

# Textile Briefs International

- ❖ U.S. apparel imports from China surged in January 2009, in categories where quotas have been removed. The main victims of China's performance were in Central America and especially in Honduras while a series of Asian countries were also affected. Imports from Bangladesh and Vietnam remained strong, reflecting the current need of lower-priced products in the U.S. market deeply affected by recession.
- ❖ The Indian textiles industry has an inherent advantage in terms of raw material, design inputs and labour. The production of man made fibres and yarns, has shown a rising trend during the last four and a half years. India is the fifth largest producer in the world of man made fibre and yarn and second largest producer of silk in the world.
- ❖ Global textile and clothing markets may stop shrinking in 2009, although not fully recovering from the economic recession experienced in the United States and in Europe. Raw material costs of textile and apparel industries are not declining anymore in Asia where lower inflation rates may now limit the rise in manufacturing costs. A stronger dollar and the elimination of US textile quotas should also help in offering lower-priced products to consumer in developed countries.
- ❖ A large number of anti-dumping investigations were last year launched by emerging countries on fibre and yarn imports from low-cost suppliers. As global economic recession looms, other sanctions could be decided during 2009 in order to protect national markets from allegedly dumped products. China is the main target of these investigations while Turkey is the most aggressive in imposing anti-dumping duties.
- ❖ ITM 2009 International Textile Machinery Exhibition is to be held on 6-10 June 2009 at Beylikduzu Tuyap Fair, Convention and Congress Centre in Istanbul, Turkey is organized with the cooperation of Teknik Ltd. and Tuyap.
- ❖ Indian textile manufacturers have sought a two-year moratorium on repayment of term loans, withdrawal of excise duties on man-made fibres and waiver of service taxes on exports as well as taxes on textile machinery. The embattled textile industry, reeling under a slowdown in demand and high input costs, also seeks to bring domestic cotton prices at par with international prices.
- ❖ South Korea's cotton yarn imports recovered in value terms in the last year while no more declining in volume terms. Shipments from China, Vietnam and Indonesia even surged while dramatically falling from Pakistan. India remained the top supplier but failed in reducing its yarn prices at the end of January 2009 by contrast with other exporting countries.
- ❖ India's apparel exports are slowing down in line with economic recession in the United States and the European Union. Labour and transport costs are no more rising in India however, while raw material prices relatively fell. The rupee's decline and some financial support from the government are also expected to support apparel sales to international buyers in the coming period, as export prices will be further reduced.
- ❖ China officially launched an anti-dumping investigation on imports of PTA from South Korea and Thailand which could push up prices to higher levels. PTA prices further surged in the last three weeks in Asia with polyester fibres and filament yarns also sharply increasing at the same time.
- ❖ The international yarn market is slowly recovering thanks to lower fibre and yarn prices and the sharp reduction in inventories at processing plants. Demand from the Far East and Europe is progressively back as the fall in the Pakistani and Indian rupees offers an additional advantage to South Asian exporters.
- ❖ Polyester prices are surprisingly surging in China with daily rises of 100 yuan per tonne. The sharp increase in raw material costs and a stronger demand in the post-holiday period are explaining the rebound in staple fibre and filament prices. Paraxylene and PTA were further gaining US\$10 in Asia.
- ❖ China's textile and clothing sales were not affected by US and EU quotas in 2008, the WTO confirmed while releasing its preliminary data on global trade. Major trends in textile trade stayed unchanged to the benefit of poorest Asian countries such as Bangladesh, Cambodia and Vietnam. Share of processing trade is on the decline to the detriment of US and EU textile producers.
- ❖ 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 Indian Textiles Minister informed that 40 textiles parks are being set up throughout the country under the Scheme for Integrated Textile Parks (SITP), which will attract an investment of Rs. 21,502 crore, create employment, both direct and indirect, for 9.08 lakh workers and produce goods worth Rs. 38,115 crore annually. Three parks are being set up in Punjab at Barnala, Nawanshehar and Ludhiana. These parks will attract an investment of Rs. 1,404 crore, generate employment, both direct and indirect, for approx. 50 thousand workers and produce goods worth Rs. 2,590 crore annually. (1crore = 10 million)
- ❖ The Tamil Nadu government (India) would bear 15% of the infrastructure cost incurred by the textile industry for setting up common effluent treatment plants, said Industries Secretary, MF Farooqui. The move is aimed at boosting the textile sector that is facing declining demand from the export markets. ◆