

Textile Briefs International

- ❖ The United States has urged China to eliminate certain government subsidies for its textile industry or face possible U.S. litigation at the World Trade Organization, said U.S. Trade Representative Susan Schwab. He said that he has sent a letter to China's Minister of Commerce expressing concern about potential WTO-illegal subsidies and indicating that USTR has begun to prepare a potential WTO dispute settlement request to challenge such measures if China does not act promptly to eliminate them.
- ❖ In fiscal 2007-08, Bangladesh earned \$10.69 billion from RMG exports. Bangladesh spent almost a third of export value for importing accessories, raw materials, capital machinery, dyes, chemicals, fabrics, yarn and cotton.
- ❖ The Minister of State for Textiles, Mr Elangovan informed Rajya Sabha (Upper House) of the Indian Parliament that closure of sick textile mills in the last five years had led to retrenchment of 30,354 workers. Out of the 407 textile mills which had closed down, 111 of them had been referred to the Board for Industrial & Financial Reconstruction (BIFR) till February, 2008.
- ❖ US has imposed quota limit on Chinese clothing imports to the country from September 2008, as the US market for brassieres and synthetic fabric is being disrupted by surging Chinese imports. By imposition of the cap the giant China was allowed to export no more than 7.5% import of those products to the US market.
- ❖ Indian textile export in 2007-08 was \$22 billion against the target of \$25.06 billion. Share of textiles in the country's total export too fell to 13.5% in last fiscal from 15.16% in 2006-07. The government has set an export target of \$55 billion by 2012, which the Minister said would be "difficult" to meet in wake of the financial meltdown, said Minister of Textile Shankarsinh Vaghela.
- ❖ Taiwan's exports of Polyester Staple Fibers (PSF) were stimulated over the first half this year by the removal of EU's anti-dumping tariffs in June 2007. Shipments sharply rebounded to Germany, the UK, Italy or France. By contrast, sales to the United States plummeted while further declining to China and Vietnam. Average price again rose, resulting in a double-digit increase in PSF exports in US\$ terms.
- ❖ Jordan's apparel exports started falling in the last year, mainly due to stronger competition from Asian trouser producers. Although Jordan is taking advantage of duty-free access on the US market, rising costs are affecting its competitive advantage. Very poor working conditions in newly established QIZs are now forcing suppliers in accepting a new monitoring program controlled by the International Labour Organization and modelled on the Cambodian experiment ten years ago.
- ❖ The Chinese yuan rose at a much faster pace against the US dollar from January while a series of currencies sharply fell in Asian low-cost countries, like Bangladesh, Cambodia and Vietnam. Such a trend should help China's rivals in Asia in offering relatively lower costs. The US dollar may also rebound against other currencies after interest rates were sharply lowered and budget spending significantly increased, potentially revamping economic activity, said currency traders.
- ❖ Under a WTO's agreement, the United States is committed to offer duty-free and quota-free access to the poorest countries, including Bangladesh and Cambodia. U.S. textile industry requested to exclude from benefits apparel exporters in the two countries. Two solutions are being offered, including exclusion of apparel from the list of eligible products and strong rules of origin.
- ❖ The South India Small Spinners Association (SISSPA) has said that capacity building in the textile industry being capital-intensive, the stoppage of technology up gradation fund scheme (TUFS), which provides capital subsidy in the form of interest reimbursement, will make textile mills' modernization and expansion financially unviable.
- ❖ An accumulation of origin is due to be implemented by the United States which should boost sales of Mexican denim fabrics to Central American countries under the CAFTA-DR. The new rule may be seen as a first step toward relaxing rules of origin in the region and therefore offering stronger chance to limit Asian competition in the future.
- ❖ European imports of woven clothing from China slowed down since third quarter of last year, as indicated by latest official data from Eurostat. Shipments from a series of Asian nations even fell, while rebounding from Turkey and Morocco. China remained successful on the knit apparel market without limiting the rise in shipments from Turkey and Morocco, however. 2008 may confirm a weakness in European sourcing from China, although quotas were just eliminated from 1 January, 2009.
- ❖ The economic slowdown in the United States is threat to the struggling clothing and textile industry in Mexico and Central America, already unravelling under stiff competition in Asia. Mexican clothing producers say they could lose up to 18,000 jobs by the end of the year and maquila owners in other Central American countries fear their businesses will soon meet a similar fate.
- ❖ Viscose prices are now dramatically falling in China, in line with the low level in demand and plunging raw material costs. Average price for staple fibers lost about 1,000 yuan per metric ton in the last three weeks and may continue declining in the near future. Production and exports were sharply down since the start of the year while protectionism is rising on the global market, as reflected by anti-dumping tariffs imposed by Brazil.
- ❖ Textile and clothing bodies from 17 countries, including SA, have urged the US to protect industries and tighten monitoring procedures when its quota limits on Chinese garments and textiles expire next year. The bodies were concerned export markets could be overrun by cheap Chinese products. ◆