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## Sommaire / Summary



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**Date** 09.07.2016

# ILO: Robots threaten millions of jobs in Southeast Asia

The International Labor Organization has warned of the severe consequences presented by automation and disruptive technologies in the ASEAN bloc. Are the UN agency's concerns founded? DW takes a closer look.


The UN's International Labor Organization (ILO) published a report this week revealing the challenging impact of disruptive technologies and automation on jobs in member states of the Association of Southeast Asian Nations (ASEAN).

## How will Asian economies perform in 2016?

"While mass job displacement is not imminent, the technology to replace mainly lower-skilled jobs in ASEAN will increasingly be adopted as its cost declines and innovations become accessible to even small-sized enterprises," the ILO reported in a statement.

The ILO "estimates that about 56 percent of all salaried employment in Cambodia, Indonesia, the Philippines, Thailand and Vietnam is at risk of displacement due to technology in the next couple of decades."

The report, which surveyed more than 4,000 companies and 330 shareholders in the bloc, warned that, though "mass scale job displacement is not imminent," the impact would be felt hardest on "labor-intensive sectors such as textiles, clothing and footwear" because of their generally low-skilled nature.
These sectors amount to more than 9 million jobs across the bloc, the majority held by young women.
The socioeconomic impact of technological disruption on these sectors poses a number of challenges that may alter other parts of ASEAN member states, including their social and political landscapes, although some will likely feel it more than others.

The Cambodian garment industry is the largest income earner of the national economy and employs about 500,000 mostly female workers, according to local media sources

"Job losses at the low-skilled end of the labor market will in the first place have serious social repercussions," Jürgen Rüland, professor of political science and project chair of Southeast Asian studies at Germany's University of Freiburg, told DW. "Female workers in Cambodia's textile and clothing industry, for instance, irrespective of very low wages, send back considerable remittances to the villages."

"Job losses will thus further deepen the already rapidly increasing disparities between rural and urban areas and between the better- and the less-educated segments of the population," Rüland said.
The ILO report recommends that member states promote resources to providing science, technology, engineering and mathematics (STEM) qualifications for young people, with priority for women.
Of the more than 2,700 students surveyed for the report, only 17 percent of females "indicated they were doing STEM courses."
"Politically, this may play into the hands of populist leaders, such as former Prime Minister Thaksin Shinawatra in Thailand or more recently President Rodrigo Duterte in the Philippines," Rüland said. "Politically and socially divided countries might be more prone to political destabilization, with serious consequences for the region's prospects to democratize."

## 'Reposition'

The ILO's report recommends that workforces in the ASEAN bloc be trained in skills that will allow them to adapt to diverse working environments and handle new technologies to work alongside digitalized machines.
Deborah France-Massin, director of the ILO's Bureau for Employers' Activities, urged the bloc's member states to reconsider their positions in the global marketplace and opt for developing these skills in the workforce.
"Countries that compete on low-wage labor need to reposition themselves," France-Massin said. "Price advantage is no longer enough. Policymakers need to create a more conducive environment that leads to greater human capital investment, research and development, and high-value production."
Professor Rüland pointed to "cooperation and institution-building" as a key feature in mitigating the potential impact of "technologically induced job losses."
"The problem, however, is that ASEAN countries regard themselves more as economic competitors than as partners so that cooperation effects in the economic domain are limited," Rüland said.

## Broad impact

The impact of technological disruption on the workplace will not be confined to Southeast Asia.
Earlier this year, World Economic Forum Chairman Klaus Schwab said "current trends could lead to a net employment impact of more than 5.1 million jobs lost to disruptive labor market changes" between 2015 and 2020, with a total loss of 7.1 million jobs across the globe.

"Manufacturing and production roles are expected to see a further bottoming out but are also anticipated to have relatively good potential for upskilling, redeployment and productivity enhancement through technology, rather than pure substitution," Schwab said.

But Tim Forsyth, professor of development at London School of Economics, questioned whether the effects would be as severe as the ILO suggests.

"Perhaps the longer-term transitions could, arguably, be indicated by experiences elsewhere," Forsyth told DW. "For example, in Europe or North America in the 1960s, people worked in factories."

"Now, fewer people work in factories, but many still work there, while service industries have grown and people discovered other ways to generate incomes," Forsyth said.

SATURDAY, 09 JULY 2016 19:35

# SYNTHETIC FIBER PRICES FALL IN ASIA AS DEMAND FALLS

With the passing away of the peak demand period in China for fibers, prices of synthetic fibers used in apparel have started to dip in the Asian market.

Spot price of polyester filament which is used in shirts was $1.12 to $1.13 a kilogram at the end of June, 2-3% less than that in April. Polyester staple, which is used in futon filler, was priced at 81 cents per kilogram at the end of June down 10% in two months.

Prices of ethylene glycol and high-grade terephthalic acid have risen due to some plant stoppages since June. But with orders expected to remain weak until around September when demand related to spring and summer clothing lines typically picks up, prices are likely to remain sluggish.

In addition, psychological unease about a sluggish global economy in the wake of the U.K.'s decision to exit the European Union could further weaken prices.

FRIDAY, 08 JULY 2016 18:48

# WOOL PRICES IMPROVE IN AUSTRALIA

Australian wool prices improved further this week, giving weight to the long-held belief of a relative global shortage of suitable greasy wool in front of machines or in stocks.

Broader microns continued to be the focus and largely carried the market higher this week. The progressive rises over the two selling days resulted in 21 micron wools jumping almost 50 cents clean for the sale, approaching 1500 cents clean. The 21 micron category briefly hit 1500 cents in June 2015, but the most notable recent encounter at this level was in 2011 and the record for any 21 indicator is 1682 cents back in 1988.

Widespread enquiry for new business, mainly China, India and to a lesser extent Europe, warned exporters of a dearer market on its way for the merino fleece segment. It was not an over-abundance of quantity that was being sought, but the fact that there were numerous users needing prompt or close in shipment, giving weight to the long held belief of a relative global shortage of suitable greasy wool in front of machines or being held as stock.

Forward sellers appeared to be well-covered and mostly just bought to advantage against the indents to supply their clients with any prompt lots needed prior to the recess.

July 6, 2016 7:00 pm JST

# Bangladesh remains important to Japanese apparel makers


A Uniqro sign in Dhaka © Kyodo

TOKYO -- Japanese clothing makers will continue doing business in Bangladesh, although they will boost security after last Friday's terrorist attack in Dhaka.

Amid rising labor costs, Japan's garment industry is shifting production from China to Bangladesh and other Asian countries. Bangladesh has seen its exports grow rapidly in recent years as a production base for Japanese and Western companies.

Fast Retailing, the operator of the Uniqlo casualwear chain, is one of the major Japanese companies that are doing business in Bangladesh. The Japanese company established a joint venture with Grameen Bank's local unit to operate stores and set up a production office to supervise factories.

"Bangladesh will remain important both in terms of sales and production," said a company representative.

Fast Retailing has been boosting production in Bangladesh, alongside Sweden's H&M Hennes & Mauritz and Inditex, the Spanish owner of Zara. These so-called "fast-fashion" brands are supported by their Bangladesh operations.

According to the Japan Textiles Importers Association, Japan imported 65% of its textile products from China in 2015. China at one time accounted for nearly 80% of textile imports, but the percentage has been declining gradually due to rising labor costs, among other reasons. Now imports from countries like Vietnam and Indonesia are rising.

Although Bangladesh only accounts for 2.3% of total imports, it grows at an annual pace of about 20-40%.

Some Japanese companies that have client plants in Bangladesh, such as casual clothing retailer Adastria and men's clothing store Aoki, said they will keep their policies unchanged.
Fiber maker Toray Industries is also operating its joint venture plant in the north as usual. "Bangladesh is one of our important production bases," said a Toray representative. "We are not considering scaling back operations immediately, given its favorable environment for exporting to Western markets," he said.

(Nikkei)

# Nearly 90% of garment factory jobs at risk of automation: ILO

Mon, 11 July 2016
Hor Kimsay and Cheng Sokhorng

Garment employees work on the factory floor to produce items of apparel in Phnom Penh's Por Sen Chey district in 2014. Vireak Mai

Local industry experts responded yesterday to a new report that warns the majority of Cambodia's garment sector workers could lose their jobs in the coming two decades as automation and innovative technologies replace low-skilled labour and allow multinational producers to move their operations closer to market.

