



AUSTRALIA

Wool prices forecast to increase in 2010-11

World prices of natural fibers are forecast to increase in 2010-11 as supplies tighten and demand improves, said ABARE Chief Commodity Analyst, Dr. Jammie Penm. He said the Eastern Market Indicator price for wool is forecast to increase in 2010-11 as world economic recovery continues. Wool supplies in Australia, the world's largest exporter of greasy wool, are expected to remain low because of a decline in sheep numbers.

Demand for woolen products is expected to rise in 2010-11 as consumer confidence improves coming out of the global financial crisis.

Dr Penm also highlighted the importance of China's textile manufacturing sector for the Australian wool industry. China is expected to move increasingly into higher quality woolen textiles and clothing over the medium term in response to competition from low cost textile manufacturers in South East Asia.

Armelle Gruère, an economist with the International Cotton Advisory Committee said that the short-term global cotton price outlook is brighter than it has been in recent years. Global cotton mill use has recovered more quickly than expected after the global financial crisis, and an expected decline in cotton stocks will provide support to cotton prices in the short to medium term.



BANGLADESH

Italian textile companies help local counterparts to upgrade technology

Italian textile machinery companies will assist Bangladeshi companies in further upgrading their technology which will help to produce world-class products.

President of ACIMIT, Dr. Salmoiraghi said Bangladesh has been one of the few countries which have constantly been showing a growth in demand for textile machinery, despite the difficulties arising from economic crisis that involved various markets in the world.

Italian Trade Commission and ACIMIT are planning to set up a training centre in Bangladesh with an institute or university

to impart training on various textile machines relevant for this market.

He said in Italy, there are approximately 300 companies who produce textile machines and related accessories for a total of about 13,900 employees. At the world level, Italy is one of the main suppliers of textile machinery together with Germany, Japan and Switzerland.

The sales of Italian textile machinery to Bangladesh during January to September of 2009 amounted to 18 million euros, with Bangladesh ranking fourth among Asian markets for the Italian textile machinery behind China, India and Turkmenistan.

Textile and Jute Minister Abdul Latif Siddiqui said there is a huge potential for the country's readymade garments and textile sectors, as China is putting more emphasis on hi-tech products than RMG and textiles and we can avail ourselves of this advantage. The Minister made the remarks while addressing a seminar on 'Italian Textile Technology', organized by Italian Trade Commission (ICE), in Dhaka.

Abdul Latif Siddiqui said Bangladesh could meet demand for machinery and accessories for RMG and textile and develop the sectors by maintaining good business links with Italy. The country has been using Italian products for long.

RMG yet to benefit from stimulus

The RMG exporters have not yet received any benefit from the government's bailout package, whereas negative growth in apparel exports goes on. The second phase of such package worth Tk 1,000 crore was announced on November 25 last by the Finance Ministry to cushion the sectors affected by global recession.

The government pledged many things through this stimulus package, which included compensating power crisis by paying the license renewal fees for the captive power plants used in different RMG units for a period stretching from November 1, 2009 to June 2010.

Another benefit the government offered in the package is extension of the bank loan re-scheduling without any down payment up to June 30, 2010 from October 2009 at a 10% interest rate instead of the current 13% for the RMG and textile sectors. Furthermore, 5% cash incentive will be provided for the apparel exporters in case of new destinations are chosen, except US, European Union and

Canada, for a span of three years. According to the package document, members of Bangladesh Textile Mills Association will receive this facility in case of direct yarn exports.

The government has also decided to give a special benefit to small and medium enterprises (SME). The companies that exported up to \$3.5 million in FY2008-09 will be brought under the SME category.



BRAZIL

Trade sanctions on US over cotton dispute

The WTO has ruled that subsidies to US cotton producers are discriminatory. The Brazilian government has announced trade sanctions against a variety of American goods in retaliation for illegal US subsidies to cotton farmers. The World Trade Organization (WTO) approved the sanctions in a rare move.

