



AUSTRALIA

Government backs down on army uniforms made in China

The Australian Department of Defence backed down from a proposal to allow the material for the uniform worn by Australian soldiers to be made in China. The government's order for army uniforms to be made by a company in China has created a public backlash in Australia.

The high-tech material for the uniforms, which are also worn by the elite SAS troops, is currently made in Australia. The uniform is made to specifications that are monitored closely by Defence officials. The company in China has had difficulty in meeting the specifications required by the Defence Department.

Classer shortage could affect wool prices

Western Australian woolclasser registrations have dropped by 25% compared to this time last year. It's the lowest rate of re-registration for the entire country, and the Australian Wool Exchange has warned it could affect the price producers receive for their wool by up to \$1.50 per kilo.

Wool Exchange Chief Executive Mark Grave said that wool presented for sale that hasn't been classed attracts much less buyer interest than wool classed by a registered classer. He said the drop in numbers has affected both the professional and owner classer ranks.

Western Australia had over 3200 wool classers. Currently there are registered about 2,500 and the concern is, once the new season of shearing, there are enough qualified wool classers to ensure that the clip is well prepared.

Wool prices rising in US\$ and Euro terms

Wool prices significantly climbed in US\$ terms in Australia, reflecting very good demand despite the sharp decrease in the American currency. The strength in the euro stimulated demand from Europe which is expected continuing with sales of excellent qualities at Newcastle.

A rebound in the Australian dollar compared with the U.S. dollar did not depress demand, far from it. As a consequence, the Eastern Market Indicator

(EMI) gained 3.2% in US\$ terms or 24 cents at 769 cents. US\$ prices are still below their level two months ago.

Euro prices were slightly up in first week of February with the Australian dollar declining against the European currency. Demand was not depressed by prospect of larger offer in the near future when sales of fine and super fine wool will be held in Newcastle, again attracting very good demand from Italy.



BANGLADESH

Clothing show starts in UK on May 28

In order to promote Bangladeshi garment in Europe, GenX UK Ltd is going to organise a two-day Bangladeshi clothing show from May 28, 2010 at Hilton London Metropole in Central London. The show aims to enhance the trade and investment relationship between Bangladesh and European countries that will let the exhibitors do face-to-face target marketing for Bangladeshi and EU companies to explore new markets and establishing potential sales leads.

It will also work to prove the efficiency and competence of human resources in Bangladesh and show the evidence of product and service quality of Bangladesh, which is second to none.

Many participants from the ready-made garments sector, textile producers, knitwear manufacturers, garments agencies, exporters, fashion houses and logistic companies will take part in the event.

Wal-Mart moves to groom women RMG workers

The Wal-Mart Foundation and CARE have launched a programme in Bangladesh to give skills and literacy training to 2,500 women garment workers to improve their living standards and work environment, said Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The Wal-Mart move will indirectly benefit the families, and communities, of these workers, and will likely positively impact an additional 12,500 to 15,000 people in Bangladesh.

Under the programme, selected factories will host learning centres to provide education and awareness sessions focused on specific issues of concern to female

Jul-Dec period feels impacts of recession

Bangladesh Export Promotion Bureau (EPB) data show that knitwear earnings were 7.18% lower in the July-December period in fiscal 2009-10 than in the same period a year earlier, while exports of woven items slipped 7.95%.

The amount fetched from knit exports in the first six months of this financial year came down to \$3.00 billion from \$3.24 billion in the same time the previous year. Woven garments earned \$2.58 billion, dropping from \$2.80 billion in the period a year ago.

Meantime, a drop in export earnings from the US, Bangladesh's largest export destination, coincides with the overall decline in such earnings. During July-December, the country's exports to US reached \$1.72 billion from \$2.06 billion last fiscal year, showing a 16.59% drop. Sector people said the price-drop in the US market, a result of an economic contraction there, is the main reason behind the fall in Bangladesh exports. However, industry insiders see a rise in exports to the US in terms of volume during the period.

