



BANGLADESH

BTMA opposes import Indian yarn through land port

Leaders of Bangladesh Textile Mills Association (BTMA) have strongly opposed the Awami League government's move for allowing yarn import from India through Benapole land port saying that it will adversely affect the country's growing spinning industry. Expressing their concern over the issue they demanded that the government should review the decision taking into account the interest of Bangladesh's domestic industry.

According to the BTMA, the Textile Ministry in a meeting held recently has taken the decision to allow yarn import from India amid rising and extra high prices charged by spinners in Bangladesh.

Spinning mill is a sub-sector of Bangladesh's primary textile sector (PTS). According to an estimate, the country has 341 spinning mills having an annual production capacity of 1600 million kilograms of yarn.

In the last financial year, the total consumption of yarn in Bangladesh was 789 million kgs. "The move will be suicidal for local industry, as the unabated entry of Indian yarn will pose serious threat to the local spinning mills creating a market for the next-door neighbour, said Abdul Hye Sarker, President of the Bangladesh Textile Mills Association (BTMA).

Farmers anticipate good cotton output

An abundant production of cotton, despite few shortcomings, is being anticipated by the farmers of Rajshahi Division, this year. At this time, cotton fields are flourishing everywhere, which gives the possibility of a good amount of cotton output.

This year, the production target of cotton has been set at 18,760 tonne from 12,792 hectares of land in the division, while last year this target was set at 15,000 tonnes of cotton from 9,700 hectares. Whereas, for the country as a whole, cotton production was targeted at 49,000 tonnes from 40,000 hectares, as per Cotton Development Board's (CDB) report.

With a view of having bright prospects and to avail more benefits, the farmers are showing interest in growing this crop. During mid-July to mid-August, the

sowing of cottonseeds had been undertaken, while in months of January and February, the fibre is harvested.

Heavy rainfall in the month of October last year and water logging took their toll on cotton fields in the areas under four cotton zones as per the reports from the extreme northern region. In spite of this, the production target of cotton is expected to be achieved.

In addition to this, experts say that the cotton production in the country could increase two-fold on account of favourable soil conditions and suitable climate. Presently, only 12% of country's entire cotton requirement is fulfilled by the cotton produced in the country, while to meet the rest of the requirement; cotton is being imported from foreign countries.



CHINA

Concrete and explicit missions for eliminating obsolete capacity

The State Council of the P. R. China has just assigned specific and explicit missions of obsoleted capacity eliminating work to China textile industry.

Before the year-end of 2011, the following machinery must be eliminated:

- ❖ Chinese domestic model 74 dyeing and finishing line.
- ❖ Pretreatment equipment servicing over 15 years.
- ❖ Batch dyeing equipment with bath ratio higher than 1:10.
- ❖ Obsolete model of printing machines, pad-dry-cure dyeing machines, stentering machines, equipment with high water and energy consumption.
- ❖ Model R531 viscose spinning machine.
- ❖ Viscose production line with output lower than 20000 t/a.
- ❖ Wet spinning and DMF solvent-method spandex manufacturing technology.
- ❖ DMF solvent-method acrylic manufacturing technology.
- ❖ Semiautomatic polyester filament winding equipment with spindle length less than 900 mm.
- ❖ Batch-method polyester polymerization equipment

Source: China Textile Leader.

Linen textile of China shows revenues increase of 31.2%

China Linen Textile Industry Ltd net revenues for the fiscal year ended 31 December 2009 were \$30.11 million, an increase of 31.2% compared with the last fiscal year. Operating income increased from \$3.96 million to \$7.37 million and income before taxes from \$4.91 million to \$8.17 million. For 2009, net income increased 62.8% to \$6.02 million, compared with \$3.7 million in fiscal 2008, said Gao Ren, Chairman and CEO, China Linen. Linen produces and distributes various types of linen products such as linen clothing, yarn, hemp and blending linen.

China is the world's largest linen textile producer and Chinese Linen accounts for approximately 5% of China's total linen exports. In 2009, the company's total exports were valued at \$17.72 million and were growing at a CAGR of 28.9%.

Nearly two-thirds of China Linen's products are exported to more than ten countries including France, Korea, Italy, Belgium, Greece, Turkey, Egypt, Brazil, Canada, Japan and the US. In the next 5-10 years, global market demand for linen clothing and products is estimated to be more than \$20 billion of which the Chinese domestic market will make up about 20% or \$4 billion.

