



## AUSTRALIA

### Prices dip as Australian wool auctions re-commence

Prices were severely dented with Merino types and descriptions depreciating well over 100ac, as wool auctions re-commenced this week in Australia after a three-week recess. Prices of crossbreds too dropped 50ac during sales week 6 of the current wool marketing season. 42,764 bales were offered for sale during the week ending August 7, 2020.

A larger volume of offering, combined with the negative buyer sentiment, exacerbated the extent of the falls, the Australian Wool Innovation Ltd (AWI) said in its commentary on wool auction for the week. With 29,911 bales sold, the total quantity sold this season now stands at 92,255 bales.

Confidence was down amongst exporters, with minimal fresh business being reported. However, there was a positive signal emerging. Whilst the pre recess auctions were largely the sole domain of Chinese interests, some competition this week appeared from other destinations, such as European, Indian and Japanese interests. Importantly, major European top maker Modiano participated strongly by buying 30 per cent of the crossbreds, the AWI commentary said.

"The continued confidence and support of the Australian wool market being shown by first stage machinery owners also provides a fillip to future prospects. Leading activity in sale rooms came from mainly the top makers.

Tianyu, one of the pre-eminent Chinese manufacturers was very keen on the Merino sector with able support coming from the global traders Techwool and Endeavour and Chinese indents from Seatech and others.

"The greasy stocks and clog points along the chain may delay any sustained positive effect initially, but given the past few years has seen global supply reach the lowest points for many decades, an improved demand driven by low prices could quickly eliminate that stumbling block of supply. However, the fundamentals remain weak across most commodities and more rigidity across the entire wool chain is needed to sustain any potential drive upward for wool prices," the commentary added.

Meanwhile, the Australian Wool Testing Authority (AWTA) has tested 13.7 mkg (million kilograms) this season compared with 16.0 mkg for the equivalent period last season.



## BANGLADESH

### EPB sets US\$ 37 billion export target for FY: 2020-21

The Export Promotion Bureau (EPB) has set a US\$ 37.44 billion export target for fiscal year (FY) 2020-21, 13% higher than the expected export receipts to reach US\$ 33 billion by the end of current fiscal year, 2019-20. The initial target for the outgoing fiscal was US \$45.50 billion. As per the target, the ready-made garment (RMG) sector will contribute more than 82%.

EPB officials said that the global demand for the products has been

considered during the coronavirus epidemic. The EPB, however, has forecasted that exports would reach \$33 billion by the end of June.

Rubana Huq, President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said until June 27, the total RMG export reached US\$ 27.50 billion, which was \$34.13 billion during the same period last year.

### EU plans 6 months payment for 1m Bangladesh RMG workers

The European Union plans a €90 million grant for one million Bangladeshi readymade garments workers for the next three months who have either been laid off or will lose their job permanently due to coronavirus pandemic. The total size of the grant may increase further to €500 million.

In the first phase each worker will get monthly Tk3000 cash support for three months- June to August when Bangladeshi factories might experience order shortage for demand shrinkage in the western markets. Possibly the grant will be extended for a second three-month phase further, said Dr. Gauranga Chandra Mohanta, Additional Secretary and the Europe wing chief of the Economic Relation Division.

According to the grant the EU will give total Tk900 crore for first 3 months phase (Tk3,000 each to 10 lakh workers, the amount will be Tk300 crore a month) and it will be deposited to the mobile banking accounts of the jobless workers. Apparel makers will share workers' database with EU team to identify those are losing their jobs.



## CHINA

### China's industrial textile industry reports drastic profit increase

China's industrial textile industry has witnessed a significant increase in production, sales, profits and exports during the first five months of the year, due to soaring demand caused by the COVID-19 epidemic, official data showed.

Profits of industrial textile companies with annual revenues of more than 20 million yuan (US\$2.86 million) skyrocketed 189.08 percent year on year to 12.69 billion yuan from January to May, according to data from the Ministry of Industry and Information Technology.

Their revenues jumped 13.25 percent from a year ago to 103.92 billion yuan. During the first five months, China exported US\$34.29 billion worth of industrial textiles, including US\$22.56 billion of masks and US\$2.19 billion of protective clothing.

### Textile firms in China report less revenues in first half year

Official data showed that the main textile firms in China saw a decline in revenues and profits in the starting half of the current year. The Chinese Ministry of Industry and Information Technology released data showing that the main textile firms in China reported a decline of 16.4 percent in revenue since a year earlier to set at a total of USD39.91 billion in the period from January to June.

The firms reported a decline of 19 percent in the profits compared to a year ago to reach USD10.49. The value added output of the companies declined 6.7 percent since a year ago, as the decline slowed down 9.8 percent compared to the rate of decline in the starting quarter of the year.



### The Better Cotton Initiative launches in Egypt

After many years' of engagement and preparation, the Better Cotton Initiative (BCI), a global not-for-profit organisation, together with the United Nations Industrial Development Organisation (UNIDO), has announced the launch of a BCI Programme in Egypt. The participating farmers will receive training on the Better Cotton Principles and Criteria. By adhering to these principles, farmers produce cotton in a way that is measurably better for the environment and farming communities.