A study by the International Labour Organization (ILO) released on Thursday found that 88 per cent of Cambodia's salaried textile, clothing and footwear (TCF) workers were at high risk of automation. It outlined a number of technologies that stand to disrupt the sector, including 3D printing, body-scanning technology, computer-aided design (CAD), wearable technology, nanotechnology, environmentally friendly manufacturing techniques, and robotic automation.

Chief among the automation threats, according to the ILO report, is the growing prevalence of automated cutting machines and the expected rise of robots capable of sewing known as “sewbots”. While sewbots are unlikely to displace current workers in ASEAN garment factories, they are expected to be deployed in destination markets such China, Europe and the United States.

This is particularly bad news for countries like Cambodia, which rely heavily on the garment sector to provide employment for large numbers of low-skilled workers.

“For some countries like Cambodia, where TCF production dominates an undiversified manufacturing sector and makes up around 60 per cent of manufacturing employment, the impact will be felt more strongly than others,” the report said.

Kaing Monika, deputy secretary-general of the Garment Manufacturers Association in Cambodia (GMAC), said that while it is a general trend that investors equip their factories with cutting-edge technologies, this is unlikely to have a significant impact on the labour-intensive nature of Cambodia’s garment industry.

“I think the new technology will help to replace manual work to some extent, but not entirely,” he said. “It cannot fully replace the work of people and there are still many roles that require people.”

He said the Kingdom’s garment industry, which was built on the back of cheap labour, would remain cost-competitive and attractive to investors if the government cultivates a good investment climate and pursues deeper market access.

“If our investment environment remains good and we can negotiate free trade agreements with major countries, our garment industry will continue to be a source of jobs,” he said.

However, Kevin Tang, general manager of All Wintex Garment Manufacturing Corp Ltd, said it was inevitable that as technology develops, industry becomes less dependent on human labour. While he said his Chinese-owned clothing company, which employs roughly 500 workers at its factory in the capital’s Stung Meanchey district, had no plan to automate, this was largely due to the limitations of technology.

“Right now the machines are not quite good enough [to justify automation] and the machinery is currently very expensive,” he said. “However, if salaries keep rising, it will become preferable to use machines instead [of manual labour.]”

He added that one advantage of full automation to factory owners is that machines cannot go on strike.

An administrator at Best Sources (Cambodia) Factory Ltd who only gave his name as Kosal said the threat of labour unrest is one factor pushing garment factory owners to invest in machinery that reduces their dependence on human labour.

“In sewing section, I don’t think technology can replace human work, but in other sections such as packaging, fabric cutting or design printing, these tasks can be handled by machinery instead of humans,” he said.

Kong Atith, vice president of the Coalition of Cambodian Apparel Workers Democratic Union (C.CAWDU), said the ILO report highlights the spectre that hangs over not only Cambodia’s factory workforce, but those of other countries as well.

“The figures in the report show how dire the threat is workers,” Atith said. “If factory owners use machines to replace workers . . . and the government does not take timely action to control it, then this [automation] will create a lot of social issues.”

Mey Kalyan, senior advisor to the Supreme National Economic Council, said technology was an unstoppable force, so Cambodia would be better off upgrading the skills and productivity of its workforce.

“We cannot avoid the evolution of technology, so we have to be ready and improve the skills [of workers] so that they are flexible to the demands of industry,” he said. “Cambodia’s workforce is still young and we have time if we start now to adjust the education and vocational system to get the desired outcome.”

FASHIONATING WORLD



SATURDAY, 09 JULY 2016 19:22

# CAMBODIA SHOULD BE CAUTIOUS ABOUT CHINESE AID

China is certainly doing a lot in Cambodia, becoming the country's largest aid donor and source of foreign investment. Between 1994 and 2013, Chinese investment in Cambodia was about US$10 billion, focused mainly on agriculture, mining, infrastructure projects, hydro-power dams and garment production. Since 1992, China has also provided around US$3 billion in concessional loans and grants to Cambodia. This gesture has garnered appreciation from Cambodia's government.

Excessive dependence on China has also placed Cambodian foreign policy firmly under China's influence. During a meeting between Chinese and ASEAN ministers over the South China Sea in June 2016, Cambodia joined two other ASEAN nations in refusing to endorse a joint statement criticising China for its construction of military installations in contentious areas in the South China Sea.

Because of China's influence, Cambodia is reluctant to strongly criticise or protest environmental issues resulting from Chinese policies. Chinese dam building on the upper Mekong River is being tolerated despite potential environmental devastation affecting millions of Cambodians who depend on this water for drinking, irrigation, fishing and sediments that naturally fertilise the land — in short for their food, water, sanitation and, in many instances, their income.

However, the key strategic interest for Cambodia is that its engagement with donors can both deliver infrastructure and the protect human rights and the rule of law. Both Western and Chinese approaches have their benefits. Cambodia's task is to balance the benefits and obligations of both.

The Phnom Penh Post





# Russian cargo airline to add Cambodia flight

Wed, 6 July 2016

Russia's largest cargo airline, AirBridge Cargo Airlines, will launch a weekly flight to Cambodia this month as part of its expansion of services in Southeast Asia, according to international media reports.

The freight carrier will use a Boeing 747 to transport cargo from Moscow to Phnom Penh via Singapore and vice versa once a week.

The service aims at widening trade lanes for Cambodian textile and garment exports to reach Europe and the US, company officials said

# US Expands Duty Free Access for Travel Goods Made in Cambodia

**06 July 2016**

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Cambodian garment workers work inside a factory in Phnom Penh, Cambodia, file

**Cambodia exports more than $5 billion annually to its two major textile export markets, the US and EU.**

PHNOM PENH —

The United States Trade Representative has announced a major expansion of trade preferences to Cambodia that it said could bring “significant benefits” to the country.

Under the new U.S. Generalized System of Preferences (GSP), Cambodia, along with other developing countries that produce travel goods such as luggage, will be able to export those products to the United States duty free.

The expansion will give Cambodia access to the $10 billion import market in travel goods, further encouraging the development of Cambodia's textile industry, according to a statement from the U.S. Embassy in Phnom Penh.

"This announcement … has the potential to open up an entirely new market for Cambodian exporters and to create thousands of jobs for Cambodians," U.S. Ambassador to Cambodia William Heidt said. "We encourage Cambodian manufacturers to take advantage of this new opportunity, which would help to diversify Cambodia's economic base, spur economic growth, and alleviate poverty."

The GSP is a 40-year-old trade preference program under which the United States provides duty-free treatment to imports from beneficiary developing countries. According to U.S. Trade Representative Michael Froman, "We have used these programs to give some of the poorest countries in the world a vital leg up vis-à-vis more advanced competitors."

Mey Kalyan, senior adviser to Cambodia's Supreme National Economic Council, welcomed the move, saying it was a good thing for the economy.

"When we have the market, I believe that more investors will come to invest in Cambodia. So, it will allow our economy to progress, allow the people to have jobs and more importantly, it will give more added value," he said.

Cambodia exports more than $5 billion annually to its two major textile export markets, the US and EU.

Under the GSP program, approximately 5,000 products from 122 beneficiary developing countries and territories, including 43 least-developed countries, are eligible for duty-free treatment when exported to the United States. In 2015, the total value of imports that entered the United States duty-free under the GSP was $17.4 billion.

**12th July 2016, Brussels**

# Euratex reports decline of China's share in EU imports in 2015

The leading position of China has continued to be eroded by the increasingly vigorous entry of the other production zones, according to the latest bulletin produced by Euratex, which includes an analysis of EU external trade in 2015 global sector, as well as main EU suppliers and customers.
According to the report, whereas in 2010, its market share of EU textiles and clothing imports stood at 40.8%, this had fallen to 35% by 2015. The tendency for China seemed to be more and more textile exports whose production was facilitated by more sophisticated and productive machinery, at the expense of garments which are much more labour intensive.

## Beneficiaries

The Mediterranean countries, which have long enjoyed the advantage of their proximity to the EU-28, have experienced the same scenario as China. Although this area was still a major supplier, its share had contracted from more than 20% in 2009 to 18% in 2015, Euratex reports.
The main beneficiary was the SAARC zone, which has gone in the opposite direction to China since 2010. From 19% in 2010, its market share of textiles and clothing imports in 2015 was 24.6%. The ASEAN zone, which is smaller than the SAARC area, showed enough drive and economic dynamism to grow its share of textile and clothing imports from over 6% in 2010 to 8.6% in 2015.
In 2015, these four zones accounted for 86% of total extra-EU textile and clothing imports. EU-28 imports originating from these groupings primarily related to clothing goods. Clothing products represented 80% of total imports, a 10.5% gain in value terms.