Nearly 100 Chinese textile and apparel companies chose to invest in Egypt

Attracted by the Egyptian government's favorable policies of industry development, nearly one hundred Chinese textile and apparel companies chose to invest in Egypt building new branch mills. Advantages of investing in Egypt include preferential tax rate: for instance, the investors enjoy the tariff-free privilege for raw material importation and end-product export duties conforming with the regional special favorable policies.

Other advantages and incentives are shortening the geographic distance for textiles and apparel exported to Europe; low-cost workforce of Egypt; cotton procurement advantage with lower cotton prices as well as remarkable extra long staple fibre quality and last but not the least the competitive energy cost are some of the main incentives which has led to major investment from Chinese textile and apparel manufacturers.

Weaving machinery export saw 101.87% growth in January 2010

According to the figures from the Statistics Center of China National Textile and Apparel Council quoted by China Textile Leader, China's textile machinery export valued up to \$128.7 million in January, increased by 47.85% year on year, in which weaving machinery export value amounted to \$9.49 million, rose by 101.87% taking up 7.37% of overall textile machinery export.

Both exported value and the current upswing tendency demonstrated positive signals and indicated a recovering investment inclination.



Two major Indian apparel brands feature organic products

When it comes to going green, two major Indian apparel brands have taken the lead. Van Heusen and Arrow have come up with 100% organic lines made of cotton, linen and natural dyes, doing their bit for the environment and also spreading awareness among consumers.

Shital Mehta, Chief operating officer of Van Heusen, said that limited resources and increasing productivity have put the natural environment around us under tremendous pressure. Reason enough for us (Van Heusen) to get serious about starting down the eco-friendly path.

It's a conscious attempt to make all of us understand the importance of being earth-friendly and even something as small as weed removal for cotton crops has been done physically without reliance on chemical killers.

While Van Heusen's eco-friendly apparel range starts at Rs.1,599, just like their other clothes, Arrow's line is slightly higher compared to their normal line. Mehta explains the tedious effort that goes behind an eco-friendly line.

Arrow has plans to expand its green effort by introducing and using more natural fibres and recyclable collections. The initiative has been well-received by customers all around India. This move is very timely because not many branded labels have an eco-friendly line. Designers with eco friendly ranges are way too expensive, but theirs (Arrow and Van Heusen) is affordable.

Textile industry to be hit hard by further gas cut

The further cut in gas supply has almost dashed the hopes of textile industry to be back on track before the onset of marriage season. The industry was expecting relief in the quantity of gas supply, but against the restricted supply level (RSL) of 86%, the gas companies have reduced it to 65% for the month of April.

Presently the contracted price at which the industry is provided gas is Rs 11.50 per standard cubic metre, whereas the market price of the same gas is about Rs. 15.32 per standard cubic metre, said President of South Gujarat Textile Processors Association (SGTPA) Pramod Chaudhary.

Chaudhary said we were given assurances by Central government that we will be given gas supply up to 0.6 million metric standard cubic metre per day (MMSCMD) from KG-6 Basin. But now they are clarifying that we will get only fall back gas, which means only after supplying to others if something is left, then we will get it.

Meanwhile, Oil and Gas Ministry sources said Gujarat Gas Company has been suffering short supply since April 2008. This shortage is up to 30% and the situation has not improved and this has left them with no option but to continue with the cuts.

Government suspends registration of cotton export contracts

The government is further tightening the screws on cotton exports, coming on top of an export duty of Rs 2,500 a tonne imposed recently. The latest is that regis-

tration of cotton export contracts has been suspended by the Office of the Textile Commissioner with effect from April 19.

The move covers raw cotton, cotton waste and cotton carded or combed. The suspension will cover contracts submitted to the Textile Commissioner for registration. In addition, exporters holding export authorization registration certificates issued prior to April 19 will have to get the certificate revalidated from the registering authority for the unshipped quantity.

The Textile Commissioner will allow shipments after such revalidation based on monthly pro-rata basis, so that a reasonable carry-over stock of cotton is maintained in the country.

The decision to suspend registration of export contracts and regulate pending shipments is pursuant to the inter-ministerial meeting on steep increase in prices of cotton. Cotton exporters are upset with the sudden bolt from the blue in the form of suspension of contracts and regulated shipment even before they could recover from the shock of an export duty of Rs 2,500 a tonne.



2009-10 cotton exports show an increase of 129%

India's cotton 2009-10 exports are likely to rise to 8 million bales, up 129% on year, drive by strong demand from China and Bangladesh. The country had exported 3.5 million bales in 2008-09 and the government initially estimated exports of 5.5 million bales for the year.

