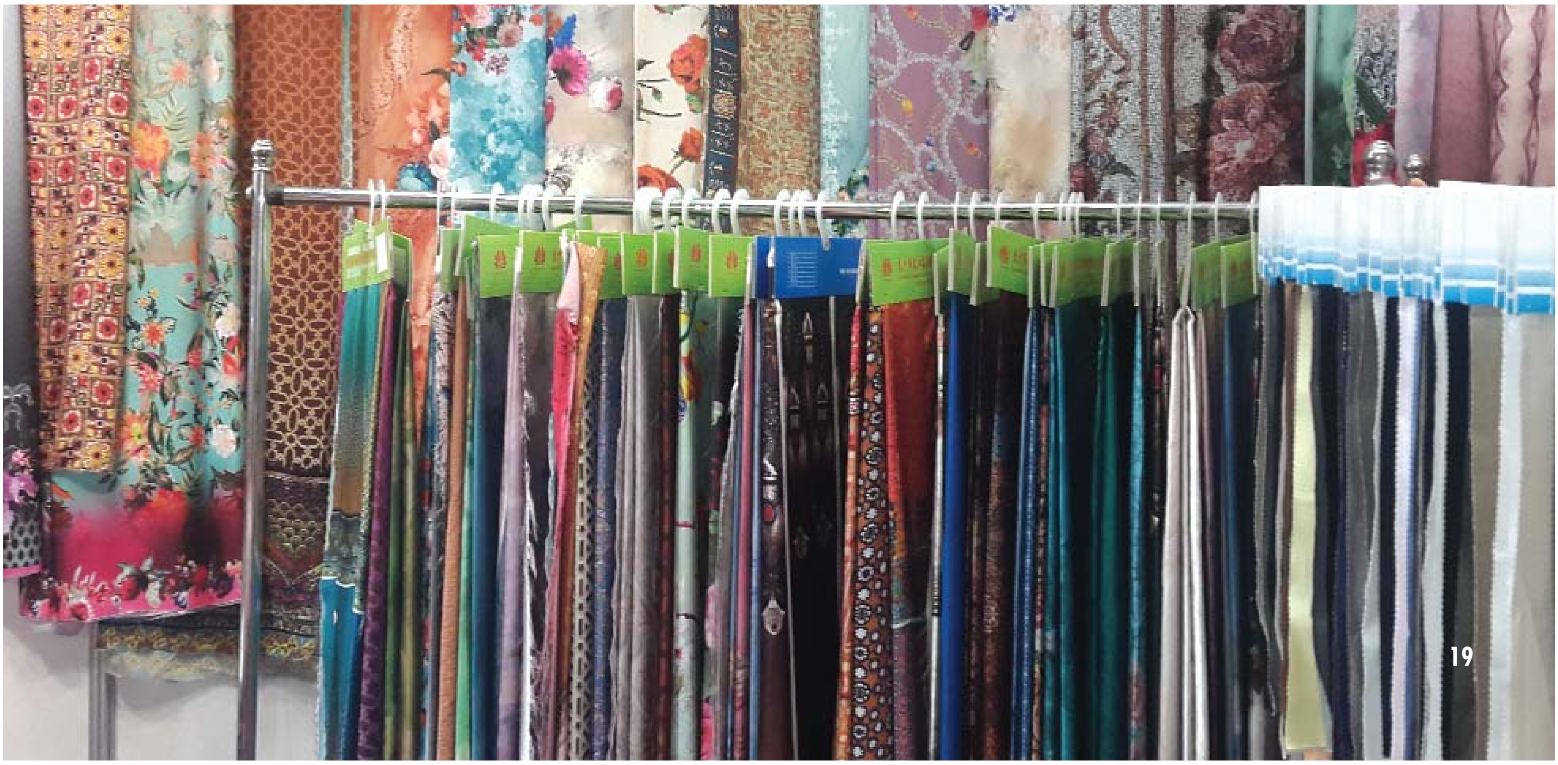
The President of the Senate, Ahmad Lawan, said as Nigeria had signed the Africa Continental Free Trade Agreement and we have to be prepared for the repercussions.