Abdus Salam Murshedy, President of Bangladesh Garment Manufacturers and Exporters Association, said the country's export earning declined at a time when neighbouring India and China were posting export growth. In addition to the global financial crisis, he also blamed the erratic supply of power and gas for a decline in apparel exports.

workers in and around their workplace, including maternal and child health, nutrition, and hygiene and sanitation practices. The women workers will also receive education to improve their reading, writing and math skills.

Technical training will focus on providing the workers with design, sewing, equipment handling and other relevant on-the-job skills.

By one estimate, 30% of Bangladesh's garment exports to the US go to Wal-Mart, the world's largest retail chain. The US is the single largest importer of Bangladeshi garments. At present Wal-Mart operates in 15 countries at more than 8,424 retail units under 53 different banners.

Jute export ban sees limited waiver

The government has decided to withdraw restriction on raw jute export for some time under some conditions. Raw jute export will be allowed for those who have already opened L/C (letter of credit). However, the export will face embargo again after this limited waiver.

The government imposed a ban on export of raw jute in December, 2009 to ensure smooth supply of the natural fibre to local mills. Bangladesh's raw jute production is estimated to be 55 lakh bales this year. Domestic demand for raw jute is around 35 lakh bales.



CAMBODIA

Garment export drops to US \$2.6 billion in 2009

The total value of garment, textiles and shoes exported last year dropped to US \$2.6 billion compared with US \$3.1 billion in 2008 as a result of global financial downturn, according to the figures of Commerce Ministry.

It said the total exports to the United States, which is Cambodia's biggest garment market, reached US \$1.5 billion last year, down from US \$1.9 billion in 2008.

The country's Garment Manufacturers Association of Cambodia (GMAC) officials would not see the industry to pick up this year. Kaing Monika, GMAC's spokesman, said the international financial crisis has greatly the garment exports to the U.S. market. The products exported to the EU also dropped to US \$718 million last year from US \$786 million in 2008.

The total value of exports to Canada also lowered to US \$190 million in 2009 from US \$202 million in 2008. Exporting of the products to Japan and other Asian countries increased to US \$233 million last year from US \$178 million in 2008.



CHINA

HIMFR analyzes 2010 textile industry situation

HIMFR one of China's leading search industry websites analyses 2010 textile industry situation. China's textile industry exports in 2009 declined significantly. HIMFR predicts that in 2010, the textile industry's export growth will remain sluggish.

According to statistics in 2009, China's textile and apparel exports amounted to US \$171 billion, down 9.6%. The first 10 months of industry exports continued at a low, hovering around 11%, while exports fell in November, with the narrow margin of 1.5%, the recovery rate was slower.

Despite the decline in exports, HIMFR expects that China's textile industry in international competitiveness will continue to strengthen, and in the international market share it will continue to rise. According to relevant statistics, in 2009, China's exports of textile and apparel in the U.S. share of total imports reached 40.22% compared with same period of last year, an increase of 5%. In Japan, the share of total imports reached 78.54%, which over the same period of last year increased 1.77%.

The textile industry has achieved encouraging progress, but with the international market demand and the impact of the slow pace of recovery in 2010, China's textile industry's export growth momentum is still limited. In 2010, with the international market demand conditions gradually improved, China's export of the textile industry will end the financial crisis situation and gradually restore growth trend.

Textile industry sees value-added output rise 9.1% in 2009

The value-added output of China's textile industry increased 9.1% year on year in 2009, according to Ministry of Industry and Information Technology. The country's export delivery value of textile products fell 3% from a year earlier last year. The output of yarn increased 12.7% year on year to 24.06 million tonnes, while that of cloth grew 5.3% to 56.8 billion meters.

The country's garment production recorded a 6.9% year-on-year increase in 2009, reaching 23.75 billion units. During the year 2009, the textile industry earned a combined net profit RMB 130.7 billion, up 25.4% from the last year.

Textile and garment exports up 2.2% in January 2010

The export value of textiles and garments in China reached US\$15.57 billion last month, up 2.2% from the same month of last year, according to statistics from China's General Administration of Customs.