But a revival in world economy boosted shipments of the fibre and so far India has exported 5.5 million bales in the year that began in October, said A.B. Joshi, Textile Commissioner and Chairman of Cotton Advisory Board (CAB). World 2009-10 cotton ending stocks will slump almost 20% year-on-year because of lower output in top consumer China and increased consumption in India and Turkey among others.

Rs 625 crore stimulus for exports

India has announced a Rs 625 crore fresh package of incentives for exporters of garments, engineering, electronics and agro products to select markets where the demand for the goods is yet to pick up.

Commerce and Industry Minister Anand Sharma said that there were sectors which required continued support as their demand have not yet picked up in key markets.

Official estimates project that India is expected to end the 2009-10 fiscal year (which ended on March 30) well below the \$189 billion exports achieved in 2008-09.

Out of the Rs 625 crore incentives, more than Rs 400 crore will go to export of about 300 garment items to the United States and Europe. The balance will go to engineering, electronic and agro-chemical goods to 15 countries, including Japan, China, Australia and New Zealand, Nigeria, Algeria and Mexico.

Exports to these countries will get the benefit of market-linked focus product scheme under which exporters will get duty-free scrips which can be used to import duty-free worth 2% of the value of exports.

Rising rupee, high input costs hit textile companies

A sharp appreciation in the rupee against currencies like the US dollar and euro, and soaring raw material prices, have left the slowdown hit textile industry hanging by a thread. Nearly half of India's textile and apparel exports are to the US and European countries, and the rise in the rupee has sent exporters' profit margins and targets haywire.

The rupee ruled at an 18-month high of Rs 44.97 to the dollar and Rs 61.76 to the euro increased flow of foreign currency in the equity market. The domestic currency has appreciated by nearly 14.5% against the euro, and over 5% against the dollar in the past five months.

The textile industry's troubles, cotton and yarn rates have increased by 20%-25% in the past six months on speculative commodity futures trading and an increase in exports to countries like Bangladesh, Korea and China, said Premal Udani, chairman, Apparel Export Promotion Council.

Cotton prices have gone up by over 20% to Rs 27,800 a candy or Rs 355.55 kg in March 2010, from Rs 23,200 a candy in July 2009. Yarn prices have increased by 25% to Rs 175 per kg compared to Rs 140 per kg during the same period.

Many players such as Gokaldas Exports, Arvind and Alok Industries have responded by increasing garment prices by up to 12%, but are having a tough time negotiating at increased rates with buyers.

Only recently, companies were looking forward to renewed demand from the West, after the 2008-2009 economic recessions left them out in the cold and millions were rendered jobless. Textile exports registered a decline of 1.71% to \$21.75 billion during April 2009-March 2010, compared to \$22.13 billion in the previous year's corresponding period, according to Associated Chambers of Commerce and Industry of India. Exporters are not able to pass on the increase in yarn prices to buyers, said A Sakthivel, President of Tirupur Exporters Association. Recently Finance Ministry in a circular directed 270 owners of sick garment factories to pay the loan at one go within one year to get interest waiver facility.

SMEs can drive growth of technical textiles

According to industry experts, there is a vast scope for the still nascent technical textiles to achieve substantial growth from the small and medium enterprises (SMEs) sector in India. Globally, technical textiles are mainly concentrated among SMEs, but the same is not applicable for India.

They are of the opinion that research and development initiatives, if taken up by SMEs will provide the impetus for further and holistic growth in the sector, along with which, a helping hand from the government, by way of incentives and subsidies could do wonders for a sector, which has high growth potential.

Mr Avinash Mayekar, Associate Vice-President at Technopak Advisors Private Limited said Indian Technical Textile

Industry can offer a vast scope for small and medium enterprises, because technical textiles are functional textiles and they need to be converted in to finished form, where there is a major role to play for small and medium enterprises in our country, but government should provide a boost, by giving complete tax holiday and duty exemptions.

Production of traditional textiles shifted from Europe and US to Asia, because a developing country like India needs a lot of infrastructure growth and due to huge population, geographical area and rapidly growing retail concept, the end destination for all technical textiles would be India.

Government withdraws duty concession on yarn exports

In a dramatic move, the government has withdrawn the 7.61% concession given to cotton yarn exporters under the Duty Entitlement Pass Book (DEPB) scheme, in a bid to rein in the prices of the textile product, which has shot up abnormally in recent months, which has exasperated the apparel exporters.