## Products

Looking to products, China prevailed as the main supplier of woven garments’ imports. However, its share continued to decline at 37.6% to the benefit of South Asian countries whose shares rose. The Mediterranean countries, as the traditional suppliers of the EU-28 in this segment, lost more ground, ending up with a 16.5% share.
The situation differed little for imports of knitted garments. As the main supplier to this market with a 34% share, China was faced with the intense vigour of its direct competitors in the SAARC and especially the ASEAN areas, Euratex reports. The Mediterranean countries continued to be an important supplier group, yet similar to China, they suffered from the Asian dynamism with a 17.5% share.

## Demand for EU clothing

EU exports somewhat struggled to make gains regardless of a few definite trading advantages, and this against a difficult global economic situation. In 2015, 57.5% of extra-EU exports went to four main defined groups: the Mediterranean countries with 13.7%, the group of autonomous countries (Armenia, Azerbaijan, Belarus, Kazakhstan, Moldavia, Uzbekistan, Russia, Ukraine) with 11.8%, the EFTA group of countries with 14.2%, and the NAFTA group with 17.8%.

These four groups accounted for 59% of extra-EU textile and clothing exports in 2014. This decline was for the most part linked to those exports to the autonomous group, in particular due to the embargo on exports to Russia, which caused a collapse.
Woven fabrics were the major textiles exported by the EU. These represented 24.4% of total textile and clothing exports. Regarding clothing, woven and knitted articles represented respectively 32% and 17% of total EU textile and clothing exports.

**08 JUILLET 2016 -**

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# Le coton à l’OMC, les producteurs africains demandent des efforts supplémentaires

Le 1er juillet, les pays africains producteurs de coton ont salué les décisions d’améliorer l’accès aux marchés et d’éliminer les subventions à l’exportation pour le coton qui ont été prises par les membres de l’Organisation mondiale du commerce (OMC) à Nairobi, en décembre dernier. Toutefois, ils ont demandé de faire plus pour remédier aux distorsions des échanges causées par les programmes de soutien accordés par les pouvoirs publics aux producteurs de coton, souligne l’OMC.

Parlant au nom du C4 - Burkina Faso, Bénin, Mali et Tchad - l'Ambassadeur Thiam Diallo du Mali a déclaré que les programmes de soutien interne des grands producteurs continuaient de faire pression à la baisse sur les prix mondiaux du coton et ce au détriment des agriculteurs des pays du C4. Cela pourrait avoir des «conséquences dramatiques» sur les communautés rurales africaines et forcer des milliers de jeunes à migrer afin de gagner leur vie. La déclaration a été appuyée par le groupe des Pays les moins avancés (PMA).

Lors de la dixième Conférence ministérielle de Nairobi en décembre dernier, il a été acté que la suppression des subventions à l'exportation pour le coton avant le 1er Janvier 2017 et un plus grand accès au marché (cf. nos informations).
Le président des négociations sur l'agriculture et du sous-comité sur le coton, l'ambassadeur Vangelis Vitalis de la Nouvelle-Zélande, faisant le point sur l'état d'avancement des négociations a souligné l'absence de notifications des membres en ce qui concerne leur soutien interne pour le coton. Parmi les 32 membres qui ont été identifiés comme des marchés

potentiels d'intérêt pour les PMA dans le document de base, seuls cinq membres sont à jour dans leurs notifications.

Le directeur exécutif du Comité consultatif international du coton (CCIC), José Sette, a indiqué que les prix actuels de coton sont restés autour de leur moyenne historique à long terme à environ 70 cents la livre. Toutefois, il n'y a aucune raison de se réjouir a-t-il souligné car les prix du coton subissent une énorme pression des fibres synthétiques comme le polyester.

***Légère progression de l'aide au coton***

Selon le secrétariat de l'OMC, la valeur totale des engagements d'aide au développement spécifique sur le coton dans la partie I est passée de $226,4 millions dans la version précédente publiée en octobre dernier à $294,8 millions. Les flux de décaissement ont également augmenté de $13,3 millions à $115,6 millions.

Au nom de la C4, le Mali a déclaré que les derniers chiffres étaient de bonnes nouvelles et que les donateurs sont de plus en plus mobilisés. Le Bénin a également noté une tendance positive sur les décaissements, mais a déclaré que les nouveaux engagements restent marginaux. Quant à la Chine, elle a déclaré qu'elle envisageait de parrainer quatre programmes de formation sur le coton au Tchad et dans d'autres pays africains producteurs africains de coton et que la restauration d'une autoroute au Bénin serait bientôt achevée, ce qui permettra d'améliorer le transport du coton jusqu'au port de Cotonou.

# Coton: les cours progressent sur de bonnes ventes à l'export

(AWP / 08.07.2016 21h04)

NEW YORK (awp/afp) - Les cours du coton ont progressé durant la semaine sur le marché américain, bénéficiant surtout des bons chiffres de ventes à l'export annoncés vendredi par le ministère de l'Agriculture (USDA).

Les ventes hebdomadaires à l'export ont très largement dépassé les attentes, bénéficiant visiblement des manques à gagner de la production du sous-continent indien: les chiffres de l'USDA ont montré un bond de 34% par rapport à la semaine précédente, et de 66% par rapport à la moyenne des quatre dernières semaines, avec une demande asiatique, et notamment vietnamienne, en forte hausse.

Mais les investisseurs restaient toutefois prudents avant la publication mardi de statistiques mensuelles de l'USDA sur l'offre et la demande.
En effet, comme l'ont une nouvelle fois signalé les analystes de Plexus Cotton, le marché est tiraillé entre les conditions actuelles favorables aux ventes de coton américain, et la perspective de meilleures récoltes qui tend à peser sur les cours.

"Les stocks mondiaux devraient être révisés en forte baisse, ceux en dehors de Chine étant au plus bas depuis 2009, mais la perspective de meilleures récoltes la saison prochaine bride le marché new-yorkais", faisaient-ils valoir.

"A ce stade le marché compte sur des récoltes plus importantes que l'an dernier aux Etats-Unis et dans le sous-continent indien, qui représentent 64% de la production non-chinoise", faisaient-ils valoir.
Louis Rose, chez Risk Analytics, estimait lui aussi que la récolte américaine s'annonçait bonne: "L'amélioration de la météo dans une large partie de la région cotonnière et des champs (étendus) ont des chances de garder les cours sous pression", expliquait-il dans une note.

Mais, pour le reste du monde, il table sur une récolte en baisse.
"Les estimations en baisse de surfaces plantées en Chine, en Inde et au Pakistan, et un manque de précipitations en Afrique de l'Ouest et dans l'ancienne Union Soviétique, ainsi qu'une météo non idéale en Chine, conduisent de nombreux analystes à penser que la récolte attendue sera de plus en plus faible dans les mois à venir", faisait remarquer M. Rose.

La livre de coton pour livraison en décembre, le contrat le plus actif sur l'Intercontinental Exchange (ICE), a fini la séance vendredi à 65,81 cents, contre 64,99 cents en fin de semaine dernière, une progression de 1,26%.

L'indice Cotlook A, moyenne quotidienne des cinq prix du coton les plus faibles sur le marché physique dans les ports d'Orient, s'affichait à 75,95 dollars, contre 76,15 dollars la semaine dernière, un repli de 0,26%.

# Textiles: How India Can Be Global Leader

**Posted by: nt July 12, 2016 in Commentary**

**AJIT RANADE**

The textile sector, along with construction, agriculture and tourism is one of the four most labour-intensive sectors of the economy. It has a huge potential for generating sustainable jobs as well as export earnings. Currently, it employs about 35 million people and contributes 12 per cent of exports. But just 15 years ago, the share of textiles and clothing in India's manufacturing exports was more than 25 per cent. How did this sharp decline happen? Why are textile and clothing exports declining and not growing at double digits ? India's garment exports have now been overtaken in dollar terms even by its neighbour Bangladesh, and Vietnam may not be far behind. Of course, Bangladesh has benefitted from duty-free access to the European Union, and indeed some Indian entrepreneurs too have located themselves in that country for that reason. But Bangladesh's transformation of its garment sector within a decade is nothing short of fantastic, offering some lessons for us as well.

