

Textile Briefs International

- ❖ Vietnam's clothing exports to the US and EU markets continued surging this year, whatever the slowdown in global apparel trade. Orders from both markets would now decline, however, according to domestic exporters as Vietnam is progressively affected by the global economic crisis. The country is confronted with a relatively higher inflation in addition, and a deteriorating social climate, consecutively.
- ❖ Polyester prices rose in the past few weeks in India in line with higher raw material costs and stronger demand from spinners and filament weavers. Indian exporters began selling larger quantities of polyester fibers while seasonal demand was higher on the domestic market. Prices are now expected further rising in the near term.
- ❖ Bangladesh's ready-made garment (RMG) business was well in 2008, although some national and international anti-business issues marked the year as a turbulent one. The country was faced with a severe competition in the global RMG market when the safeguard measures imposed by EU on Chinese market lapsed on January 1, 2008.
- ❖ The Indian Textile Ministry has put up a proposal to the Prime Minister, Dr Manmohan Singh, for interest rate subvention to the textile industry and restoration of duty drawback rates for textile and clothing which the exporters already had with a view to minimising the adverse effect of demand decline in the overseas markets, said Union Textile Minister, Shankersinh Vaghela..
- ❖ With intermediate prices more evidently rising, the polyester industry tries offering higher prices in China. Staple fibers were raised by 200 yuan per ton in the past few days but fiber producers may be confronted with strongly resisting customers. Filament makers are already unable raising their prices although their costs seriously rose in the past two weeks.
- ❖ Profits at Chinese textile firms fell in part of 2008 for the first time in 10 years due to a drop in overseas demand amid the global financial crisis. Textile companies made an overall 104.2 billion yuan (\$15 billion) in profits in the first 11 months of last year, a fall of 1.8% compared to the same period in 2007, said in a report of National Bureau of Statistics.
- ❖ Indian textile export performance during 2007-08 was \$22.5 billion and in the first half of the current fiscal the growth in export was 11.5%. However, from October the trend has been sliding and it would be good if the country maintained even the last year's level and the target of achieving 20% higher than what was achieved now looks quite difficult, said Union Textile Minister, Shankersinh Vaghela.
- ❖ EU's import market for printed cotton bed linen is surging this year with Pakistan expected taking a very large share after it was again granted the GSP treatment and obtained lower anti-dumping duties a few weeks ago. Turkey will face difficulties in resisting while India lost ground for years.
- ❖ The Textiles Ministry and in turn the government of India is under tremendous pressure to rollback the hike in MSP of cotton prices. The reasons for which, are not far away to seek. The industry as a whole is going through a depressing phase since the unfolding of the economic turmoil across the globe.
- ❖ Spun yarn export prices are falling again in India, especially for cotton and polyester-cotton yarns. The business is becoming extremely difficult for exporters, with buyers now renegotiating orders to take advantage of lower prices. Government incentives are not offering enough support to the cotton textile industry, according to exporters.
- ❖ Xinjiang Production and Construction Corps (XPCC), a key producer of quality cotton in Northwest China, will reduce the farmland area dedicated to the cash crop in the next three years. According to the plan, XPCC will lower its present dedicated cotton land of 560,000 hectares to 433,333 hectares by 2011. The land will be used to grow grains instead of cotton. XPCC authorities hope that their grain output will exceed 1.4 million tonnes a year.
- ❖ Union Textile Minister, Shankersinh Vaghela said that the impact of economic slowdown in US, the European Union and developed countries export target of \$25 billion including textiles and handicrafts for 2008-09 appears to be under pressure.
- ❖ The Indian textiles industry has an inherent advantage in terms of raw material, design inputs and labour. Recently, we have overtaken the USA to become the second largest producer of cotton in the world. This was due to focused support to farmers provided by the UPA government, which has resulted in an increase in productivity as well as production, said Union Textile Minister, Shankersinh Vaghela. He said Indian cotton production has been 31.15 million bales in the 2007-08 cotton seasons and it is estimated that it would set a record level of 32.2 million bales in 2008-09.
- ❖ The Indian government has set off measures to mitigate the problems of technical textiles exporters with the Indian market size of technical textiles likely to jump to \$12.46 billion by 2010. Government has designed Centres of Excellence for agrotech, buildtech, meditech and geotech group of technical textiles at an outlay Rs 44 crore and the government would shortly launch an Rs 600 crore Technology Mission on Technical Textiles and create a Development Council for Technical Textiles.
- ❖ EU bed linen imports continued rising in the first three quarters of the year, especially in US\$ terms. China took a strong advantage of the removal in quotas while Pakistan further strengthened its leading position. Shipments from Bangladesh surged while still stagnating from India. The European market should be affected by the recession in 2009 but India and Pakistan will benefit from the removal of additional tariffs imposed by Brussels in 2004. ◆