Brazil published a list of 100 US goods that would be subject to import tariffs. Cotton and cotton products would be charged 100% import tariff, the highest on the list. The Office of the US Trade Representative said it was "disappointed" by Brazil's decision and called for a negotiated settlement. Critics say the US has given its cotton growers an unfair advantage by paying them billions of dollars each year.

In 2008, the WTO ruled that subsidies to US cotton producers were discriminatory. Government subsidies for local producers should only be allowed in response to short term need after natural disasters or periods of serious economic hardship.

Carlos Marcio Cozendey, Head of Economic Affairs at Brazil's Foreign Ministry, said the idea was to distribute the retaliation broadly in order to maximize pressure. US farm subsidies are condemned worldwide.

However some analysts say major changes to these subsidies would involve modifying agricultural legislation, a tall order for the US Congress against a difficult economic and political backdrop. The Brazilian government has deliberately chosen a wide range of products in order to have maximum impact.

Cotton producers in the US argue that the system of subsidies has changed since the WTO made its original ruling in 2005. The US has made changes in the cotton programme as well as the export guaran-

tee programme. Gary Adams, Chief Economist at the National Cotton Council said that US cotton production was now 40% to 45% lower so that subsidies were still justified.

Brazil has urged the US to quickly start negotiations to settle a trade dispute between the two countries over US cotton subsidies. President Luiz Inacio Lula da Silva called on US President Barack Obama to swiftly start talks on the row. He said Brazil expected Washington to respect the decisions of the World Trade Organization (WTO).

Brazil has no interest in a confrontation of any kind with the United States, but it is interested in the United States respecting the decisions of the World Trade Organization (WTO).

Brazil said it would raise tariffs on a number of US goods worth US\$ 591 million to counter Washington's move to unlawfully pay subsidies to US cotton producers. It may apply another US\$ 238 million penalty in sectors like intellectual property and service sectors.



CHINA

Textile exports to Australia down 7.36% in 2009

China's textile and apparel exports to Australia were US\$3.06 billion, down 7.36% year on year in 2009, according to statistics of China Textile Industry Association.

The export value of textiles exported to Australia was US\$791 million, down 6.81% year on year, and the export value of apparel exported to Australia was US\$2.27 billion, down 7.56% year on year. The total export value of Chinese textiles and apparel decreased in 2009 as a result of the global financial crisis and weak international demand.

China's textile and apparel imports from Australia were US\$23 million, down 28.65% year on year in 2009.

Textile imports from Australia were US\$22 million, down 29.85% year on year, and apparel imports were US\$1 million, up 27.94% year on year.

Textile and Garment export value increases 89.3% in February 2010

China's national trade in goods continued to grow rapidly in February 2010, according to General Administration of Customs. Statistics showed that total import and export value of trade in goods reached US \$181.43 billion, up 45.2% over the same time last year.

Textile and garment export value in February 2010 fetched US \$12.638 billion, an increase of 89.3% year on year. Of which, textile exports were US \$4.567 billion, an increase of 78.2%, apparel exports were US \$8.071 billion, an increase of 96.3%.

Textile and garment exports in February were down 18.8% from the previous month. Of which, textile exports fell 18.2%, clothing exports declined 19.2%. Textile and garment exports in January-February 2010 totalled US \$28.24 billion, an increase of 29.0%, of which, textile exports were US \$10.16 billion, an increase of 39.5%, apparel exports were US \$18.08 billion, an increase of 23.8%.



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Integrated Textile Park at Himachal Pradesh

The Himachal Pradesh government has approved an integrated textile park with an estimated cost of Rs 107 crore, which would soon come up in a district. The project was given approval at the meeting presided over by Chief Minister Prem Kumar Dhumal.

The textile park would generate employment for about 2,200 people and expected to be complete by the end of next financial year (2011-12). The government provides incentives to develop the parks which includes interest subsidy on procurement of new machines and 40% grant for infrastructure development.

Fourteen new proposals for setting up different types of industrial units and one expansion proposal of the existing unit with total investment of Rs 73.52 crore was also cleared in the meeting.

Government gets Rs 555 crore TUFS claims

The Indian government said it received subsidy claims amounting to Rs 554.62 crore under a scheme for technology upgrade of the textiles industry, said Minister of State for Textiles, Panabaaka Lakshmi.