The organisation further stated that there is a high level of multi-stakeholder engagement in Egypt from government agencies, civil society organisations, trade

associations, farmer associations and commercial actors within the supply chain, which will allow the BCI Programme to be implemented in a robust way.

BCI supports all initiatives that seek to make cotton production more sustainable. Egyptian cotton, known for its superior fibre quality, is long staple cotton grown by smallholder farmers. Making the Better Cotton Standard System accessible to smallholder farmers is BCI's priority 99% of the farmers BCI works with today are smallholders, said Alia Malik, Director of implementation at BCI.

Following a successful pilot project in 2019, and completion of the necessary new country start-up process, Egypt officially became a new BCI Programme country from in May 2020 as part of a renewed drive in the country to increase sustainability and improve conditions for Egyptian cotton farmers. The Programme is funded by the Italian Agency for Development Cooperation as part of the Egyptian Cotton Project.



### ZDHC promotes Ethiopia's textile and apparel sector

ZDHC has launched its first project in Africa aimed at strengthening capacity in Ethiopia's textile and apparel industry. As part of a private-public partnership between the German government and Dow Europe GmbH, the ZDHC Foundation will lend its expertise to help ensure a safer and eco-friendlier textile and apparel industry in the country.



### Textile sector finds silver lining in COVID-19 crisis

The shortage of masks and personal protection equipment France experienced at the onset of the COVID-19 outbreak may well turn out to have a silver lining as the country faces a prolonged economic crisis: Its ailing textile industry is finding a second wind.

With borders closed, the French textile industry rallied to fulfil needs. The Savoir-Faire Ensemble (a play on the French words for know-how and working together) group grew from a dozen to some 1,500 companies, from fabric mills to garment manufacturers, pooling their knowledge and resources to create a whole PPE production chain from scratch.

In the historic garment region of Roubaix, northern France, Carol Girod and Christophe Lépine, a brand strategist and a veteran of "Made in France" production who previously founded workwear brand Bleu de Paname, cofounded Résilience, a sustainable and inclusive textile coalition that produced reusable masks through a network of partner workshops.

Made in France only makes sense with socially responsible projects like this, in places where the skills already exist," Calvin said. "But I wouldn't deprive a project of exceptional craftsmanship just because it means there's a border crossing. The keys are transparency, benevolence."





**INDIA**

**Indian textile ministry opposes ADD on imported nylon yarn**

The Indian textile ministry recently opposed the final findings of the Directorate General of Trade Remedies (DGTR) recommending the imposition of anti-dumping duty (ADD) on nylon multifilament yarn. In a letter to the deputy secretary of the department of revenue, the textile ministry stated that nylon multifilament yarn is a key raw material for the power loom industry, including knitting and weaving.

There should not be any ADD imposed on the import of yarn from China, Korea, Taiwan and Thailand, the letter said.

Power loom weavers in Gujarat's Surat, Maharashtra and other states have been opposing the DGTR's recommendation of imposing ADD on the nylon multi-filament yarn.

Weavers have stated the quality of nylon yarn manufactured by the domestic yarn spinners was not up to the mark and the weavers are forced to import better quality yarn from other countries to reduce production loss and to supply quality fabrics in the domestic and international markets.

In February, the Gujarat textile commissioner's office had written to the textile ministry stating that against the

increase of 19 percent in the import of nylon multi-filament yarn between 2015 to 2019, the production of yarn in the country had increased by almost 24 per cent during the same period, according to a report in a leading English-language daily. However, there is no harm to the domestic industry and the demand for ADD is not justifiable. Nylon fabrics are used in the parachute, technical textiles, garments and knitted garments.



**INDONESIA**

**Government to reduce import target**

Indonesia's industry ministry pushed back the deadline to achieve its import reduction target by a year, as the COVID-19 pandemic has battered productivity and demand of industries, according to minister handling the portfolio Agus Gumiwang Kartasmita, who recently said the ministry had taken the decision to reduce imports by 35% from 2021 to 2022.

In 2019, the Indonesian government imposed temporary additional duties on imports of textiles and textile products up to 67.7%.

Moody's Investors Service had earlier warned that the US-China trade tensions could lead to an influx of Chinese yarn, fabrics and garments into Indonesia, potentially disrupting the stable levels of demand and supply in the country.

APS Group has developed an antiviral and anti-bacterial knit fabric that is considering a groundbreaking development for the whole world in this dire situation and also the developers can give an edge to the functional fashion industry.



**NIGERIA**

**CBN to fund 1.6 million cotton farmers this season**

The Central Bank of Nigeria (CBN) will fund 1.6 million farmers in the 2020 wet season to help raise farm output. The apex bank will also finance the farmers under its 10 Focal Commodities Intervention Programme, which would cut across value chains, said Yila Yusuf, the Bank's Director in the development finance department.

The initiative will help guarantee food security in the country and CBN has engaged 256,000 farmers in cotton production for this season through its Anchor Borrowers Programme. The bank has reduced the interest rates paid on the loan from 9% to 5% because of the COVID-19 pandemic.