This was purportedly done on a request from the Textiles Minister, Mr Dayanidhi Maran, who had written letters to the Finance and Commerce Ministries, to implement urgent measures to control the spiraling prices of cotton yarn and also due to widespread pressure from clothing exporters.

Knitwear exporters have been protesting against the unusual hike in cotton yarn prices, which have increased by nearly 30% in the last few months, with the latest hike being implemented on April 1, in protest against which, the Tirupur exporters had even gone on a token fast.

As it is, garment exporters have been badly hit by the slowdown in global markets. Latest figures indicate that, apparel shipments have fallen to US \$7.92 billion in the period April 2009 to January 2010, against \$8.81 billion in the same period of the previous fiscal, to post a decline of 10.16%



NEPAL

RMG exports to US witness turmoil

Overall readymade garment (RMG) exports of Nepal in the month of March stood at \$361.9 million. These exports to the US recorded a steep fall of 60% against the exports in same month of last year. However, following the waiver of 4% additional charge announced in the Indian budget, garment industries are anticipating

minimum 25% growth in exports to India during this fiscal.

India has emerged as a huge RMG market for Nepal over past few years. Total garment exports of the country to India are increasing by up to 50%, whereas these exports to the US are witnessing downfall, said Mr. Prashant Kumar Pokharel, President Garment Association of Nepal (GAN).

He said that the 4% waiver in additional charge on garment exports would definitely prove to be beneficial for Nepali RMG industry, but for the complete revitalization of the industry, it needs to take further measures.

In the year 2009, total exports of Nepali RMG to the US dropped by a whopping 90% compared to 2005 export data. While to India, these exports slipped sharply by 84% in the initial five months of this fiscal.

Mr. Pokharel further said that presently only 20-25 small and just five big industries are operational in the country. The plan of setting up a Garment Processing Zone in the Export Promotion Zone is still hovering uncertainly over past seven years. The industry is also suffering from lack of security and labour flexibility.

Removal of duty by India to help boost RMG exports

India has sent a formal notice to Nepal informing the withdrawal of 4% additional customs duty. This duty revocation will cheer all the Nepali exporters, particularly the RMG exporters. Few years ago, when India had slapped this duty, the Nepali exporters had been seriously affected by the decision. Before the imposition of such duty, Nepali units had been exporting garment items of popular brands, including John Players and Peter England to India.

Mr. Kailash Bajimaya, under Secretary at the Ministry of Commerce and Supplies said that they have received the formal notification on revocation of additional duty from India, and expected that the duty removal will help bag new orders for Nepali RMG manufacturers. As per the notification, additional customs duty has been removed from all kinds of garment products except garment accessories.

Garment Association of Nepal (GAN) Vice-President, Mr. Uday Raj Pandey anticipates good number of fresh orders from Indian importers after official execution of this decision to withdraw additional duty.



NEW ZEALAND

Wool prices go down as Kiwi dollar goes up

New Zealand Wool Services International Ltd reports that prices eased recently at wool sales due to the stronger New Zealand dollar. In the combined auction of North and South Island wool in Napier and Christchurch, 82% of approximately 13,400 bales on offer sold.

Since the previous sale, on 25 April, the New Zealand dollar has strengthened against the United States dollar by 1.35%, rising by 0.97% overall compared to the weighted indicator of the main international wool trading currencies.

According to New Zealand Wool Services International, a nominal offering of mid micron wools were generally 2% dearer, while the fine crossbred fleece and shears eased between 1.5% and 2%.

Demand at today's sales was well spread, with competition strongest among buyers from Australasian carpet mills, the Middle East, China and India, while those from Western Europe, and the United Kingdom provided support.

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NIGERIA

Textile sector upset over minister's comment

Textile producers condemned comments made by the Minister of Commerce and Industry, Senator Jubril Kuye, saying that the sector as yet does not require financial support from the Federal government. These producers were also upset over Kuye's comment that the government should not hurry to disburse textile revival funds.

Speaking on behalf of the Nigerian Textile Manufacturers Association (NTMA), the producers stated that, disbursement of textile revival funds was in fact important to revive the sector.

This was further confirmed by experts and stakeholders of the sector. Almost 30% of the problems faced by the sector are mainly due to lack of finance.

Kuye had also informed that it has to be beyond just giving out money to the textile sectors, along with which it is also necessary to ensure cotton is grown in abundant quantities and these mills are provided with regular supply of cotton.