India has a unique opportunity to reverse the decline in its export share and seize a global leadership position. Some of this opportunity is arising due to changing labour dynamics in China, which has been the world's textiles behemoth.

**Opportunity for India**

Chief Economic Advisor (CEA) Arvind Subramanian has been championing the cause of this sector with very compelling data. For instance, he points out that most of the sustained East Asian growth of past decades was on the back of the textile and clothing boom. Most tellingly, a unit of investment in the clothing sector generates 12 times as many jobs as the automobile sector and 30 times that of steel. Clearly, there is a big bang for the investment buck in textiles. Not surprisingly, the CEA's passionate advocacy is showing results.

The reforms announced last month by the cabinet under a "textile package" address some key impediments, and the package is timely. First, the reforms removed some of the embedded tax burden from exports through a duty drawback scheme. Secondly, firms are provided incentive to hire more workers through a subsidy to meet the EPF costs. But clearly much more needs to be done to harness the great promise. A CII-BCG study for textiles, made-ups and apparel estimates that the sector can generate 50 million jobs in the next nine years. Of these, more than 70 per cent will be for women. (The Bangladesh garment industry has close to 90 per cent women). The study also shows that the shift of textiles and garments away from China (due to rising labour costs) is an annual opportunity of about 280 billion US dollars for other developing countries.

**Following global pattern**

This is a huge opportunity. India has some advantages in being present in all parts of the value chain, beginning from fibre, yarn, fabric and going all the way to clothing, branded apparel and fashion. This is not to mention the new emerging markets like technical textiles that have industrial applications.

But here are two additional considerations that need close attention. First is the issue of fibre neutrality. In India, there is a curious frenemy relationship between cotton and man-made (synthetic) fibres. The global consumption pattern is 65:35 in favour of synthetics (like polyester, rayon, acrylic), whereas in India it is exactly the reverse. The net imports of the US and EU show a steady decline in cotton textiles vis-à-vis manmade fibre products over the past five years.

If we are to tap into the export opportunity to these developed nations, our domestic mix has to mimic the global demand pattern. In India, cotton makes up 80 per cent of all fibre consumption whereas in China it is 50 per cent. This skew has been made worse due to the highly unequal excise tax treatment of cotton versus the rest. The textile ministry is aware of this asymmetry, and a fibre-neutral policy is on the anvil. Hopefully the GST regime will also discontinue the sharp asymmetry that has persisted for the past ten years.

**Impact of FTAs**

The second is the impact of free trade agreements. Fortuitously, the CEA himself is heading a committee to evaluate the costs and benefits of the several FTA that have been signed by India in the past couple of decades. Prima facie it appears that India's trade deficit has uniformly gotten worse following several FTAs. No doubt, there has been trade enlargement, but not necessarily to India's benefit. The reasons could be many – some fair, some unfair.

For instance, if our trading partners inherently have a lower cost of doing business, more efficient logistics and transportation, higher labour productivity, then naturally their goods are cheaper, of better quality and flood our markets. But if in addition they also resort to unfair practices like dumping, or state subsidy, then it is a cause for serious concern. Let us not forget that China still has a huge overhang of excess capacity in fibre, yarn and fabric parts of the value chain. Their manufacturers get power subsidy and non-transparent VAT rebates against which our manufacturers cannot compete.

There is also the looming shadow of the mega treaty called the Trans Pacific Partnership which goes much beyond trade, and makes it compulsory for the entire value chain to be located in member countries. India is not a member of TPP and can potentially be at a serious disadvantage. Fortunately, the TPP is losing political support, so it may be several years into the future. Finally, despite these various hurdles, let us not lose sight of the huge promise of this sector (it is after all one of the trinity of roti, kapada, makaan), in generating large-scale jobs, especially for women, and healthy foreign exchange earnings. With proper policies and reforms, the textile sector in India is definitely heading for a high noon of great fortune.

**Industry News | Time：Jul 8 2016**

## Indian textile industry welcomes new minister, seeks minimum GST merit rate

Textile industry bodies and large players alike have welcomed the appointment of former HRD minister Smriti Irani as the new Cabinet minister for textiles.

While on one hand the industry is hopeful the appointment will see a progressive approach being taken by Irani, it anticipates the government would consider textiles for the minimum merit rate under the Goods and Services Tax (GST) when implemented.

Welcoming appointment of Smt. Smriti Irani as the new Minister of Textiles, Naishadh Parikh, chairman, Confederation of Indian Textile Industry (CITI) said: "At a time the textile industry is poised to establish 'Make in India' into a reality, the appointment of a dynamic, progressive and result-oriented Cabinet Minister like Smt. Irani comes at an opportune time."

The industry body also extended gratitude towards the Prime Minister for a Cabinet minister for textiles to achieve the goal of creating 50 million jobs in next few years. On the other hand, Clothing Manufacturers Association of India (CMAI) is of the view that Irani would be ideal in leading efforts by the Textiles Ministry to achieve the ambitious targets and expectations.

"We welcome Smt Smriti Irani and expect that with her dynamic approach and leadership, she will be an ideal person to lead the industry in its efforts to achieve the ambitious targets and expectations from the industry. The recent package has been extremely pro-active and addresses most of the roadblocks that were hampering the growth of the garment industry. And we expect that the coming years will see a much more aggressive growth rate in terms of exports, employment and investments in the industry. One other major initiative which the government must take is to ensure that the garment industry is kept in the minimum merit rate of GST as and when it is implemented," said Rahul Mehta, president of CMAI.

Commenting on the development, Sanjay Lalbhai, Chairman & MD of Arvind, said: "We at Arvind welcome Smt. Smriti Irani as the Union Minister for Textiles, Government of India. Her inclusion will provide new energy to the recently-approved textile initiative — the Rs 6,000 crore package for the textiles sector with an aim to create 10 million new jobs in three years. Under her dynamic and able leadership, this initiative will have the potential to attract investments of $11 billion, while eyeing an additional $30 billion in exports."

According to Lalbhai: "With the unfolding global opportunities, the Indian textile sector is well-poised to create jobs for millions of Indians and contribute substantially to the GOIs 'Make-In-

India' initiative. Arvind extends its full support to the Textiles Minister in her endeavour to make the Indian textile industry grow by leaps and bounds in the domestic as well as global market."

The industry, as per Parikh, hopes the recent initiatives by the government will further bolster the Indian textile scenario amid large investments taking place in Bangladesh and Vietnam.

"India is the second fully integrated robust textile value chain, next only to China. The industry is looking forward to initiatives to further bolster the textile industry in view of large investments taking place in Bangladesh and Vietnam towards verticalisation of the industry. The Indian textile industry is optimistic and confident that under her able leadership, the Indian textile value-chain will grow manifold. We assure Smt. Irani all support and co-operation in her endeavour and initiatives in textiles," Parikh said.

# 'Lack of FTAs costs India 55 lakh textile sector jobs'

**05**

Jul '16

The absence of Free Trade Agreements (FTAs) with the EU, Australia and Canada costs India almost 55 lakh jobs in the textiles and garment sector. Additional exports would have generated these jobs if FTAs had been in place..

This is a major finding of study by Ernst & Young. The study was commissioned by the Cotton Textiles Export Promotion Council (Texprocil), which released the report titled "Textile Industry As a Vehicle of Job Creation for Inclusive Growth" in Mumbai on Monday.

The report also highlighted the size and employment generating capacity of the textile industry. According to the report, the most significant impact of the industry was that it employed many women including married women in rural areas.

It mentioned the movement into non-migratory models like the hub-and-spoke method successfully employed in Bangladesh Cambodia etc.

It underlined similarities in process in the home textile sector and the garmenting sector and pointed out that home textiles is also labour intensive and helps in the social uplift, thereby impacting poorer segments and other lower strata of society.

Texprocil Chairman R. K. Dalmia who released the report, said there were 3 objectives in undertaking the study. First, to map the top 20 textile products in demand in major importing countries in comparison to what India is supplying to these markets and thereby analyze reasons for mismatch in demand and supply, if any, and chalk out suitable corrective action to be taken up by the industry.

He also reiterated the importance of finalisation of FTAs with EU, Australia and Canada in addition to negotiation of concessional tariff with China to highlight the impact of business being lost to other competing countries owing to tariff disadvantage faced by the Indian suppliers.

Thirdly, he said that this study was done to clearly bring out the employment potential of the textile sector, especially in rural India by developing non-migratory models of manufacturing like the 'hub –and-spoke' model being popularised in countries like Bangladesh, Cambodia and Myanmar.