The export value of textile products surged 18.2% year on year to US\$5.58 billion, while that of garments and accessories fell 5% from a year ago to US\$9.99 billion. The value of shoe exports rose to US\$2.93 billion, increasing 1.4% year on year.

In December 2009, the export value of Chinese textile and garment products grew 4.48%, with exports to the U.S. increasing 27% from the same period of the previous year.

Demand for expensive US PP to dwindle sharply in 2010

China looks set to import significantly less volume of US polypropylene (PP) this year as values of the material soared due to high feedstock costs. US-made PP had become too expensive for China. PP is a commodity resin used in a wide variety of applications, including packaging and textiles.

China imported around 493,381 tonnes of homopolymer grade PP in 2009, about four times more than the 117,673 tonnes imported in the preceding year, according to China Customs data.

The fiscal stimulus package of the Chinese government propelled the country's strong demand for PP, which the US tried to satiate as demand from its domestic market was at a lull last year. But this year, this trend may not hold as US PP prices surged on the back of tight supply and strong values of feedstock propylene, said industry sources.

US PP injection and yarn grade prices have surged 115% on average from 9 January to 70 US cents/lb in the week ending 19 March 2010.

US PP and propylene supply is tight because the local refineries and crackers are running at below 80% capacity due to high crude values.

PP supply is tight also because US crackers prefer natural gas which is much cheaper than crude now, which means more ethylene than propylene is produced, and hence less feedstock available for PP production. Asian PP is currently priced lower than the US material.

There are very few firm offers for US PP in the market now, but selling ideas for PP injection and yarn grades are above \$1,400/tonne CFR China, and buyers don't accept such levels now," one of the international traders said. Trader said rising US-China freight rate is also making it increasingly difficult to make US export work in China estimating the US-China freight at around \$80/tonne.



Textile and clothing market contracted sharply in the EU

Textile and clothing output fell sharply in the EU in the first six months of 2009, and declined at double digit rates in almost all member states for which data are available.

The falls reflected declining export demand for EU-made goods as well as falling domestic sales as a result of the global economic crisis and recession in many countries.

Total exports to countries outside the EU were 17.9% lower, with sales of textiles down by 20.4% and clothing by 14.9%. Within the EU, Italy was the largest textile exporter, followed closely by Germany.

The largest destination for EU textile exports was the USA, followed by Tunisia and Turkey. Italy was also the biggest exporter of clothing, followed at some distance by Germany and France.

The largest destination for EU clothing exports was Switzerland, followed by Russia and the USA.

Imports also fell significantly as EU consumer spending weakened, and retailers and distributors cut back on inventories.

The fall also reflected weaker demand for raw materials as activity in the textile and clothing industry was curtailed.

Total EU textile and clothing imports were down by 8.5% in value, reflecting a 12.7% fall in internal trade, although imports from outside the EU were down by only 3.5%. Of the total, textile imports from outside the EU fell in value by 18.2%.

Clothing imports from outside the EU, on the other hand, rose in value by 2.3% but fell in volume by 7.7%, reflecting a rise in the average import price.

The leading external supplier of textiles was China, followed by Turkey and India. In clothing, the leading supplier was China followed by Turkey, Bangladesh and India.

Many suppliers increased their prices in order to maintain or raise their revenues in the face of falling order volumes.

Only two of the EU's 20 leading clothing suppliers increased their deliveries in volume terms—namely India and the USA—but nine increased their value.



Textiles and apparel will play key role in Haiti recovery

As the massive relief efforts in Haiti move forward, U.S. textile and apparel manufacturers and retailers will be playing a major role in that nation's immediate and long-range recovery.

Prior to the devastating January 12th earthquake, apparel manufacturing was one of Haiti's most important industries, employing some 25,000 workers and accounting for more than three-quarters of the nation's export earnings, with 82% of the exports going to the United States. The National Retail Federation (NRF) estimates that as a result of the earthquake, Haiti's apparel industry is operating at only 50%, and it expects it will take several weeks for repairs and water and electricity to be restored and pave the way for a gradual restoration of production.