According to NTMA Director General, Jayeola Olarewaju, the minister's statement that a textile revival fund would be wasted, was absolutely wrong.

Using cash crops to solve country's cash problems

It is true that Nigeria depends on the petroleum industry for most of its revenue, but the agricultural sector contributes more to the Gross Domestic Product (GDP), and over 70% of the population is predominantly engaged in agriculture, although mostly at the subsistence level.

Sadiq Kassim, an industrial expert, said that the neglect of the agricultural sector led to the disappearance of the groundnut pyramids in Kano, and the death of most local manufacturing companies such as the textile sector which depended more on the cotton cultivated in the country.

This affected the development of the textile sector as most of the cotton plants cultivated in the country were outdated and contaminated due to poor post harvest handling by farmers, which made manufacturers to source for cotton elsewhere thereby increasing the cost of manufacturing in the country.

In the past, the textile industry could boast of over 125 factories and employed over 250,000 people up till the late 80's, but as of today, only about 20 are still operating with less than 15,000 workers.



SRI LANKA

Apparel exporters undertake promotion mission

An Export Promotion Mission to Central Europe, covering Austria, Croatia, Slovakia and the Czech Republic had been organized collectively by the Sri Lanka Export Development Board (EDB) and the Embassy of Sri Lanka in Vienna.

The mission that was conducted between 15th and 20th February 2010 was aimed at exploring new market opportunities in budding Central European countries, for exports from the country and also to find chances to reinforce trade relations with these countries.

Ten leading exporters from Sri Lanka-CAL Exports Lanka Pvt. Ltd, Alucop Cables Ltd, Lanka Mount Castle Pvt. Ltd, E-W Information Systems Ltd, Lanktrad International Pvt. Ltd, Sindbad Pvt. Ltd., Asia Teas Pvt. Ltd, Selyn Exporters Pvt. Ltd, SLIC Lanka and Global Sea Foods Pvt. Ltd. took part in this Export Promotion Mission.

These exporters represented several products from promising sectors such as coir based products, garments, caps and hats, soft toys. Business meetings under the mission were conducted at the respective Chambers of Commerce in regions such as Vienna, Zagreb, Bratislava and Prague.

In these meetings, business delegates were briefed on the current business conditions and existing business opportunities in the region. All the Sri Lankan exporters represented at the business forums met more than 40 leading business organizations in these meetings and introduced their export items.



TURKEY

Textile and clothing exports to touch \$20 billion in 2010

Cem Negrin, Chairman of the Turkish Clothing Manufacturers Association (TGSD)'s has projected the exports of ready-to-wear garments to be around US \$14 billion and that of textile to be about \$6 billion by end of the year, thus, the total exports from the sector would touch over US \$20 billion.

He said textile exports hiked by 29% and stretched to \$477.5 million, whereas clothing exports increased by 19.6% to touch \$1.1 billion. In 2009, Turkey earned \$5.5 billion by exporting textiles and raw material, whereas garment exports accounted for \$13.2 billion.

Considering the worldwide trade of textiles and apparels, it appears that a positive atmosphere to benefit Turkey has developed and exports have gathered momentum in the last few months.

Negrin observed that at present Turkey is going through a very good period and thus, Turkey should take full advantage of this opportunity. He also said that, TGSD aims to make the optimum out of this favoured conditions and also pass it across to the textile and ready-to-wear industry.



TUNISIA

Tunisian-Italian business meetings to spur textile exports to Italy

The textile and clothing sector, with its high added value specifically in exports, stands for 37% of the nation's industry, with 36% contribution to the export and manufacturing sector. A two day Tunisian-Italian business contact meet with representatives from the textile and clothing sectors was organized by the Tunisian Export Promotion Centre, CEPEX, in association with the Milan Chamber of Commerce of and Florence Confindustria.

Around 20 textile and clothing sector companies from Tunisia, standing for stitch, ready-to-wear, jeans and sportswear, lingerie and swimwear segments, participated in the event.

Around 450 business contacts have been facilitated by over 70 Italian companies in the sector, and this has extended good opportunity for amplifying exports of Tunisian textile and clothing by further exploring the Italian market.

Italy's leading retail chains like Miroglio Pompeo, Conte of Florence, Gruppo Intimo, and Camicia Reale, also participated in the event. The event also served as a platform to promote TEXMED TUNISIA exhibition, which is to be held in Tunisia from June 16 to 18, 2010. ♦

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Shanghai, China. 22-26 June 2010
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