



## CHINA

### China remains the top sourcing for fast-fashion manufacturing

According to the latest Chinese Customs Statistics from January to August 2019, among the top 10 garment exporters in China, American brands such as Nike and Gap have maintained sustainable growth.

Many U.S. brands and retailers have little choice other than China because of the nature of their manufacturing needs and others are in scale-back mode hoping to skirt the uncertainty-fuelled risk, recently fashion and apparel based global media Sourcing Journal reported.

Last year China's exports of textiles and clothing to the U.S. totaled US\$ 48.96 billion, a year-on-year increase of 7.9%. For the first half of 2019, those exports reached US\$ 21.23 billion, with growth slowed 1.6% year over year. Clothing accounts for 73% of those exports, and textiles make up the other 27%.

The growth of China textile exports is higher than in the garment sector. This is mainly due to the incompleteness of the supply chains of those low-cost countries like Bangladesh and Cambodia. The shortage of raw materials and fabrics boosted China's textile exports as well.

A survey at last month's Sourcing Summit New York revealed that as many as 35% of attendees from major global apparel brands and retailers intend to reduce their China sourcing.



## ETHIOPIA

### Chinese textile firm inaugurates US\$ 220 million plant

Chinese textile manufacturing giant, Wuxi No. 1 Cotton Textile PLC, has inaugurated its Ethiopia branch, with an ambition to export much of its products to the international market.

Constructed at a cost of US\$ 220 million, Wuxi No. 1 Cotton Ethiopia Textile Plc. was officially inaugurated in Ethiopia's eastern Dire Dawa city. The Chinese firm said it plans to export close to 100% of its products to the international market, mainly Europe, North America, and Asia, as well as other markets.

Zhang Shengming, Wuxi No. 1 Cotton Ethiopia Textile Plc. General Manager, told Xinhua that the Dire Dawa textile plant, erected on 51 hectares of land, has a capacity to process 300,000 spindles, in which the first phase of the project has been already completed with a capacity to process 100,000 spindles.

The plant, which is said to be the largest textile workshop to be constructed in the East African country, is expected to create about 3,500 job opportunities once the second phase of the project is completed.



## INDIA

### Textile industry can reach \$300 billion by 2030: CII

The Indian textile industry can become a US\$ 300 billion industry by 2030 and create an additional 35 million jobs, said CII Tamil Nadu State Council Vice-Chairman Hari Thiagarajan.

He said this can be achieved if the industry enhanced its focus on exporting higher value-added products, modernization, and sustainable business practices. He points out synthetic fabrics and performance garments are going to be the two most promising segments. The industry accounted for 5% of India's GDP and 13% of the country's export earnings and employed about 50 million people.

Confederation of Indian Textile Industry (CITI) Chairman T Rajkumar said though the global recession was the main factor for the setbacks faced by the industry, imports of yarns, fabrics, and garments from Bangladesh and SAARC region pose a major threat to the local industry.



**ITALY**

**Italian machinery manufacturers target the Iranian market**

Italian Trade Agency and ACIMIT, the Association of Italian textile machinery manufacturers, will organize Punto Italia, a service center at the next Irantex, the main Iranian textiles and textile machinery trade show, to be held in Tehran, from 9-12 December 2019.

Punto Italia will be used for meetings between Italian textile machinery builders and their Iranian customers. In the service center, local companies will be able to get information on the Italian technological offer.

Despite the difficulties that still exist for doing business in the Iranian market due to the well-known reasons, it is important to keep in touch with a market of significant importance for our manufacturers, explained Alessandro Zucchi, President of ACIMIT.

Embargo to Iran has, in fact, reset Italian exports to the country, which until a decade ago was among the main foreign market of Italian builders. In the first half of 2019, the value of the Italian direct export to Iran was equal to EUR 2 million, compared to EUR 15 million in the same period of 2018.

Only two years ago, following the signing of the Iranian nuclear deal, named JCPOA (the Joint Comprehensive Plan of Action), Italian exports came to a value of around EUR 45 million.

