

Textile Briefs International

- ❖ Egyptian apparel exports to the US market are ignoring the recession, with a surge of 15% in US\$ terms over the first quarter. This is mostly due to the duty-free programme benefiting local zones and recently expanded to Upper Egypt. Thanks to these QIZs, the low-cost country became a leading supplier of denim jeans to the US market.
- ❖ Vietnam's apparel exports slightly declined over the January-May period, but exports orders are now expected to rebound. In addition to the global economic crisis, Vietnam is confronted with the end of US limits on Chinese products. Vietnamese exporters may however take advantage of generous bailout plan from the government and consecutive price cuts.
- ❖ The Indian Union Minister for Textiles, Mr Dayanidhi Maran, has said that the government will strive for service tax exemption for the textile industry. The government will work towards reducing interest rates on pre- and post-shipment credit and facilitate faster clearance of arrears of terminal excise duties and Central Sales Tax. He was speaking at an event organised by textile industry bodies to release a study report "Impact of Economic Slowdown on Textile and Clothing Industry.
- ❖ EU cotton T-shirt imports began slowing down during the current year although shipments from China took advantage of the removal of quotas. Bangladesh resisted Chinese competitiveness but other suppliers seriously suffered, including Turkey, Morocco and Mauritius.
- ❖ US imports of cotton trousers than made of corduroy and denim further declined in the first quarter this year. Shipments from China however surged, thanks to the elimination of US quotas. All other origins dramatically suffered over the period except a sharp increase of men's cotton trousers from Egypt, Sri Lanka and Bangladesh.
- ❖ China's exports and imports of denim cotton fabrics heavily fell in the first five months of the year, as a result of the global economic crisis. Prices significantly rose, however, especially for denim exports to Bangladesh, according to Chinese customs' data. Trade with Hong Kong remains very significant.
- ❖ Raw material costs of polyester producers fell in the first week of June in India, with staple fiber prices also declining as a result. Filament prices were mixed with POY prices being reduced while textured yarn prices were raised, thanks to stronger demand from weavers.
- ❖ The American Manufacturing Trade Action Coalition points out that Bangladesh already is the third-largest exporter of apparel to the United States, just behind China, Vietnam and Cambodia.
- ❖ US apparel import prices slightly declined over the first quarter this year, reflecting a slight rise in cotton apparel categories, more than offset by a price cut in man-made fiber categories. China and Bangladesh raised their cotton apparel prices while they were sharply reduced by Indian exporters.
- ❖ The world cotton sector has had a very tough time in the just completed cotton season. At just about the time harvesting for the new cotton crop had begun, the economic turmoil broke out, bringing down with it prices of all commodities including cotton to new lows. Prices of cotton in the New York Futures markets had the misfortune of touching four year lows. This has made a lot of farmers across many major cotton producing countries like China jittery and acreage of cotton is expected to fall substantially.
- ❖ The American branch of the Hohenstein Institute has created a new textile testing method that allows manufacturers to evaluate the effects their fabrics may have on the people who wear them. Scientists at Hohenstein's Institute for Hygiene and Biotechnology have developed the ability to test a knitted fabric's interaction with living skin cells to indicate whether a fabric is likely to induce an allergic reaction or skin irritation in the wearer.
- ❖ India's textile exports in 2008-09 are expected to be close to \$22 billion. Shipments in 2007-08 were \$21.47 billion. A senior official in the Union Ministry of Textiles said that domestic demand for textiles and clothing continued to be significant and export orders were relatively dull.
- ❖ A delegation of Chinese textile standards officials - including Fang Xijiang, Director of the Standardization Institute of the China Textile Academy, and his colleagues studying US and Western standards used in textile and apparel manufacturing - recently visited the Rock Hill, S.C.-based North American headquarters and technology center of SDL Atlas - a provider of textile testing equipment, supplies, consumables and services.
- ❖ President Rahul Mehta, Clothing Manufacturers Association of India (CMAI) said global financial meltdown has affected the textile sector, especially on the exports front, though it has partially been cushioned by the weakening of the Indian rupee. For the first time, we have been pushed out of the list of top five exporting countries.
- ❖ During the last UPA regime, the textile industry attracted a total investment of Rs 1,04,506 crore in four years till March 2008. But a majority of this investment was through incentive schemes like Technology Up gradation Fund Scheme (TUFS), which provided interest subsidy on loans taken by firms, said Dayanidhi Maran, Union Minister of Textiles. He said the ministry will strive to retain the current \$22 billion textile exports next year, till there is revival in the US and EU markets.
- ❖ UK and German clothing retail sales significantly rebounded in May, thanks to a late and sunny eastern this year. Rising unemployment continued however taking its toll on clothing sales in France. The situation should relatively improve in the coming months in the EU, as consumer confidence slowly rises.◆