BANGLADESH

Jute industry shows promising future

The higher demand for biodegradable jute goods points to a comeback of the golden days of the golden fibre in Bangladesh as people across the globe now opt for an eco-friendly lifestyle, with natural fibres gradually replacing synthetics.

The latest Export Promotion Bureau (EPB) data suggests that the world observed 2009 as the International Year of Natural Fibres. According to Bangladesh Economic News, Bangladesh exported jute goods worth $85.62 million in the July-September period beating the target set at $69.55 million for the three months, according to EPB. However raw jute missed the target at $38.27 million, fetching $36.01 million.

Khandakar Tariqul Emran, Managing Director of Artistic International, an export-oriented jute goods maker, said the demand for such products increased a lot both in the local and international markets. He said the government support for the small entrepreneurs can boost the sector, as orders from international buyers indicate a big demand for jute goods. Currently Bangladesh exports over thousand types of jute goods as the local manufacturers could develop diversified products for different uses.

The main export items are different types of bags, showpieces, sandals, wall-mats, handmade carpets, handicrafts, doormats, saris, jute-made fabrics, toys and essential things of kitchen.

70,000 bales of cotton output expected next season

The country is likely to see around 70,000 bales of cotton production in the 2010-11 seasons, as the Cotton Development Board (CDB) has planned to bring more lands under hybrid cotton cultivation, said CDB Executive Director Dewan Md Intajul Islam. He said the use of hybrid seeds would be raised by three times next year and more plain areas of Habiganj and the three hill districts would be brought under its cultivation.

He also hoped that they would be able to raise the cotton production to one lakh bales in the next five years by encouraging the farmers for using hybrid seeds. In the 2009-10 seasons, some 31,500 hectares of land were brought under cotton cultivation with a production target of 60,000 bales.

Of the total land, 289 hectares were brought under cultivation of two hybrid varieties-HSC-4 and DM-1. Around 3 tonnes to 3.5 tonnes of cotton are expected to be produced in each hectare (1 hectare=2.47 acres) compared to two tons from traditional CB-9.

In the 2008-09 seasons, some 32,600 hectares of land were brought under the cultivation from where 50,175 bales of cotton were harvested. In the current season, the farmers have started growing hybrid cotton after two local businesses houses-Supreme Seed Company and Lal Teer Seed-began marketing the Chinese variety of hybrid seeds.

The quality and market price of hybrid cotton is also higher-Tk 200 to Tk 300 -- than the traditional one. The hybrid cotton is now selling at Tk 1800 per maund, but, considering the demand of the country's textile industries, the local producers can meet 3% to 5% of the demand, as the textile sector needs to import around 35 lakh bales of cotton a year, which is around 95% to 97% of the total demand. The main raw cotton-importing countries are Chad, Mali, Sudan and Zimbabwe.

Bangladesh reports increase in demand for yarn

Demand for yarn is picking up in the market as the global economy is apparently bouncing back from the recession. The order flow slumped during January to July period but it has been gradually improving since then, said Bangladesh Textiles Mills Association (BTMA) chairman Abdul Hai Sarkar.

The price of yarn has also increased due to price hike of raw cotton, primary raw material for producing the industrial good. The main reason being the price of raw cotton going up from $1.30 per kg to over $1.7 per kg. The manufacturers import cotton from the US, India, Pakistan, CIS countries, West African Nations and Australia.

The millers have the capacity to fulfill the demand of the local market as the capacity now stands at 1.8 billion kg per year. The demand is picking up in the international market and the government should provide necessary support including sufficient gas and power supply, stable law and order situation and infrastructure.

Knitwear producers are the biggest buyers of yarn and millers also supply to cater the demand of local market. The government has recently announced 5% cash incentive on textile product export. Sri Lanka, Thailand, Italy, Portugal and Spain are prospective markets.