An Italian trade delegation traveled to Iran recently to negotiate with some Iranian companies which demonstrate Italy's interest in maintaining and developing relations with Iran. The embassy tries to help Italian and Iranian companies gain a better and deeper understanding of the two countries' markets and find areas of cooperation.



**MALAYSIA**

**Government onto its first textile manufacturing hub**

The government is facilitating a plan to establish Malaysia's first textile manufacturing hub as part of an effort to

revitalize the industry. International Trade and Industry Minister Datuk Darell Leiking said the proposal for the hub is currently being drafted by a team from the Ministry, Malaysian Investment Development Authority (Mida) and the recently launched Federation of Malaysian Fashion, Textiles, and Apparels (FMFTA).

We are re-industrializing Malaysia's textile sector and I have to put the parties together first. This is something that the government fully supports because we believe the domestic investors are fully capable to develop this, said at the launch of FMFTA in Kuala Lumpur.

FMFTA pro-tem committee chairman Datuk Seri Tan Thian Poh said the federation has suggested that 600ha to 1,000ha should be

The textile and apparel industry is Malaysia's eleventh largest manufacturing sector, employing over 155,000 people 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 has approved an additional investment of RM94.4 million for five projects, with RM120 million still in the pipeline.



**TAIWAN**

**U.S. ruling against Chinese exporters welcomed by Taiwanese textile firms**

The final rulings earlier by the United States Department of Commerce that

China and India have been dumping certain textiles on the U.S. market were welcomed by most Taiwanese textile exporters as a chance to compete in a fair market.

In a statement issued Nov. 14, the U.S. DOC said after an investigation, it found that exporters from China and India had dumped polyester textured yarn (PTY) in the U.S. market at margins ranging from 76.07% to 77.15% and 17.62% to 47.51%, respectively. The DOC said it has also issued a final ruling after finding Chinese and Indian polyester textured yarn received countervailable subsidies at rates ranging from 32.18% to 473.09% and 4.29% to 21.83%, respectively.

Based on the findings, the Department of Commerce has imposed anti-dumping and anti-subsidy tariffs on Chinese and Indian PYT exporters. In response to the rulings, some Taiwanese companies said the heavy anti-dumping and anti-subsidy tariffs imposed by the U.S. in the case will give Taiwanese exporters a break from the unfair competition waged by their Chinese counterparts.

Lealea Enterprises Co., a Taiwanese manufacturer of artificial fiber, said it had almost given up on the U.S. market due to the unfair competition from China. With the heavy tariffs now imposed on Chinese PTY exporters, however, Taiwanese companies will have a chance to return to the U.S. market.

According to industry sources, Chinese firms that face heavy tariffs in the U.S. are likely to sell their products on the domestic market, which would tighten the competition for Taiwanese companies operating in China.





## TURKEY

### Turkish garment makers set eye on US market

Already one of the most prominent textile and clothing producers, Turkey is now raising its sight for a higher rise in exports, setting their eye on the U.S. market. Speaking to state-run Anadolu Agency, Hadi Karasu, the head of the Turkish Clothing Manufacturers' Association (TGSD), said that clients from the United States have again started to show interest in Turkey's clothing industry.

"Some of our members have 20 years of experience with the U.S. We see that American brands' expectations of Turkey, which have a totally different way of working than Europe, has increased in the last 20 years," Karasu said.

"We need to recall our past know-hows, to return to domestic production and actualize a change that can fulfill the increasing demands in order to raise our share in the U.S. market," Karasu stated, adding that the U.S. is the world's largest clothing importer with a turnover of \$103 billion.

Despite the economic troubles many industries went through in 2019, the

"ready-to-wear" industry resumed production with all capacity, according to the association head.

"Additionally, it has also provided support on economic sustainability during a time our country needed it the most, with its near \$18 billion export [volume]," he said.

Karasu also conveyed that the clothing industry has generated employment of nearly 50,000 people in just one year.

According to the figures Karasu provided, the sector had employment of 510,000 people in September 2018, and this figure had increased to over 560,000 people in September 2019.