In an effort to support the relief effort and long-term assistance, the American Apparel and Footwear Association (AAFA) have created a Haiti-AAFA Recovery and Reconstruction Team (HARRT) to assess recovery needs and help with reconstruction planning.

AAFA says the mission of HARRT is to ensure the apparel and footwear industries "play a responsible and proactive role in Haiti's overall recovery." The recovery task force will assist the Haitian apparel and footwear industry in addressing infrastructure problems, factory capacity levels, workforce training and sourcing patterns.



Textile companies see no big gains from Budget

As the Union Budget nears, the textile industry is losing hope of any favorable moves. Although the \$62-billion Indian textile industry knocked at the doors of the Union Finance Minister well in time to present him with a list of demands, it expects a negative budget from Pranab Mukherjee. The sector, which survived the financial crisis, is hoping to clock a 10% growth in 2010-11. However, it expects incentives from the government to keep the momentum going.

However, with the government's primary focus being incentives for the social sector, the textile sector does not expect

any major steps in Budget 2010-11. While something may come its way under the technology upgradation fund scheme (TUFS), other demands are likely to be ignored, industry players, said Union Textiles Minister Dayanidhi Maran.

Awaiting Rs 4,500 crore to be disbursed to the industry under TUFS, the textile players believe that this could be the only demand which could get fulfilled in the Budget. The Confederation of Indian Textile Industry has sought Rs 1,500 crore to clear the backlog of 2009-10 and an additional amount of Rs 3,000 crore for 2010-11.

Country not to curb cotton exports despite price rise

India will not curb exports of cotton despite a surge in domestic prices that has undermined margins of textile makers still recovering from the financial crisis, said A B Joshi, Textile Commissioner and Chairman of Cotton Advisory Board (CAB). Textile trade groups have been demanding restrictions on cotton exports since the beginning of the year in October.

The world's second biggest producer exported 2.79 million bales of 170 kg each in the first four months, up 245% compared to the corresponding period a year ago.

Major cotton importing countries for raw cotton in the cotton season 2009-10 are China, Bangladesh, Pakistan, Indonesia, Vietnam, Turkey, Taiwan and Vietnam. The industry is expecting an active demand from neighbouring countries to continue during rest of the year.

Trade associations estimate annual exports of the fibre could hit 7 million bales, though Joshi maintained that India's annual export target of 5.5 million bales, set at the beginning of the season, has not yet been revised.

Indian exports are driven by a recovery in global consumption led by major importer China, where mill consumption may rise 15% according to International Cotton Advisory Committee.

India exported only 3.5 million bales in 2008-09, sharply lower than 8.5 million bales exported a year before, as the government increased support prices by 40%, affecting the country's lower price advantage. The south Asian country is likely to harvest 30 million bales of cotton in 2009-10, up from 29 million bales produced last year.

Tamil Naidu to unveil new textile policy

The State government will soon announce a new textile policy as part of its efforts to promote investment and facilitate employment creation in the textile sector in Tamil Nadu,, said Chief Minister M Karunanidhi.

He said Tamil Nadu was the only State with a complete textile chain including spinning and weaving capacities besides accounting for 75% of the knitted garment production. Government had taken a number of initiatives realising the importance of the textile sector including sales tax on hank yarn was abolished helping 6 lakh handloom weavers.

The sale of cotton by the Cotton Corporation of India has been exempted from VAT. TN government was the first in the country to pay premium on behalf of handloom weavers for their health insurance. To protect the welfare of handloom and power loom workers and their families, welfare boards were set up.

Free power supply is being made to handloom weavers (100 units) and power loom weavers (500 weavers) on a bi-monthly basis. The scheme of free distribution of dhotis and saris implemented at a cost of Rs 300 crore provides employment to 20,000 persons in power looms and 15,000 in handlooms every year.

Textile sector demands enhanced TUFs funds

The textile industry of India has demanded more funds under the Technology Up-gradation Fund Scheme (TUFs), and removal of taxes on man-made fibres to gain more competitiveness and increase domestic consumption. The government had allocated Rs.31.4 billion for TUFs in the last budget. The Confederation of Indian Textile Industry (CITI) has asked for Rs.20 billion for the TUFs backlog in the year 2009-10 and Rs.30 billion for next fiscal year.