“This study was done by conducting primary research in various production centres and also by one-to-one meetings with manufacturers and exporters of fabric and home textiles in small, medium and large scale sectors,” he said.

Dalmia stressed that the apparel special package announced last month should be extended to home textiles sector immediately so that the two packages are implemented simultaneously. This will not only lead to substantial increase in employment in rural India but also augment export of home textile products.

## India, the second most attractive market for global retail brands to expand

**YarnsandFibers News Bureau, 2016-06-28 12:00:00 - Mumbai**


Arvind Retail Ltd, largest textile maker in India that sells foreign labels, after seeing sales growth topping its own expectations, now plans to accelerate expansion for the global brands in the Indian market. Arvind sells global brand such as Tommy Hilfiger, Nautica and Ed Hardy. In the year ended 31 March it added four more brands to its portfolio - GAP, Aeropostale, Sephora and The Children's Place (TCP).

J. Suresh, chief executive officer of Arvind's retail and brands business said that the four brands added to their portfolio from which they earlier expected revenues of Rs.2,000 crore in the next five years are now giving good response, as a result they have stepped up on their expansion plans and will achieve this (Rs.2,000 crore revenues) in four years.

The plan initially was to open 12 GAP stores in two years. The company has already opened 10 and will now have 14 Gap stores in the first two years of operations. The company has already opened seven TCP stores and will beat its target of 12 stores with a total of 15 outlets by the end of fiscal 2017 and an additional 15 shop-in-shops as well.

Likewise, for Areopostale, the initial plan was to open 40 stores in 4-5 years. This will now be achieved in 2-3 years, said Sumit Dhingra, who oversees the Nautica, Gant and Aeropostle brands.

When the retailer opened its first store at Select CityWalk, a month after H&M, it did sales per square feet per day of Rs.293 in the first 30 days. Brands like Benetton, Louis Phillippe and Levis do about Rs.50 per sq ft per day, which is considered good, said Dhingra.

According to The 2016 Global Retail Development Index report by consultancy AT Kearney, India is the second most attractive market for global retailers to expand in after China. But infrastructure bottlenecks, high attrition rates and limited high-quality retail space remain concerns for retailers.

India has in the past couple of years improved the ease of doing business. Greater clarity on foreign direct investment (FDI) regulations has helped.

According to Kenneth Ohashi, senior vice president, international and global licensing, Aeropostale, who expects India to contribute 20% of its international sales in five years said that India is one of the corner stone's of BRIC (Brazil, Russia, India and China) and it is the first country in BRIC that they went into.

Swedish fashion retailer Hennes and Mauritz (H&M), which opened its first store in October, is expanding rapidly. H&M will have 12 stores by end of the year-end, the company said on 20 June.

However, challenges remain as India continues to be a complex market for foreign retailers, where understanding dynamics at the state level is important as the country's 29 states have the power to opt in or out of foreign direct investment reforms.

FASHIONATING WORLD

NEWS TEXTILES APPAREL DENIMS FIBRES & YARNS KNITS EVENTS SERVICES CONTACT SEARCH NEWSLETTER ARCHIVE

WEDNESDAY, 06 JULY 2016 17:10

# CREATING JOBS IN TEXTILES SECTOR A CHALLENGE FOR NEW TEXTILE MINISTER

The new textiles minister Smriti Irani's shift from the high-profile Human Resources Development (HRD) ministry would come with its own share of challenges. Though textiles might not get her the visibility as HRD , but the ministry's role in fulfilling Prime Minister Narendra Modi's one big promise of providing jobs to the youth is extremely critical. The textile industry is the second-largest employer in the country after agriculture. It employs about 32 million people and the government is banking on it to absorb millions of youth.

Firstly, Irani will have to see that the special package declared for the textiles sector last month falls into place. Approved last month by the Cabinet, the slew of measures aim to improve competitiveness and lead to greater production through a string of labor reforms which in turn are expected to generate one crore new jobs in the next three years.

However, the package is estimated to cost an estimated Rs 6,000 crores and the ministry will be hard pressed to show results soon. Of the package, nearly Rs 5,500 crores is for an additional 5 per cent duty drawback for the garments sub sector which industry insiders say have benefited the most. The seasonal nature of the garment industry has seen fixed-term employment being introduced.

Furthermore, the government will bear the entire employer's contribution of 12 per cent under the Employers Provident Fund Scheme for new employees of garment industry earning less than Rs 15,000 per month for the first three years.

This is an increase from the present government provision of 8.33 per cent towards employer's contribution provided under Pradhan Mantri Rozgar Protsahan Yojana.

All this has miffed industry players operating in other sub sectors. They have started clamoring that such benefits be extended to other sectors in the textile value chain as well.

Business Standard



# StatsGuru: Examining what ails the textile sector

Business Standard July 11, 2016

Newly appointed Textiles Minister Smriti Irani has a tough task ahead to revive the country's textile exports. As Table 1 shows, India's textile exports actually declined to $36.25 billion in 2015-16, from $37.14 the year before. The sector now accounts for barely 2.28 per cent of total gross value added, as shown in Table 2. Within textiles, the top items of export are ready-made garments, both cotton and of man-made fibres, cotton fabrics and man-made yarn and fabrics, as shown in Table 3.

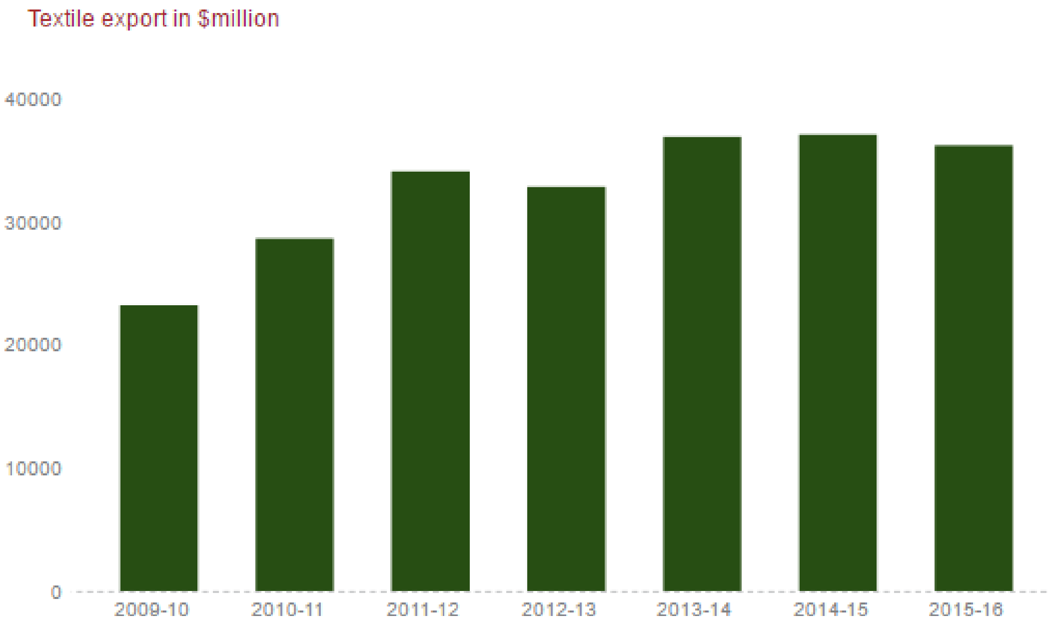
Over the past few years, India has been steadily losing export share to other developing countries. Unencumbered by strangling regulations, these developing economies have marched well ahead. China's textile exports were $287 billion in 2014, as shown in Table 4. Even Bangladesh's clothing exports outstrip India's, as Table 5 shows.

The importance of the textile sector stems from its potential of being a big employment generator. And though the sector has nowhere reached that potential in India, in the quarter ended December 2015, it added 72,000 jobs, second only to the IT/BPO sector, as shown in Table 6.