He said textiles industry gets subsidy under the Technology Upgradation Fund Scheme (TUFS) for modernization and installation of advanced machinery. Due to the "overwhelming response of the scheme, there is a gap between subsidy requirement and budget outlay. The budget outlay for TUFS for the next fiscal is Rs 2,400 crore.

Government to support handloom sector

Ms. Panabaaka Lakshmi, Minister of State for Textiles revealed that during the Eleventh Five Year Plan, the government is to implement five schemes namely, Integrated Handloom Development Scheme, Marketing and Export Promotion Scheme, Handloom Weavers Comprehensive Welfare Scheme, Mill Gate Price Scheme and Diversified Handloom Development Scheme, which are meant for the welfare and development of the handloom weavers.

Under the Technology Up gradation Fund Scheme (TUFS), subsidy claims summing up to Rs. 5.55 billions, have been

received by the government from textile units for up-gradation and installation of high-tech machinery, Lakshmi said while responding to another query.

She also divulged that steps are also not being considered by the government for creation of Special Purpose Vehicle (SPV), for brand creation and promotion and added that, the government is committed towards deepening the penetration of India's textiles and clothing products in international markets, while also promoting the image 'Brand India' in the markets world over.

BT cotton yield rises 31% in 2009-10

The area under Bt cotton has increased from 29 thousand hectares in 2002-03 to 80 lakh hectares (anticipated) in 2009-10. The average yield of Bt cotton has also increased from 300 kg per hectare in 2001-02 to 560 kg per hectare in 2007-08. Cultivation of Bt cotton has resulted in 31% increase in yield, 39% reduction in pesticide usage and more than 80% increase in profitability of farmers.

The Central Institute for Cotton Research (CICR), Nagpur has been conducting detailed studies at the State level in collaboration with the State Agricultural Universities of the 9 major cotton growing States. Information so far collected indicates that yields have increased in these cotton growing states with the introduction of Bt. Cotton. Bollworms menace in cotton has significantly reduced all over the country and there is a reduction in market share of insecticides used in cotton.

Interest subvention expected to benefit textile sector

The impact of Union Budget 2010-11 is positive on the textile sector. The extension of 2% interest subvention on pre and post shipment export credit till March 31, 2011 will help exporters reduce interest costs.

The excise duty on man-made fibers and yarns has been raised to 10% from 8%. This will increase polyester prices by Rs.1.5-2 per kg, but it will not affect demand, as polyester continues to be cheaper than cotton.

Also the government announced a one-time grant of Rs. 2 billion to the government of Tamil Nadu for the installation of a zero discharge system, to reduce environmental pollution, at the Tirupur cluster. This will help the knitwear exporters of the region in long term.

Cotton exports likely to rise this year

India, the second largest producer of cotton in the world, is expected to export around 6.5 million to 6.75 million bales in the marketing year through September 2010, said the Confederation of Indian Textile Industry (CITI) official.

This year, the country cotton production may touch 30 million bales, up from 29 million bales in the last year. Cotton exports from India in the previous were severely hit by global economic crisis. Last year the exports fell by 60% to 3.5 million bales. Meanwhile, the prices of cotton are likely to surge in line with the demand. The prices surged to 25% so far since October 1 and it is expected soar further in the coming months due to the higher domestic and overseas demand for the commodity.

At present, the widely-traded Shankar variety is currently quoting around at Rs 28,000 per candy; compared with Rs 22,400 on September 30 (One candy equals 356 kilograms). China is the biggest importer of Indian cotton, accounting for more than 70% of shipments, followed by Pakistan, Bangladesh and Thailand.



Local garment industry faces some challenges

Jordan's garment industry can pick up this year, if it receives sufficient support from the government, said Sanal Kumar, owner and director of Classic Fashion Apparel Industry Company, whose factory's exports reached \$93 million in 2009 and are expected to exceed \$120 million this year. He added that, if government and banks support the industry, like the way they had been prior to year 2006, it is just possible to raise Jordan's garment exports from \$750 million in 2009 to \$1 billion in 2010. For example, Classic Fashion gets sufficient support from the government and banks, we will generate employment for more than 2,500 Jordanians and will cross \$200 million in exports by 2012.