During 2008-09, the industry had suffered drastically due to the impact of global financial meltdown, but started witnessing revival in last 2-3 quarters. The major textile companies, including, Alok Industries, Raymond and Century Textiles & Industries Ltd. recorded higher businesses during October-December, 2009.

In the last annual budget, excise duty on man-made fibres was hiked, from 4% to 8%. The industry also seeks the exemption of liquid fuels, used for captive power generation by the textile and clothing units, from taxes in order to cut energy costs, said Mr. DK Nair, Secretary General of CITI. Moreover, an export credit at a uniform rate of 5% interest to the textile and apparel units has also been demanded by the industry entrepreneurs. At present, these units are enjoying export credit at 8% interest.

Textile sector, the trend-setter for whole industry

The textile industry, which witnessed positive growth in exports in the last quarter, has been a 'trend-setter' for the whole industry in the midst of the recession, said Union Minister of Textiles, Dayanidhi Maran.

He said that every other sector was suffering from recession but textile sector has been the first one showing positive trend.

He underlined that the European economy is showing resurgence which would help the Indian textile sector to sustain. Germany has shown a positive growth and we are quite confident that the steps taken by the European Union are all positive. In the first two quarters of fiscal 2009-10 we were witnessing a minus 15% growth. It has been only in the third and fourth quarter of 2009-10 the growth became positive, but overall, it won't be very good, but year-on-year it will be a positive trend.

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Textile exports see recovery

Textile exports to the major European and other global markets are likely to witness further recovery, as the worst period for textile exports is over, said the Textile Minister Mr. Dayanidhi Maran.

He said textile exporters are receiving new orders from US and European buyers as the stores are almost running out of stock. Following an average drop of 15% during April-November 2009, textile exports witnessed a 5% growth in the month of December and of 7% in January, 2010 and expected that the increasing trend of exports will continue. In fiscal 2008-09, these exports plummeted by around 2% to \$21.75 billion compared to that of fiscal 2007-08 owing to less demand from western markets.

Confederation of Indian Textile Industry estimates showed that thousands of units in the industry, which employs about 35 million people, closed their shutters leaving 700,000 workers without jobs in 2008-09.

Union budget to continue incentives for textile sector

Amid speculation of partial withdrawal of stimulus in the coming budget, Textiles Minister Dayanidhi Maran urged the government to continue the incentives for some more time as the sector is to fully recover from losses. India's textile sector reported 5% growth in December 2009 and 7% growth this January after registering an average decline of 15% during April-November 2009.

The sector, employing about 35 million people, had left thousands of units shut and about 700,000 job losses in 2008-09. This had resulted in decline in India's textile exports by nearly 2% at \$21.75 billion (Rs.1.08 lakh crore) in 2008-09, compared to 2007-08, due to lower demand from Western markets following the economic slowdown worldwide in 2008.

The textile sector currently gets incentives in the form of subsidies on bank loans and duty cuts besides refunds on service tax and import duties on capital goods. Also cluster development of textile units is part of the incentives being offered to the industry.

Finance Secretary Ashok Chawla said that there won't be any further fiscal stimulus for the textile sector as exports

are growing and domestic demand is strong. Exports mainly to the developed countries have improved as they are coming out of recession.

A top Finance Ministry official said IANS that textiles exporters were doing good business with the United States and other European markets. The government expects the textile sector to grow positively in the next fiscal.

Expectations of Tirupur exporters

Tirupur's knitwear industry is well on target to a strong export growth, but for the industries behind the scenes going has not been all that easy.

Dyeing is the backbone of any textile unit, but the 700 odd dyeing units in Tirupur which feed to the over Rs 16,000 crore knitwear industry have been facing real tough times because of environmental concerns, said Subramanian, MD of Habasit Iakoka.