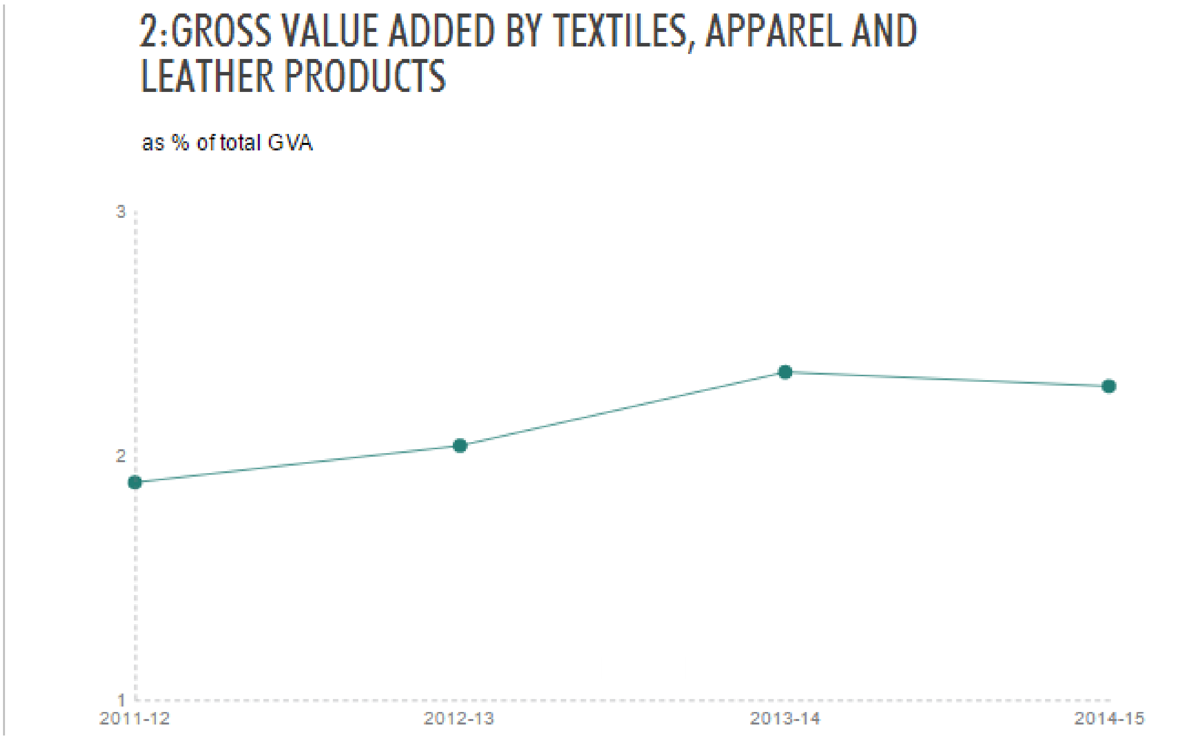
But, notwithstanding this spurt in employment, the number of mills closed during 2015-16 actually rose to 586, up from 559 the year before, as shown in Table 7. As a result, cloth production from the mill sector actually declined from 2,486 million sq mt in 2014-15 to 2,313 million sq mt in 2015-16, as shown in Table 8.

While the government has tried to address the problems plaguing the textile sector, it recently announced a Rs 6000-crore package and has also proposed radical changes to existing labour laws, reversing this decline is a tall order.

## 1: INDIA'S TEXTILE EXPORTS DECLINED IN 2015-16

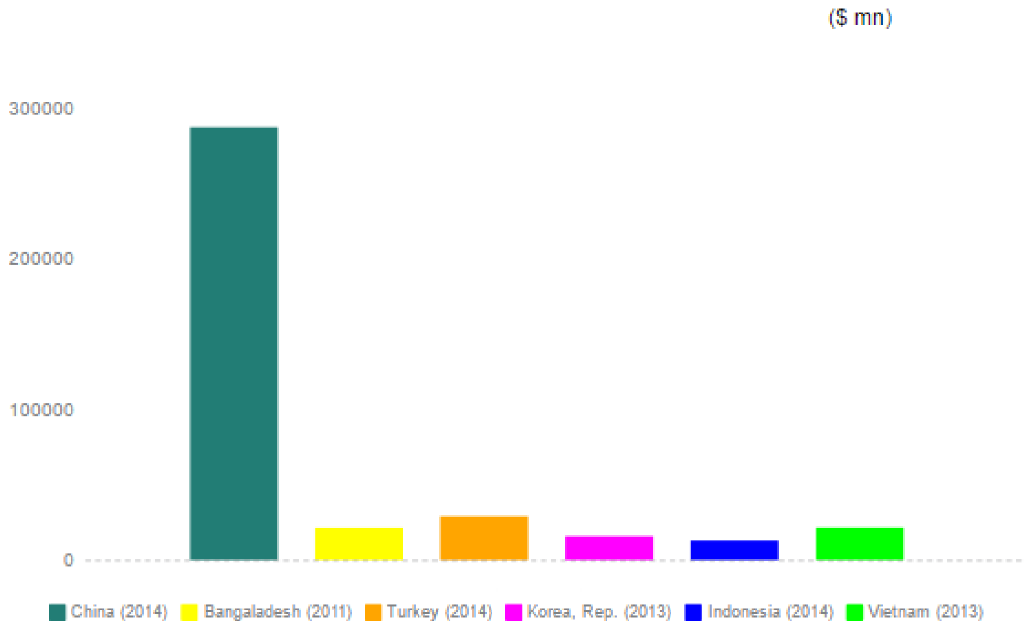



## 1A: INDIA'S TEXTILE EXPORTS DECLINED IN 2015-16

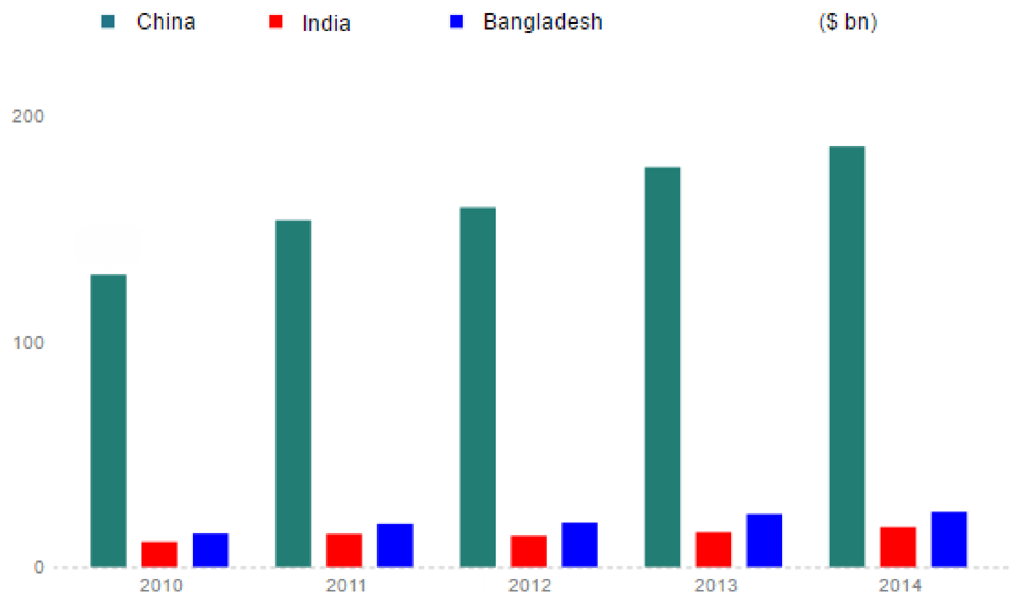

2:GROSS VALUE ADDED BY TEXTILES, APPAREL AND LEATHER PRODUCTS
as % of total GVA
3
2
1
2011-12
2012-13
2013-14
2014-15


3: TOP 5 TEXTILE PRODUCTS EXPORTED
Share in total exports in 2015-16
(%)
Ready made garments (COTTON INCL ACCESSORIES)
Cotton Fabrics, Madeups etc.
Manmade Yarn,Fabrics,Madeups
Readymade garments (Manmade Fibers)
Cotton Yarn