"The data show that we have provided employment for 50,000 people and in other terms, that we increased our employment by 9.7 percent," he said.

The ready-made clothing companies have acquired some 297 incentive certifications from the industry and technology ministry, amounting to 1.5 billion Turkish Liras of investment, Karasu conveyed.

The majority of production is taking place in Turkey's northwestern Marmara region, especially Istanbul, the association head said. He added that there are

discussions about modernizing the manufacturing facilities with new technologies, and excess machinery will be transferred to Turkey's eastern and southeastern regions.



## SOUTH AFRICA

### South Africa's top retailers have shown commitment towards local

South Africa's biggest clothing retailers have promised to purchase an additional 85 million units in locally manufactured clothes, shoes, and leather goods over the next few years in an attempt to boost the local textile industry.

This undertaking by some of the biggest players in the clothing retail sector will boost the acquisition of locally produced goods from its present level of 44% to 65% by 2030.

The announcement was made at the SA Investment Conference in Sandton, where a master plan for the development of the local textile, clothing, shoe and leather industry was signed by, among other parties, government, labor, the Foschini Group, Pepkor, Edcon, Mr. Price and Woolworths.

The textile industry has been pleading for protection and intervention since the 1990s, and the government's current industrial policy action plan notes that the industry has lost about 120 000 jobs since the drastic reduction of import tariffs during that period. The industry presently employs about 95 000 people and contributes 2.9% to South Africa's GDP.

According to the master plan, the government pledged to take decisive action against illegal imports, and unions bound themselves to adjustments in the employment environment, which would increase competitiveness. Manufacturing companies promised R6.8 billion in investment over the next five years.

This is part of the R370 billion in investment pledges made during the investment conference and will contribute to President Cyril Ramaphosa's goal of achieving R1.2 trillion investment in South Africa over the next five years.



## VIETNAM

### Vietnam's textile and garment sector to hit US\$ 40 billion

Vietnam's textile and garment industry was likely to reach its target of US\$40 billion in export turnover this year despite facing difficulties in some markets. The statement was made by Cao Hữu Hiếu, Managing Director of the Vietnam National Garment and

Textile Group (Vinatex) after the industry reported export earnings of US\$ 29.3 billion in the first nine months of the year.

He said the result was due to the industry's efforts to overcome difficult global economic conditions. To achieve this figure, solutions had been implemented synchronously to remove difficulties, especially input prices which had dropped sharply due to the impacts of the trade war.

With new-generation free trade agreements (FTAs) such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU- Vietnam free trade agreement (EVFTA) which took effect this year, Vietnamese businesses will need to make efforts to take advantage of the preferences they offer.

Technology application is seen as a key factor in helping Vietnam's textile and garment industry to promote its business and expand its markets. According to Hiếu, many Vinatex firms had invested in automatic cutting and spreading machines to replace workers, and in 3D design.

He said in the fashion industry, creativity was very important, so there are stages that machinery cannot replace humans. "A Vinatex survey of about 150 enterprises showed that employment opportunities within the industry over the next 10 years would still be high.

The domestic market is expected to earn US\$ 9 billion this year, so it's a massive sector, besides, top global brands have already invested here, and Japan's Uniqlo will be arriving in 2020. Under such pressure, he said the industry needed to find its path for Vietnamese fashion to reach the domestic market.



## ZIMBABWE

### Zimbabwe, Brazil sign agreement on cotton production

Zimbabwe and Brazil recently signed an agreement to boost cotton production in the former, which will receive the latter's production expertise in capacity building and technology. The project will start in January. Agriculture is the mainstay of the Zimbabwean economy, which needs diversification to create more opportunities for value addition.

Speaking at the signing ceremony, Zimbabwe's secretary for foreign affairs and international trade James Manzou said the project comes soon after signing of the livestock and development project.

The validation mission on cotton production is critical to Zimbabwe's economic growth and will help improve livelihoods, strengthen the economy and realize Zimbabwe's Vision 2030, a newspaper report from the country quoted him as saying. ♦