Home textile export slides

Bangladesh's home textile export in the first 4 months of the current fiscal year 2009-10 ending in June plunged 12.77% over that in the same period a year earlier as global recession hurt market in the developed counties.

According to statistics of Bangladesh's Export Promotion Bureau (EPB), the South Asian country fetched US $97.79 million from exports of home textile items like bed linen, kitchen curtain, mosquito nets, bed pad as well as furnishing fiber in the July-October period of 2009-10 fiscal year.

Sector insiders said demand for home textile items, which virtually constitutes products for domestic consumption, continued slide since severity of recession deepened in the developed markets in Europe and the United States.

Export of home textile products fell short of target by 12.50% in the July-October period of the current fiscal year. Jasim Uddin, a home textile exporter said demand for home textile items in the major global market still remained sluggish.

He said earning from export of home textiles will likely continue to dip in the next few months also as there is not ample orders in the hands of the local exporters. According to the EBB, Bangladesh earned US $313.51 million from export of home textile in the last 2008-09 fiscal year with a moderate 7.47% growth over that in 2007-08 fiscal years.

Exporters brace for tough time due to regional free trade treaty ASEAN

Bangladesh exporters fear tougher days ahead as India has signed free trade agreements (FTAs) with Southeast Asian nations and is expected to strike similar deals with European countries. Duty benefits from Asean (Association of Southeast Asian Nations) and the European Union enabled Bangladesh to fetch more than $12 billion from RMG exports last fiscal year, despite global recession.

Export Promotion Bureau data shows over half of last fiscal year's total $15 billion exports had been destined to the EU, Bangladesh's largest trade partner. In its latest move, India signed a free trade deal with Asean on August 13 in Bangkok, after six years of negotiations.

This pact for the regional free trade will come into effect from January 1010. Under India's FTA with Asean, tariffs will be eliminated for about 4,000 products (which include machinery and textiles) out of which, duties for 3,200 products will be reduced by December 2013. Duties on the remaining 800 products will be brought down to zero or near zero levels by December 2016.

Asean is India's fourth-largest trading partner after the EU, United States and China. Two-way trade between India and Asean stood at $47 billion in 2008. Both parties to the FTA are expecting a $10 billion increase in trade in the first year alone. The EU has expressed interest in concluding the process of negotiations with India by 2010.

CHINA

Jingzhou presents new revitalizing program for textile industry

Local government of Jingzhou recently promulgated a new Textile Industry Revitalizing Program to help boost the recovery of its local textile industry.

Jingzhou is one of the major cities of Hubei province and textile industry is its conventionally pillared industry in the sense of government tax income and employment issues. The new program encourages a further fixed asset investment of its local textile companies to expand its spinning capacity to two million spindles. Over 38 above-scale company programs with an estimated investment reaching up to 8.6 billion RMB would be finished by the end of 2011.

In the meantime, Jingzhou government will also be focusing on the construction of two major industry parks viz. Textile Industry Park located at its economic development zone and Qinhe knitting Apparel Park. In the year 2011, about one hundred dyeing and finishing lines would be finished and Qinhe knitting Apparel Park would witness an overall knitting dyeing capacity over 50 thousand tons. What is worth mentioning is that energy-saving and emission-reduction are always the highlighted points that all new programs are aiming at.

Source: China Textile Leader

Investments in Chinese textile industry

Investment in China's textile industry grew 8.71% year on year to reach RMB 219.8 billion in the first nine months of this year, said Xu Wenying, Vice Chairman of China Textile Industry Association.

In the period from January to September, 5,815 new projects kicked off construction, 21.5% more than the same period of last year. 3,418 projects completed construction during the period, up 74% from a year ago.

The exports value of textile products and garments fell 11% year on year to RMB 124.7 billion during the nine-month period. However, the exports value to Japan grew 1.6% from a year earlier.

In the first ten months of this year, the exports value in the textile industry fell 12.08% to US$ 131.2 billion, due to the decreasing demand during the economic downturn.