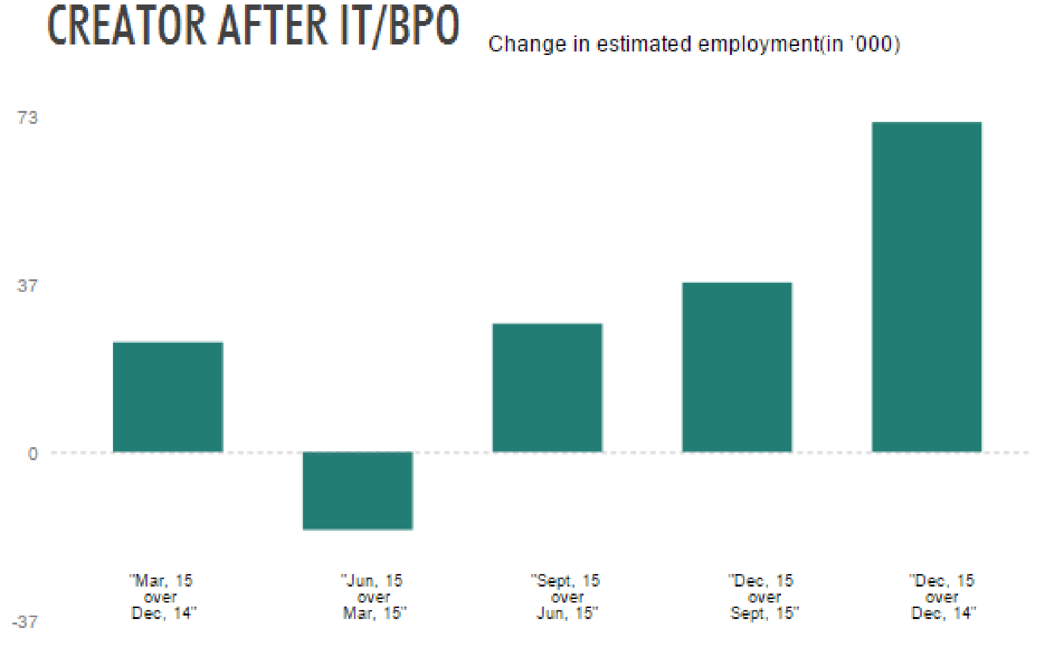
## 4: COMPARISON OF TEXTILE EXPORTS AMONG NATIONS



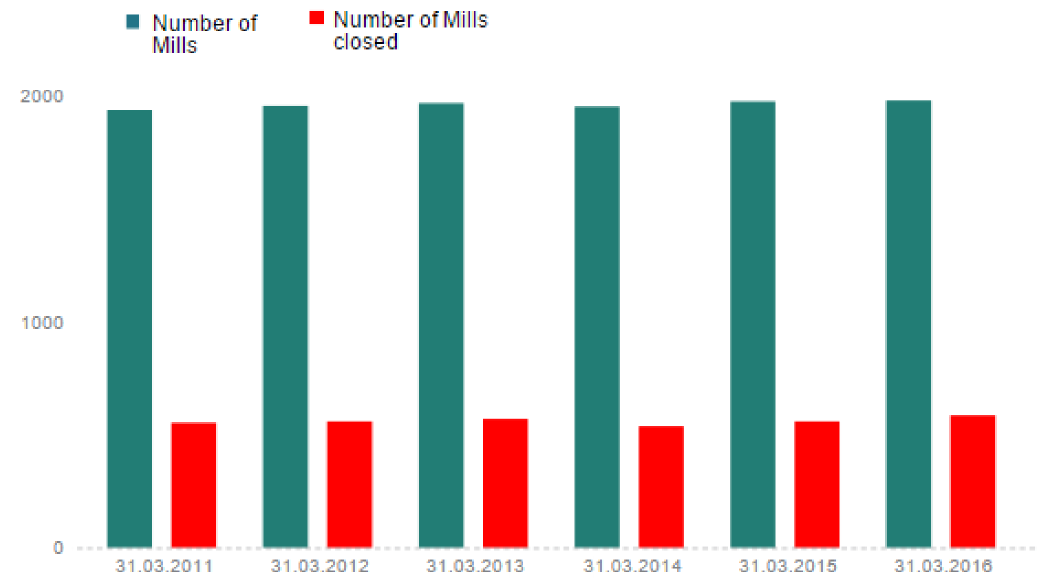

## 5: BANGLADESH'S CLOTHING EXPORTS OUTSTRIP INDIA'S



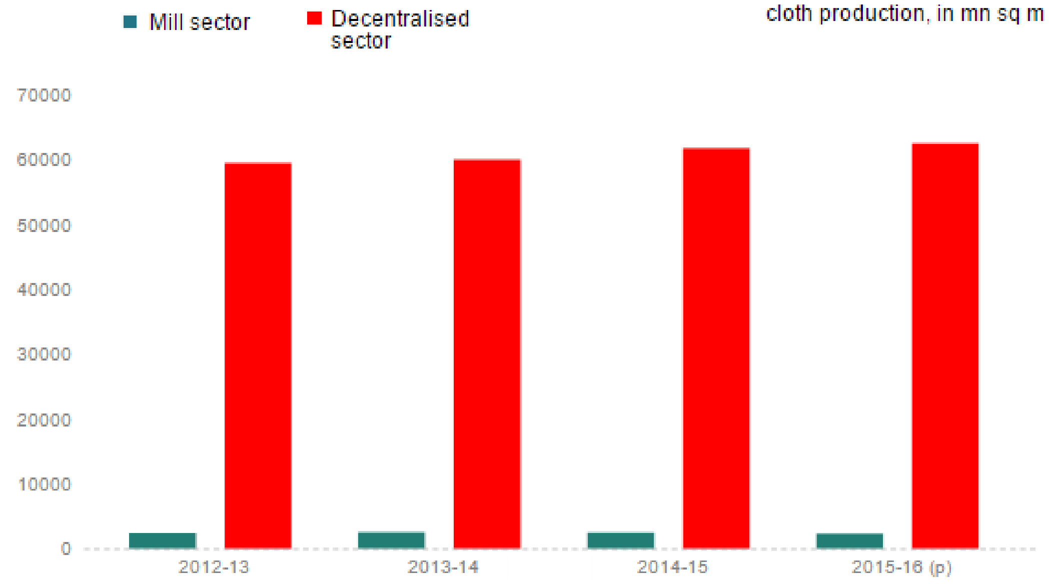
# 6: TEXTILE SECTOR SECOND-LARGEST EMPLOYMENT CREATOR AFTER IT/BPO




# 7: BUT NUMBER OF MILLS CLOSED ROSE TO 586 AT THE END OF 2015-16



## 8: AS A RESULT, CLOTH PRODUCTION BY MILLS DECLINED IN 2015-16




Complied by BS Research Bureau
Visualised by: Shivansh Jauhri

# Textiles Ministry: From new projects to China threat, there's a lot here to keep Smriti Irani busy

The Textile Ministry might not really be a rung below as some believe.

**Written by Aaron Pereira | New Delhi | Updated: July 6, 2016 4:42 pm**

In June this year, the Union Cabinet announced a grant of Rs 6,000 crore to the textile industry, hoping to surpass textile production countries such as Vietnam and Bangladesh within the next three years.

Union Minister Smriti Irani was on Tuesday allotted the Textiles Ministry by Prime Minister Narendra Modi in his second Cabinet reshuffle since assuming power in 2014.

Neglected for decades, the textile ministry has over the last two years seen a spike in fund allocation by the Union government and now has an ambitious target of attracting investments of $11 billion, while generating $30 billion in exports, while simultaneously boosting jobs. There's no doubt that Prime Minister Narendra Modi – who represents Varanasi, a handloom hub – has kept focus on the textile industry, a promise he made to his constituency during the Lok Sabha election campaign.

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Modi Cabinet Reshuffle: PM hits the refresh button

In April 2014, a month before sweeping to power in the 2014 Lok Sabha elections, Modi told an election rally in Varanasi that weavers were an integral part of the city's history and have been neglected by consecutive governments both – in the state and Centre. "I believe that our weavers can compete with China," he had said.

A Rs 200-crore Trade Facilitation Centre and Crafts Museum project – that seeks to benefit weavers and other handicraft workers of Varanasi and adjoining districts of eastern Uttar Pradesh – is also underway.

Besides Varanasi, the Modi government has also decided to focus on the Northeast. During his visit to Nagaland in December 2014, the Prime Minister announced the setting up of a modern garment manufacturing centre in each of the Northeast states beginning with Nagaland, Assam and Sikkim under the North East Region Textile Promotion Scheme. The Nagaland and Tripura centres were inaugurated by former MoS Santosh Kumar Gangwar in April this year and the government claims the other centres are ready.

**Also Read: Smriti Irani's move to Textiles aimed at Uttar Pradesh polls?**

NERTPS, an umbrella scheme for the development of various segments of textiles – silk, handlooms, handicrafts and apparels & garments – has a total outlay of Rs. 1038.10 crore in the 12th Five Year Plan.

The government allocated Rs. 18.18 crore for each state and estimated job creation for about 1,200 people in each of the centres.

