

Textile Briefs International

- ❖ The European Commission approved 800 million euros (\$1.1 billion) of public funding for the Spanish textile and clothing sector. The funds would promote research, exports, training and maintain aged workers in their jobs. After an in-depth investigation, the Commission is satisfied that the Spanish textile programme does not unduly distort competition in the single market.
- ❖ The Indian Industries Association (IIA), the micro, small and medium enterprises body, has urged the Uttar Pradesh government to set up a textile park in Farrukhabad district of the state. Farrukhabad is famous for textile printing and over the last 200 years has been a source of livelihood for local craftsmen.
- ❖ EU cotton denim imports significantly fell in the current year, reflecting a new decline in denim clothing production in Europe. Spanish imports of low-cost fabrics from Morocco, however rose while Tunisian shipments of higher-priced products fell heavily. Turkish suppliers continued to dominate a rapidly collapsing European market.
- ❖ China's textile and clothing sales were not affected by US and EU quotas, 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.
- ❖ Recently China Textile Industry Association released its annual report of "Social Responsibility of China's textile and garment industry from 2008 to 2009". The report says that the textile enterprises in China have been hardly hit by this round of financial crisis; widespread losses of the enterprises have caused more than 7.50 million textile workers in the state of job insecurity.
- ❖ The African Growth and Opportunity Act' (AGOA), the free trade pact with the US provides preferential access to Sub-Saharan countries in to US markets till 2015 and also has special provisions for exports of textiles and apparels. This act was enacted to help these African countries open their economies and build free markets in the region.
- ❖ US imports of cotton bed sheets strongly declined in the first quarter this year, partly due to a sharp fall in prices. Pakistan took advantage of the price pressure on the market for printed bed sheets while India gained market shares on the non-printed segment, although its exports fell to the United States. On the other hand China is seriously losing ground this year.
- ❖ The Indian Pollution Control Board (PCB) has recommended the closure of 10 textile dyeing units for violating pollution control rules. PCB sources said 70 textile dyeing and printing units were closed for violation of pollution control rules in Erode district two years back. Last year 11 industries were closed. Power connections were disconnected in some textile dyeing and printing factories for violation of Pollution Control Act, which were discharging their untreated effluent into water sources.
- ❖ According to latest Chinese survey in 17 provinces, the 49.2 % companies showed their intention to quit textile business and restart some other business. 27.3% companies said that the pressure of appreciation of Yuan is becoming unbearable. 44.4% have started selling export-oriented products. Investment in textile industries / business has been cut by 15.5% while profit margins are squeezing drastically. Two thirds of the surveyed companies admitted that their profit margins have reduced to 0.62%. It is worth mentioning that Chinese exports to US are completely free from all restrictions so its exports particularly of textile goods have increased since then while exports of other countries have shown negative growth.
- ❖ India's textile exports declined by about 2% in 2008-09 to US\$ 21.75 billion due to slump in demand from global economies like the US and Europe which are reeling under the impact of financial meltdown.
- ❖ The Japan Spinners' Association reported that the nation's imports of cotton yarn fell by 40% in May 2009, year-on-year to a historically low level of 16,812 bales. In addition to a decrease in domestic demand for cotton yarn caused by the recession, demand entered an off-season period. Imports from China dropped to 58%, along with those from Pakistan by 32% and India by 54%. Since Japanese cotton yarn production has also been moving at a low level, the fall in imports can be said to remarkably indicate a serious drop in domestic cotton yarn demand.
- ❖ According to the China National Bureau of Statistics, the profits of industrial enterprises (with an annual turnover of over 5 million yuan) decreased by 22.9% during January-May 2009 year-on-year to 850.2 billion yuan. Of this, the man-made fiber industry posted a 34.7% decline.
- ❖ Yarn prices may now decline in China, as a result of an expected fall in cotton and polyester fiber prices. Viscose yarn prices recently surged by contrast, after staple fiber prices sharply raised. Demand for yarns may however be now depressed by the seasonal decrease in domestic textile production while inventories have been replenished.
- ❖ Nisshinbo Textile Inc, Japan and the Indian textiles major, Vardhman Group will set up a joint venture company to manufacture shirts in Ludhiana in Punjab, India, which will be exported as well as sold in the domestic markets, with Nisshinbo looking after export markets and Vardhman, local markets. Nisshinbo is a world-class textile manufacturer, with comprehensive operations including spinning, weaving, knitting, finishing and sewing. ♦