Jiangsu Province, the second largest exporter among Chinese provinces, saw the exports value of textile products and garments in the January-October, 2009 period fell 15.5% and 6.3% year on year to US$8.58 billion and US$13.66 billion, respectively.

Chinese textile machinery industry gradually gained momentum

The declining momentum of China textile machinery industry gradually improved slightly since the second half year of 2009. Both production and sales indicated negative growth; however, the growth magnitude is obviously retarded due to the recessed upstream market demand compared with the first half year of 2008. Annual meeting of national textile machinery industry recently held in Chongqing was attended by more than one hundred decision-makers from almost all major domestic textile machinery companies.

China textile machinery industry has realized a consolidated industrial output value 38.807 billion RMB for the first three quarters of 2009, increased by 2.21% year-on-year. Sales revenue has increased by 1.53%, reaching up to 38.742 billion RMB while as contrast to that, the sales profit has decreased 147 million RMB reaching 1.385 billion RMB. About $875 million dollars were exported, increased by 31.42%. Negative growth situation of textile machinery began to improve and recovery tendency gradually gained momentum.

Medium and high-end equipments are the primary market demand tendency since the beginning of this year. Chemical fiber machines, computerized flat knitting machines, rapier looms and warp knitting machines all have seen enlarged market demand. Energy-saving and emission-reduction dyeing and finishing equipments were also hailed by the upstream market. Stimulated by the national infrastructure-construction-reinforcement policy, nonwoven equipments also have seen phenomenal growth.

Mr. Gao Yong, President of China Textile Machinery Association pointed out that industry upgrade as well as structural adjustment and technical textiles developing are the two dominating marching directions of China textile industry in the near future. Textile machinery industry should be focusing more on these two underlined directions.

Textile machinery industry has seen almost double digits growth annually since after 1999 due to the ten million spindles growth each year. Yet the financial crisis in 2008 delivered a heavy blow to all manufacturing companies. Only 6.46 million spindles of spinning frames were sold last year, dropped by a striking 33% as contrast to last year and about five million spindles of spinning frames are estimated to be sold, which in Mr. Gao Yong's perspective, is a genuinely rational demand. He persisted that even if the all the impacts from the financial crisis disappeared, the ten-million-spindles-demand-per-year era would never return. Annual growth would maintain around five million spindles. China textile machinery industry is entering into a stage that industry upgrade and structural adjustment be carried out in solid practice.

Technical textile fibers proportion is expected to show an increase of 18% from the current 16%, which requires domestic textile machinery suppliers to be focusing on the R&D. Take nonwoven fabric equipments here for instance, combined and composite nonwoven fabric technology and wide-width nonwoven fabric manufacturing equipments are the primary R&D directions. In the mean time, development of green and environmental-friendly equipments should also be expedited. (source:CTL)

INDIA

Hometextile exports increase by 20%

Over the past couple of months, home textile exporters are witnessing a 15%-20% jump in their volumes from the US and the EU. These markets typically offer higher profit margins.

India has emerged as the second-largest supplier to these markets after China. The home textile business consists of bed and bath linen, curtains, towels and mats. The US and Europe are the biggest export markets for Indian companies as they ship over 80% of their home textile products to these markets. Following the surge in demand, large players, such as Welspun India, Alok Industries, Abhishek Industries, say their order books are full for the next year.

The recent global meltdown has led to many home furnishing manufacturing units across Europe and the US shutting shop. That has now improved with some revival ahead of Christmas and the New Year. The global home textile business, which is estimated to be worth $10 billion, is expected to grow to $23 billion by 2010.

According to Welspun India, the country's largest exporter of home textile, its order book has grown significantly. The demand from the West has increased by around 30% as compared to last year. Buyers' renewed focus on inventories and a cut on anti-dumping duty by the EU have supported the local exporters, said Akhil Jindal, Director of Welspun Group.