New environmental regulations meant the dyeing units had to migrate to a zero discharge system. The government proposed effluent treatment plants on a public private partnership model with the Central government and State government sponsoring 75% of the total expenses.

But while the dyeing units invested over Rs 10,00 crore to set up 20 effluent plants, the government is still to make its contribution and these micro and small units are now staring at a debt of over Rs 600 crore.

Almost all small and medium enterprises were hit real hard because of economic slowdown, but the recovery has been smart.

Iakoka said budget hopefully will tighten the NREGA employment norms, because good times are here and if government does this, we will show them how fast we can grow. So, good times are back in one of the biggest industrial hubs of the country and while the businesses here wait with baited breath for the Budget.



NIGERIA

Country provide rebate on gas prices - Textile sector

The Nigerian Textile Manufacturers Association (NTMA) demanded the implementation of 50% rebate on the prices of gas, which the government had

promised last year, in order to cut down the production cost, said Mr. Jaiyeola Olanrewaju, Director-General. The NTMA made this demand in a press conference and highlight the situation of textile industry.

In order to offer more competence to domestically produced products, some concession should be offered by the government to the manufacturers who use petroleum products like automotive gas oil (diesel), gas, and low pour fuel oil, as inputs.

Along with the rebate on gas prices, the association also called on the government to implement five-year tax rebate 5% to 10% reduction of the customs duty on imported raw materials, as per its last years' promise.

Only offering funds cannot be the only measure to tackle industry issues, as increasing rate of smuggling and counterfeiting of products are the major stumbling blocks of the textile industry.

Around 85% of the textile items available in the local market are smuggled and fake items. China-made wax print fabrics are counterfeited with trade marks of Nigerian manufacturers. Uneven power supply is another hurdle for the industry and cost of power supplied to the manufacturers in Nigeria is relatively higher than that of other countries.



THAILAND

Thailand and Japan partnership for developing fabrics for export

The Thai textile and apparel industry is very enthusiastic about enhancing its export capability in response to rising competition and expanding trade opportunities raised by effective FTAs. A part of this move, the project "Textile and Apparel Development for Export to Japan under JTEPA Framework" run by The National Federation of Thai Textile Industries is making good progress, with many new and innovative developments in the textile and apparel industry to be on display at BIFFandBIL 2010 in April this year.

Mr. Dej Pathanasetpong, Chairman of the National Federation of Thai Textile Industries, said under the Japan-Thailand Economic Partnership Agreement, or JTEPA, this project is mostly funded by Japan's Ministry of Economy of Trade and Industry (METI) who has sent spe-

cialists to advise participating Thai manufacturers on marketing strategy, opportunity, strengths and weaknesses, fashion trends and manufacturing techniques.

The bilateral collaboration has enabled Thai manufacturers to acquire profound understanding of the Japanese market requirements, and to deliver export products exactly tailored to seasons, target consumers, and expected Japanese standards involving colour, material, design, as well as look and feel.

Fashion exports to surpass 9% in 2010

According to the Department of Export Promotion (DEP), Thai fashion exports are expected to surpass US\$20 billion in 2010, up 9%-13% from 2009. A major contribution to this positive growth figure is that the government and private sectors are dynamically joining forces to extend competitive advantages and promote sustainable development in the Thai fashion industry on its course to stand out as ASEAN's fashion centre.

Mrs. Srirat Rastapana, Director General of Department of Export Promotion, Ministry of Commerce, said that Thailand earned US\$ 17.628 billion from fashion exports in 2009, a moderate increase of 2.24% from 2008. These include US\$ 6.443 billion from the textile sector, which experienced a 10.5% negative growth rate; US\$ 2.961 billion from garments, down 15.53 from the previous year;

She said despite export slowdown in 2009 due to global economic uncertainties, coupled with a decline in purchasing power of major import markets like the US and Japan, Thai fashion exports in 2010 appear to be very promising indeed as the world's economy is showing signs of recovery.