SINGAPORE

Trade: EU-Singapore agreement to enter into force on 21st November

EU Member States endorsed the trade agreement between the EU and Singapore. This means the agreement will enter into force as soon as 21 November. President of the European Commission Jean-Claude Juncker said that this is the European Union's first bilateral trade agreement with a Southeast Asian country, a building block towards a closer relationship between Europe and one of the most dynamic regions in the world.



It crowns the efforts of this Commission to build a network of partners committed to open, fair and rules-based trade. Trade has created 5 million new jobs in the EU since I took office in 2014 and now contributes to the employment of 36 million people. This, together with the fact that it accounts for 35% of the EU GDP, shows how critical trade is for Europe's prosperity.

Commissioner for Trade Cecilia Malmström said that our trade agreement with Singapore provides further evidence of our commitment to fair and rules-based trade. The agreement will benefit workers, farmers, and companies of all sizes, both here and in Singapore.

Singapore is by far the EU's largest trading partner in the Southeast Asian region, with total bilateral trade in goods of over €53 billion and another €51 billion of trade in services. Over 10,000 EU companies are established in Singapore and use it as a hub for the whole Pacific region. Singapore is also the number one location for European investment in Asia, with investment between the EU and Singapore growing rapidly in recent years: combined bilateral investment stocks reached €344 billion in 2017. Under the trade agreement, Singapore will remove all remaining tariffs on EU products. The agreement also provides new opportunities for EU services providers, among other organizers in sectors such as telecommunications, environmental services, engineering, computing, and maritime transport. The EU and Singapore have also concluded an investment protection agreement, which can enter into force after it has been ratified by all EU Member States according to their own national procedures.

SWEDEN

Swedish boost for textile-to-textile recycling

Swedish pulp and paper giant Södra claims it's made a new chemical 'breakthrough' that allows it to separate polyester/cotton blended textiles and turn them into raw materials for viscose and lyocell fiber production.

Once separated by the new patent-pending technique cotton is then added to Södra's wood-derived pulp and can be used to make man-made cellulosic fibers, yarns, and fabrics. The separated polyester is currently used for energy recovery, which is then fed back into the process.

As an established major player in the global pulp industry, with annual revenues of SEK 24 billion (US$ 2.47 billion), Södra says that its size and financial clout can help to boost the rapid scale-up of textile-to-textile recycling.

"Our advantage is that we are already at the industrial scale and for many years (have been) a dissolving pulp supplier," Helena Claesson, project manager at Södra Innovation & New Business told Ecotextile News. Unlike others, "we do not need to build new facilities to start making pulp with textile fibers in the mix."

VIETNAM

Vietnam worries despite apparel export growth

Vietnam is the go-to destination amidst of US-China trade war for apparel sourcing. A staggering US$ 27.4 billion apparel export with an incredible 10.4% growth from January to October of this year. According to the Vietnam Textile and Apparel Association (VITAS) data in the first of this year, the USA was the largest importer of apparel goods worth US$ 7.22 billion, up 12.84% year-on-year.

Vietnam is also the largest export market in the USA, the EU, Japan, South Korea, and China. Not only has the export to the US increased but imports from the member countries of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and EU also up significantly.

Despite all the ups, there are some opposite downward pulls. The VITAS General Secretary Truong Van Cam said the country has been affected indirectly by the perpetual trade war. The yarn export to china has fallen since the year begins.

There are other key factors like the shrinking of the global fashion industry also playing a critical role in this and in this FY manufacturers have received less long-term orders. And like any other apparel sourcing country, Vietnam needs further investment in high-value items.

Truong Van also stressed on commitments to rules of origin under the Free Trade Agreements. Other concerns like overcapacity and labor are also looming once the EVFTA and the CPTPP trade pact come into force.

On top of it around US$13 billion apparel import in the last FY. Most of the imported cloth has yet to satisfy the quality requirements of the country's key garment export markets, said VITAS.◆