Alok Industries, the country's second-largest exporter, has seen a sales growth of 47% to Rs 3.12 billion in the home textile business for the first half of the current fiscal, as compared to Rs 2.12 billion for the same period last year. The company says its order book is full for next 8-10 months. On account of lower material and labour costs, countries such as India, China, Pakistan, Bangladesh and Sri Lanka are scoring over their counterparts in the West.

Textiles sector on revival path

Thiru. Dayanidhi Maran, Union Minister of Textiles said that textiles sector has started showing sign of revival with increase in investment, production, employment and exports. The production of fibre, yarn and cloth has shown a positive growth during April to December, 2009. The production of cloth increased by 10.8%, man-made fibre and yarn production grew by 21.3% and 11.8%, respectively, and the total spun yarn production increased by 5.1% during the period.

The second quarter of the current fiscal saw a strong revival in sales growth, and weaving companies posted a sales growth of 19.7%, spinning industry 8.9%, man-made fibre industry 15.7% and readymade garments industry 14.2%.

The Sector witnessed a favourable investment climate since last quarter of last fiscal and weaving companies announced 5 new projects with an investment of Rs. 144 crore while the spinning industry announced 20 new projects worth Rs. 257 crore. The revivals in demand had led to an addition of 3.18 lakh employees during second quarter of the fiscal; this is in contrast to the displacement of 1.54 lakh employees in the previous quarter.

The Minister further added that India's overall textiles exports (excluding garments) during April-June 2009 fell by 21.8% and the sign of revival were seen during the July 2009 with an increase of 2.92%. The apparel export sector has also shown signs of revival after falling y-o-y for eight months in a row, the value of India's apparel exports to the US grew in September 2009.

About 60% of Indian exports of textiles and over 70% of clothing are to USA and EU 27 markets, and there is an urgent need to broaden product mix and explore new markets, while maintaining and increasing Indian textiles and clothing (T&C) share in core markets through product innovation and diversification.

Apparel makers eye China for low cost fabrics

The Chinese Yuan seemingly pegged to the falling US dollar is helping Indian apparel companies find inputs for the products at bargain prices.

With order books looking up this year, apparel companies were confident of increased profit margins for the upcoming season. However, the steady rise of the rupee during the last few months has led them to think about saving input cost by importing fabric from China.

At the moment, exporters are holding orders, but negotiating price for new orders to be executed in the next few months will become difficult, said J N Hinduja, Chairman of Gokaldas Images. While the rupee was weakening, Indian textiles became cheaper so we could source fabrics from within the country, but in the present situation, exporters are exploring the option of sourcing fabrics from China which is 5%-10% lower than the Indian rates.

For the apparel industry, nearly 60% of its selling price is cost of the fabric. Industry estimates show that close to 60% of the apparel trade sourcing consists of cotton whereas rest comprises of synthetic fibres of which polyester takes a sizeable share.

Textile export grows 8% in November 2009

India's textile exports grew 8% in November following a surge in demand from Europe and new markets in Africa and Latin American countries, said Rita Menon, the Textiles Secretary.

Exports grew by over 11% during first two quarters of last fiscal, but started falling during the third and the concluding quarter with a decline of 10% at $20 billion in wake of the global slowdown. The rise was because of a recovery in demand in Europe, Africa and Latin America. Europe and the US are the two markets which account for 35% of India's textile exports. However, India's textile exports have not picked up in US substantially.

MMF fabric sector expects support from next budget

The man-made fibre (MMF) fabric industry is expecting a supportive budget for year 2010-11 after witnessing falling demand in the domestic markets. The Federation of Indian Art Silk Weaving Industry (FIASWI) proposed various policy measures for Indian textile industry, in the pre-budget recommendations to Union Textile Ministry, by considering the statutory and legal framework arising out of India's commitment to World Trade Organization (WTO).