The fashion export projection for 2010 is US\$ 20.315 – US\$ 20.999 billion, or 9%-13% growth. The textile sector is expected to earn US\$ 7.058 – US\$ 7.205 billion, up 10-12% from 2009. Export of garments is projected to grow 10%-15% to US\$ 3.238-3.386 billion, while export of fabrics and yarns is likely to make a 10% improvement, or US\$ 3.819 billion.

She said that, with a real commitment to gaining the regional leadership in fashion in areas of textile, garment, gems and jewelry, and leather, the government had worked closely with related industry associations to identify proactive strategies in order to achieve the export target.



TURKEY

Textile least affected industry in Turkey

The Turkish State Minister for Foreign Trade, Zafer Caglayan said that textile was the least affected industry in Turkey in 2009 despite the global crisis.

He said Turkish textile and ready-to-wear industry made great achievements in the last seven years.

Textile was the least affected industry in our country in 2009 despite global crisis, and I am proud to say that we have an industry integrated with the world.

Caglayan said Turkish textile and ready-to-wear industrialists were recording great achievements throughout the world and Turkish government would continue to support this sector.

New cotton mill inaugurated in Turkmenistan

A new cotton mill, built by a Turkish company was inaugurated in the district center of Geoktepe in Akhal Province of Turkmenistan. The facility worth US \$ 70 million includes the production building, administration building, and two residential cottages for workers. The mill is fitted with highly efficient spinning equipment for various purposes from the leading companies of Italy and Switzerland.

The cotton mill will annually process 10,890 thousand tonnes of cotton fiber and produce 9,5 thousand tonnes of high quality yarn for weaving and knitting production. The shops of the new mill will annually produce yarn totaling US \$ 18.5 million, much of which will be exported. The new mill will create 500 new jobs.

Local home textile brand aims for growth

Baydemirler, a Turkish textile company and owner of the Brillant store chain, aims to reap 70 million Turkish Liras in turnover this year. The company plans to expand by opening 40 new Brillant shops in 2010, said Erdoğan Baydemir, Chief Executive of Baydemirler.

He said at present 55% of the home textile market in Turkey, with 202 local stores and an international store. Now our next target is to increase the number in our international stores. The company plans to open 15 new stores in Turkic Republics, the Balkans, Russia and the Middle East.

Baydemirler exports Brillant products to 60 different countries. Germany, Italy, Russia, Poland, the United States, Japan, Iran and Algeria are among these countries. Three-year export figure reached \$150 million and plan to increase its exports by \$60 million in 2010.



USA

Cotton output to fall in current season

According to The International Cotton Advisory Committee (ICAC), world cotton production for 2009-10 is projected at 22.2 million tonnes, a decrease of 5% over the previous season mainly due to lower yields. As a result world cotton stocks are expected to decline by 14% to 10.5 million tonnes by July 2010, which would be the lowest level in 6 years.

Based on the above and the expectation that world cotton use will grow by 2.8% in 2009-10 to 23.9 million tonnes, the ICAC's price model is forecasting an 18% increase in the average Cotlook A index (an indicator of world cotton prices) for 2009-10. A index estimate for 2009-10 of 72 US c/lb is 2 US c/lb up from last month's forecast.

The higher prices paid for cotton in 2009-10, combined with the recent decline in grain prices will however encourage farmers to increase cotton plantings in 2010-11 according to the ICAC. World cotton area for 2010-11 is expected to increase by about 5% and assuming an average yield, cotton production is forecast by the ICAC to rebound to 24.1 million tonnes, an increase of about 9% over 2009-10.

The ICAC also expects world cotton consumption to continue to recover, growing by 2.5% to 24.5 million tonnes in 2010-11. Most of the growth however will be in Asia, South America and Turkey.

The ICAC forecasts world cotton trade to increase only slightly in 2010-11, Chinese imports is expected to increase by about 15% to 2.1 million tonnes, driven by increased mill use. Exports from India are expected to remain stable in 2010-11 but USA exports are forecast to increase by 10% mainly driven by increased production.

As far as the local outlook is concerned, the 1st estimate for the 2009-10 production year indicates a total crop of 41 261 lint bales, 8% down from the previous season and the smallest crop since the early sixties. ♦