The Indian investor said that recovery in the sector in 2010 is driven by an increase on demand from the US market as consumers there have overcome the fear syndrome to spend money. 2010 is a good year for most factories in Jordan as they all are loaded with enough purchase orders from the US, with factories like ours booked for the whole year.



SOUTH AFRICA

African textile exports to United States show decline

African apparel exports to the United States under a preferential trade arrangement have fallen in the last few years as the expiry date for the deal draws closer.

The African Growth and Opportunity Act (AGOA), a U.S. trade program that allows countries in sub-Saharan Africa to export thousands of goods to the United States without paying duties, was enacted in 2000 and expires in 2015.

Exports from Kenya, for example, exports dropped to an estimated \$180 million in 2009 from a peak of \$272 million in 2006, said Rajeev Arora, Executive Director of the Africa Cotton and Textile Industries Federation (ACTIF). He said because of the uncertainty of the renewal of AGOA - there is a definite drop.

AGOA became an important source of jobs on the impoverished continent, particularly in the clothing sector, where most investment has been on making the end products, not spinning or manufacturing textiles. Africa produces 12% of global

cotton demand; however, 95% of it leaves the continent as lint.

Most of the companies taking advantage of AGOA import fabric from countries such as China, Bangladesh, India and Pakistan, stitch them into clothing and then export them duty and quota-free to the United States. This arrangement is expected to expire in 2012 and the African countries are not ready to continue manufacturing using textiles originating from the continent.

Arora said the biggest hindrances to growth have been the cost of finance, cost of doing business, poor logistics and lack of the necessary knowledge to access global markets. Most of the plants on the continent were operating at 30% capacity.

Africa Cotton and Textile Industries Federation (ACTIF) is a group of 18 member countries; Uganda, Kenya, Egypt, Tanzania, Lesotho, Ethiopia, South Africa, Malawi and Sudan. Others are Madagascar, whose AGOA deal was not renewed this year because of political turmoil. Mauritius, Swaziland, Zambia, Zimbabwe, Namibia and Mozambique. Nigeria is the only West African producer currently in the body.



TAIWAN

Textile sector output projected to top NT\$430 bn

The 2010 production value of Taiwan's textile sector is projected at NT\$430 billion (US\$13.44 billion), a year-on-year increase of 17.65, said the Industry and Technology Intelligence Services (ITIS).

Taiwan's textile industry is expected to rebound this year from a slump in 2009 when output shrank by 15.7% year-on-year, the ITIS said. The integration of various sections of the industry and higher production and R&D levels will contribute to better performance of the sector this year. The ITIS analysis, which was based on a report by the non-profit Taiwan Textile Research Institute, noted that Taiwan's textile industry sector posted an overall production value of NT\$365.67 billion in 2009, down 15.7% from the 2008 level. However, with global economies picking up again, Taiwan's textile industry's output will gain momentum this year if manufacturers seek to develop higher value-added products such as bamboo charcoal fabrics made with the use of nano-technology.

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TUNISIA

Textile exports yield 4,729 billion dinars of revenues

The textile and clothing sector represents 37% of the Tunisian industry and contributes to 36% of exports and manufacturing industries; it also generates 40% of jobs. This vital sector is the first sector to have benefited from the industrial upgrading and Industrial Modernization Program, with 41% of companies, 46% of applications approved. With 2100 units employing 210,000 people, the sector contribute to the trade balance and foreign exchange earnings, with 4.729 billion dinars (of export value), and 3,204 billion dinars worth of imports. (1,702 billion Euros).

Despite the decline in the growth rate by 8.8% compared to 2008, the sector ranked, 2nd in exports related to the manufacturing industry in 2009. The European market which is the leading destination for Tunisian products in clothing, receives more than 80% of exports. Regarding indicators of March 2010, they are better than those of January, with a change at a rate of 0.8% of exports amounting to 406 million dinars. Four main European markets for Tunisian products are France with 35% share, followed by Italy with 31%, Germany with 10% and Belgium with 6% respectively.