In a bid to provide level playing field to the manufacturers of man-made fabric in Surat and other power-loom centres across the country, Chairman Mr. Arun Jariwala urged government to implement uniform excise duty of 4% on all types of yarn, fabrics and garments. He also recommended that, yarn from man-made fibres should be exempted from the 4% excise duty as cotton yarn does not attract any mandatory duty.

Specific duty on cheap imported fabric should be continued in order to protect the decentralized power-loom sector, as this sector contributes 92% to production of man-made fabrics, and offers direct and indirect employment to more than 10 million people. Only 22% of the total man-made fabric produced in India is shipped overseas, whereas cotton fabric export accounts for 35% of its overall production. A special arrangement should be made to encompass man-made fabric and garments into focus scheme with added benefits under the duty draw back scheme, demanded the industry leaders.

Moreover, demands have also been made to impose 4% excise duty on textile machinery, spare parts, imported machinery, and uniform custom duty of 30% on silk yarn and cloth import, as well as to implement goods and service tax (GST) after two years.

SRI LANKA

Human rights record could cost textile concession

Thousands of jobs in Sri Lanka's crucial textile industry are under threat following a European Union (EU) report over alleged human rights abuses and the failure to implement human rights conventions in the country. As a result, a key trade concession worth more than US$100 million could be withdrawn, EU officials suggest.

On 19 October, the EU released an investigative report examining whether Sri Lanka should continue receiving tariff concessions known as the Generalized System of Preference Plus (GSP+).

The report refers to the lack of freedom of movement of civilians in camps: Serious restrictions have been placed on freedom of movement, notably concerning the thousands of persons interned in IDP camps. According to the report, the Sri Lankan government was in breach of implementing the International Covenant on Civil and Political Rights, the Convention against Torture and the Convention on the Rights of the Child.

The EU was the single largest importer of Sri Lankan apparel products in 2008, with trade worth $1.6 billion, and the GSP+ tariff concession helped to make the EU its biggest market, surpassing the US, according to the World Bank's latest Economic Update. If the facility is suspended, it could raise the cost of the exports by 10%-12%.

The report comes amid growing international pressure on the government to allow thousands of Tamil civilians being kept in closed camps in the north to return home.

Focus on textile and fashion design

Considerable attention will be paid towards promoting textile and fashion designing studies in Sri Lanka as it has become one of the prominent employment generating sectors global, said Higher Education Minister Prof. Wiswa Warnapala.

He said that a separate faculty for textile and fashion design will be established in the University of Moratuwa shortly. He has also focused attention towards establishing fashion and textile Departments in Kandy, Colombo and Galle at the Sri Lanka Institute of Advanced Technical Education (SLIATEs). A massive demand prevails for textile and fashion design at the global level. The assistance of the London College of Fashion will be obtained to develop the textile and fashion designing in Sri Lanka to meet the global demand.

The SLIATE education system will be further developed according to current technical advancement. The World Bank's "Higher Education for the 21st century" (HETC) has agreed to fund the SLIATE projects in Sri Lanka.

TURKEY

Country expects US $111 billion of exports in 2010

Turkey's exports are expected to reach some US $111 billion in 2010, said Turkish Exporters Assembly (TİM) President Mehmet Büyükekşi. As signs of recovery from the recent global financial crisis have become obvious in the last quarter of the year, exporters feel more optimistic about the year ahead.

Turkey's major exports items are apparel and clothing accessories, iron and steel, pearls and precious stones, tobacco, mineral fuels and cotton.

The major export partners of the country are Germany, the United States, Britain, France and Italy. Buyukeksi also underlined the importance of the African, Latin American and Far Eastern markets.

The largest industrial sector is textiles and clothing, which accounts for one-third of industrial employment. However, it faces stiff competition in international markets with the end of the global quota system.

Ismail Gulle, Chairperson of Istanbul Textile and Raw Materials Exporters Assembly, said that the textile industry forecast a 15% rise in 2010. The textile industry might export products worth US $6 billion at the end of 2010.