**SRI LANKA**

**Country urged to modernise textiles industry**

The Sri Lankan government is being urged to modernise the country's garment and textiles industry following the economic damage caused by the coronavirus pandemic.

The recommendation is contained in a report, 'COVID-19 & Beyond - The impact on the Labour Market of Sri Lanka', which also calls for the establishment of a comprehensive social security system.

This is expected to stimulate the demand for acrylic fibres as they are highly used in the production of sweaters, fleece wear, sportswear, socks, and circularly knit apparel. The strong dye absorption and wicking ability are the major factors underlying the adoption of acrylic fibres by fabric designers. Acrylic fibres are also widely used in the production of home textiles and industrial products such as carpets, rugs, upholstery

and velvet fabric. Thus, the growth in textile industry is expected to drive the growth of the market in focus.



## TURKEY

### Textile industry seeks government aid to remain competitive

Turkey's textile and garment industry has urged the government to provide financial support, including tax exemptions and debt delays, to help the sector remain competitive during the coronavirus pandemic.

Mustafa Gültepe, the chairman of the Istanbul Textile and Apparel Exporters Association (ITKIB), said that the industry experienced a 16.5% contraction in exports during the January-July period compared to the previous year following the global demand plunge induced by the pandemic.

Gültepe noted that the sector initially set a target of a 10% increase in exports for 2020 but had to revise these projections after orders drastically declined in March following the global spread of the virus.

"There was a 27.4% contraction in March and 61.6% in April. In May, exports declined by 48.2%, meaning exports decreased by 26.1% in the first five months compared to last year," Gültepe said.

He noted that the monthslong closure of clothing shops and businesses in the country during the peak of the pandemic contracted the domestic market, putting additional pressure on the sector.

The sector recorded an upward trend in July, however, posting a 25% increase in exports thanks to the gradual reopening of world economies and the rapid recovery in the European Union markets, Gültepe said.

Gültepe said the industry is seeking the lifting of customs duties that were recently introduced for imports of intermediate products used in textile factories such as zippers, buttons and fasteners.

"Customs duties were increased for fabric and yarn products. We expect the government to revise the additional taxes

that negatively affect our competitiveness," he said, adding that the sector is expecting the value-added tax (VAT), premium payments and loan repayments to be postponed for one year.

Gültepe also thanked the government for paying a portion of the salaries for three months of those at firms forced to pause business due to the pandemic.

Gültepe noted that Turkey could benefit from new configurations made in supply chains after the pandemic due to its strategic location. "Global brands plan to move their supply chains closer to home following the pandemic, which puts Turkey in an advantageous position in the European Union and U.K. markets," he said.

He also mentioned that the ongoing trade war between China and the U.S. could push American apparel companies to consider Turkey as an alternative production base. "We think we could secure \$5 billion of exports from the U.S. market in the medium- to long-term."



## UAE

### GCC panel submits 70 standards on chemical, textile items

The Gulf Cooperation Council's (GCC) technical committee for chemical and textile products submitted 70 draft standards on chemical and textile products to the secretariat general of the GCC Standardisation Organisation (GSO). The products include personal protection equipment and clothes for fire-fighting and other tasks.

The products also include garments used in the safety, detergents and paint industries and plastic products, shoes, leather products and school bags. The standards cover a few environmental ones as well, according to a news agency report in the Middle East.

The new standards will help improve the level of quality and safety of the covered products, facilitate commercial exchange between GCC countries and other countries, increase the competitiveness of GCC products in global markets, and protect GCC citizens,

according to Abdullah Al Maeeni, Director General of the Emirates Authority for Standardisation and Metrology.



## USA

### Global trade of cotton fabrics to decline

The global trades of cotton fabrics, containing 85% more by weight of cotton have shown a tremendous fall in 2019. Total trade decreased 18.1% from US\$ 43,891 million in 2017 to US\$ 35,920 million in 2019, according to data from TexPro. The total trade of cotton fabrics fell 19.22% in 2019 over the previous year. Further the trade is anticipated to drop to \$26,644 million in 2022 with a rate of 25.82% from 2019.

Total exports substantially dropped 20.20% in 2019 over the previous year and is expected to move down to US\$17 billion in 2022 with a rate of 28.35% from 2019.



## VIETNAM

### NZ see bilateral trade value of US\$ 1.7 billion in 2023

Vietnam-New Zealand bilateral trade is expected to rise to US\$ 1.7 billion this year as the two sides are working to upgrade their relations to a strategic partnership and both are members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Vietnam is New Zealand's sixteenth largest trade partner at present.

Bilateral trade enjoyed a three-fold increase in the decade since the two countries established their comprehensive partnership from US\$ 320 million in 2009 to over \$1 billion in 2018, according to the Vietnamese Trade Office in New Zealand.

New Zealand needs to import commodities like garment, textiles, footwear, wood, tropical farm produce and fisheries products that are Vietnam's strengths, while the latter needs to import milk and dairy products, wine, lamb, fruit and raw materials for garment and textiles and footwear from the former. ♦