TURKEY

Cotton output expected to increase by 18%

Turkey, the world's largest cotton importer after China, will boost output by 18% next year and increase purchases of overseas supplies, a unit of the U.S. Department of Agriculture said. Production will rise to 2.065 million bales in the year that begins in August, compared with an estimated 1.744 million in the current period, the USDA's Foreign Agricultural Service said on its Web site. Imports will increase to 3.442 million bales from 3.213 million, the agency said.



UAE

Global fashion ranking set to rise in 2010

Dubai is expected to rise further in the 2010 'top fashion cities of the world' ranking after climbing up 13 positions from, according to the French Fashion University Esmod (FFUE) in Dubai.

Dubai is the only city in the Arab World to enter the list of the top 30 global fashion cities and the second only to Hong Kong in Asia. Esmod Dubai pointed that Arabian styles are already influencing European street fashion, while celebrity designers such as Christian Lacroix have been incorporating Arab-inspired ensembles into their wardrobe. The University will be sending its students, many of them Emiratis, on a trip to Tokyo, Japan from March to expose them to the Japanese fashion scene in order to widen their fashion knowledge and broaden the scope and appeal of Arab fashion.



VIETNAM

US\$10.5 billion worth of textiles and garments to be exported this year

The Vietnam textile and garment sector will try its best to fulfill its US\$10.5 billion export turnover target this year said Vietnam Textile and Garment Association during a conference on evaluating the textile and garment market situation this year and deploying solutions to carry out the above-said target.

There are over 2000 textile and garment enterprises in Vietnam, creating jobs for over two million workers. This sector reached over US\$9.06 billion in export turnover in 2009, a year-on-year 0.6% reduction, in which its export turnover to the US market decreased by 2.38% and to the EU market, down 5.92%.

In the context that the global economic recession caused a fall in demand in main consumption and import markets for the Vietnam's textile and garment products, the said result showed great efforts by the textile and garment enterprises. This year, some countries' economies have got out of their crises and started to recover that the consumption demand has been improved has created conditions for enterprises to increase their export turnover.

US Textile group oppose Vietnam in New Trade Pact

The President of the National Council of Textile Organizations (NCTO) has urged the Obama administration to "re-think" including Vietnam in a proposed Trans-Pacific Partnership (TPP) agreement, claiming that including Vietnam would mean the loss of thousands of

U.S. textile export-related jobs and will risk hundreds of thousands of related apparel jobs in the Western Hemisphere.

NCTO President Cass Johnson said Vietnam has become the second-largest exporter of apparel to the United States after China and its exports are undercutting trade agreements with the North American and Central American nations with which the United States has free trade agreements (FTAs).

With respect to inclusion of Vietnam, Johnson said there is a "vast disparity" as to how trade is conducted between the United States and Vietnam because of Vietnam's government intervention in its "command and control economy." He said, for example, that over the last 18 months, Vietnam has devalued its currency three times in order to gain an increasing share in global export markets.

Vietnam's apparel exports to the United States in the past four years have increased by \$2 billion and China's are up by \$4 billion at a time when exports from nearly every other country have gone down.



ZAMBIA

Cotton production declines

The cotton industry is facing unacceptable low cotton yields which average between 450-650 kilogram's per hectare depending on climactic conditions. In a statement Cotton Association of Zambia (CAZ) Executive Director Joseph Nkole said that the low yield per hectare was one of the constraints that players in the cotton industry were trying to overcome.

Until recently the cotton ginneries have increased production primarily through the recruitment of additional growers. This approach encouraged the "ranching" of cotton by many thousands of farmers who have been satisfied with relatively unattractive returns in the absence of alternative market opportunities.

Nkole further said that low yields and unattractive returns to labour in particular resulting from poor management practices had in recent times impacted the cotton industry.

He stated that the rapid strengthening of the kwacha at the onset of the 2005-06 season and a 30% reduction in cotton prices resulted in the immediate exit of 100,000 farmers and a resultant 40% to 50% reduction in seed cotton production. ♦