Istanbul Textile and Raw Materials Exporters' Union (THB) Chairman Ismail Gülle said they expect the textile sector's exports to increase by about 15% in 2010, indicating deferred demand and depleted stocks as the driving forces behind this rise.

The textile sector might achieve $6 billion to $6.5 billion in exports by the end of 2010 by exporting $500 million in goods per month. Turkey earned US $83.1 billion from its exports in the first 11 months of 2009.

High increase in country's textile exports to Russia

The textile industry has been among those severely hit by the global economic crisis. In line with that fact, the industry ended last year with a contraction of 25%. The industry's total export for the year was worth $77 million.

Despite the general downward trend in the industry, its exports to Russia rose 169% last year when compared to the previous year. The industry's exports to Russia skyrocketed in 2009, making the country Turkey's sixth-largest customer, said Azize Kalkavan, Chairwoman of the Antalya Textile Exporters Union. In terms of overall trade volume, Russia ranked 15th among countries importing from Turkey. Turkish textile companies' exports to Russia totalled to $4 million in 2009.

She said Germany kept its lead as Turkey's biggest textile importer in 2009. Germany's textile imports from Turkey amounted to almost $19 million last year. France was the runner up in the list of countries Turkish textile companies exported to the most. France's textile exports from Turkey totalled $8.5 million. France was followed by the United Kingdom with $7.5 million.

Regarding possible reasons for the increase in Turkey's textile exports to Russia, she said that the Russian market had shown great improvement in the last few years, which reflects not only on its textile industry but on many other industries as well.

UGANDA

Government to revive textile industry

The government has earmarked $250 million to revive the textile and clothing industry, said Henry Kajura the second Deputy Prime Minister.

He said that the fund would support where necessary including but not limited to the improvement of the business environment and strengthening of the textile and technology support institutions.

Ministry of agriculture through the Cotton Development Organization is promoting the growth of quality cotton which will essentially ensure the sustainability of raw material.

Kajura was launching the National Textile Policy at the Imperial Royale Hotel in Kampala. The policy seeks to create a competent and sustainable textile and clothing industry through value chains. It also emphasizes infrastructure, human resource development, technology and procurement in addition to addressing the cost of doing business in the COMESA region. The government has a keen interest in the textile industry, which significantly declined during the dark era of political uncertainty.

Cotton growers will benefit by increasing production capacity and acreage, and will bargain for higher prices due to many textile industries. The policy shall be implemented on the basis of an effective and efficient public-private partnership.

VIETNAM

Garment and textile export targets set over US$10 billion

Vietnam's garment and textile sector have set a target of earning more than US$10 billion from its exports by 2010, up 12% compared to 2009's figure, according to the Chairman of the Vietnam Garment and Textile Group (Vinatex) Le Quoc An.

The sector fully expects to reach this target as orders for garment and textiles from its two major markets the US and the European Union have picked up recently. Almost every business in the group signed contracts for the first two quarters of 2010. So far, the sector's export turnover has reached around US$9.1 billion, equivalent to last year's figure.

Exports to the US make a new breakthrough

Trade with the US in 2009 experienced numerous difficulties due to the global financial crisis. The demand for goods from the US fell sharply, resulting in a substantial reduction in the export revenue of many countries that exported goods to the US. However, Vietnam's exports to the US market remained stable, said Ngo Van Thoan, Vietnam's Trade Counsellor to the US.

In 2009, the volume of US imports dropped by around 30%, and the export turnover of countries which exported to the US also fell considerably, such as Germany, by 37%, Japan, by 34%, and Canada, by 32%. Currently, Vietnam has three major products such as garment and textiles, footwear and furniture products. The country's garment and textiles products exported to the US market earned approximately US$4.8 billion in the first ten months of 2009. This figure is expected to reach US$5.2 billion by the end of this year, ranking second after China.◆