In June this year, the Union Cabinet announced a grant of Rs 6,000 crore to the textile industry, hoping to surpass textile production countries such as Vietnam and Bangladesh within the next three years.

Interestingly, India's share in the global garment industry is just 3.1 per cent. China's is around 35 per cent and Bangladesh's share is 60 per cent more than that of India's. The Union government also introduced a scheme to help weavers upgrade existing technology.

Prime Minister Narendra Modi reshuffled his Cabinet on Tuesday, allotting Minister Smriti Irani the Textiles Ministry portfolio. In this image, Irani at Parliament House. (Source: PTI)

The Amended Technology Upgradation Fund Scheme provides those eligible with a one-time capital subsidy for a seven-year period ending 2021-22. The scheme has a budgetary provision of Rs 17,822 crore for the next seven years. The scheme hopes to generate an investment of Rs 1,00,000 crore and generate employment of 30.5 lakh people.

In the last two years, Rs 3,277 crore has been released as subsidy to those who have availed of it.

In its 'Achievements of Two Years' release, the Ministry of Textiles has claimed to have spent over Rs 6500 crore on various schemes for the promotion and development of the sector.

From the promotion of handicrafts, to exports, to setting up branches and new National Institutes of Fashion Technology, it has claimed to have created an additional five lakh jobs in the last two years.

In terms of growth, apparel and handicrafts have recorded 22 per cent growth each, and the textile industry – on the whole – has seen an eight per cent growth, pushing its share in the country's total exports up two points – from 13 per cent to 15 per cent.

So, the Textile Ministry might not really be a rung below as some believe. There is no doubt that the minister has enough to keep herself busy with the new portfolio.

FASHIONATING WORLD



MONDAY, 13 JUNE 2016 19:10

# ADB STUDY LISTS FACTORS AFFECTING TECHNOLOGY UPGRADATION IN INDIA

***"A study conducted by Asian Development Bank (ADB) on technology upgradation from a developing country's point of view observes: technology upgrading depends on the extent of assimilation of foreign technologies, the availability of skilled labour and government policies that encourage investments in skills and technology."***


A study conducted by Asian Development Bank (ADB) on technology upgradation from a developing country's point of view observes: technology upgrading depends on the extent of assimilation of foreign technologies, the availability of skilled labour and government policies that encourage investments in skills and technology. Export promotion strategies of the government tend to overlook this aspect, and a more nuanced approach to global value chain activity may help the industry more, the working paper series of ADB South Asia on 'Upgrading in the Indian Garment Industry' added. The textile industry is one of the most important sectors as it accounts for about 14 per cent to the country's total industrial production, 4 per cent of GDP, and 13 per cent of total export earnings. It is the second most essential sector in terms of employment, after agriculture. It provides direct employment to about 45 million and indirect employment to 60 million people (Technopak 2012). India is amongst the top 15 exporters of textiles and clothing in the world. In 2013, India's textile and apparel exports amounted to $40.2 billion (57 per cent textiles and 43 per cent apparel).

## India, a strong global sourcing point

From the apparel industry, there are many companies catering to global value chains, and also as selling in the domestic market. Firms in the Mumbai cluster have been selling half of their output to the domestic market and half to the global market. As per the ADB study, the global value chain has two types of firms: supplying to the European Union (EU) and the United States (US), and supplying to the Middle East market (or countries in South America). Most medium- and large firms in Delhi-NCR cater to the global value chains that are being sold in the EU and the US, while firms in Tirupur cater to both EU-US and Middle East. Other newer markets that were being explored include Japan, South Korea, Singapore, Latin America, South America, and East, highlights the study.

In the ADB study, various differences in organising global trade chain were given but the differences in domestic value chain were more interesting. The domestic value chain in India is organised in a different manner from the global value chains, and has two segments: first catering to lower and middle income market in the country; the other is pertaining to export market quite similar to the global trade chains, as per the paper. The recent emergence of Regional Value Chain was also highlighted to show increasing integration of economies as a single world market. Some firms were reported to have production linkages with Bangladesh and the products being sold to Bangladesh include traditional clothing (sherwani, jodhpuri etc.) as well as ladies' T-shirts. Some of the advantages cited in the case of the regional value chain included lower labor costs; lower costs for sourcing inputs; lower energy costs; ease of availability of labour.

### ADB Survey observations

A sample of 97 firms (34 from Tirupur, 37 from Mumbai, 1 from Surat, and 25 from the Delhi NCR) was carried out to reach certain conclusion about product, process and functional upgrading. Product upgrading that involves steps taken to upgrade product quality, introduction of new fabrics and raw materials, and reduction in reworking rates was the least commonly reported type, followed by functional and process. Product upgrading was highest within the domestic category, in Delhi NCR, and in large firms. Functional upgrading, involving upgradation through design, marketing, and branding was highest in exporters, firms in Delhi NCR, and the largest firms but still 5 firms out of these 97 firms (approximately 5 per cent) did not undertake any such functional upgrading. Process upgrading taking place through the use of new production machinery, worker training, reduction in delivery time, total quality programs, introduction of new organisational approaches, improvements in the production process, and increased use of computer programs for business purposes was highest among firms that both export and sell domestically, in Tirupur, and among the medium-sized firms.

### Lack of skilled labour

The paper also highlighted the differences within the clusters with respect to upgradation. Out of all the firms the highest average score was recorded by the Mumbai cluster, followed by Delhi and Tirupur. The majority reported lack of skilled labour, access to technology, and finance as major obstacle to upgrading. Some observed the duty drawback system needs to be more streamlined to reduce delays in receiving payments. Lack of logistics systems and inadequate infrastructure were cited as major reasons for delays in exporting.

Although little or no upgrading is common in domestic firms, firms in Delhi NCR and large firms but this could be because all the firms in Delhi NCR sample are exporters and the market to which the firm supplies is important, too, since a low level of upgrading was reported in firms with quasi-hierarchical structures.

AL HUFFINGTON POST

# Decathlon ouvrira 26 nouveaux magasins au Maroc

HuffPost Maroc | Par Ghita Ismaili

**Publication : 05/07/2016**


TEXTILE– Decathlon se plait bien au Maroc et compte y rester encore pour un bon bout de temps. Le leader français de la distribution d'articles de sport a, en effet, lancé un nouveau projet d'envergure au royaume. Il a été annoncé lundi, lors de la présentation de la nouvelle Charte d'investissement devant le roi Mohammed VI, à Casablanca.

Il s'agit notamment de l'ouverture de 26 nouveaux magasins au Maroc et l'extension de son entrepôt situé à la zone franche de Tanger, pour un investissement de 163 millions de dirhams. Le contrat a été paraphé par Moulay Hafid Elalamy, ministre de l'Industrie, du commerce, de l'investissement et de l'économie numérique, Mohamed Boussaid, ministre de l'Economie et des finances et Sanchez de Borja, président de la firme française.

L'activité générée par le projet permettra la création de pas moins de 10.910 emplois directs et indirects additionnels.
Decathlon veut aussi développer son sourcing local des articles de sport. Ceci devrait permettre au CA du groupe d'être quadruplé en sous-traitance et en produits finis pour atteindre plus de 2 milliards de dirhams à l'horizon 2020.

Ce projet vise, selon le président de Decathlon, à "encourager et à développer les investissements industriels" du groupe au Maroc, où il est présent depuis plus de 20 ans. Aujourd'hui, il compte une unité de confection, quatre magasins, 300 employés et deux plateformes logistique.

# Heavy rains and constant demand keep cotton price high

YarnsandFibers News Bureau, 2016-06-30 14:30:00 – Karachi


Cotton prices rise further due to heavy rains and persistent demand by mills and spinners, at cotton market on Wednesday, dealers said. The official spot rate was higher by Rs 50 to Rs 5,750. In Sindh seed cotton prices were at Rs 3100-3300 while in Punjab phutti prices were at Rs 3100 and Rs 3350, per 40 kg, respectively.

According to the market sources, cotton prices moving up with the passage of time the world over owing to shortage problem.

Cotton analyst, Naseem Usman said that prediction of heavy rains in both cotton producing Pakistan and India was alarming as the rains may prove damaging for the standing crop.

Other analysts said that in India yarn was not available easily and rates are on rise. The prices could go up further after Eid-ul-Fitr.

In ready business, around 5000 bales of cotton changed hands between Rs 5000 and 5975. While nearly 9000 bales of cotton of new crop of Sindh and Punjab were sold between Rs 6200 and Rs 6300.

The following deals were reported to have changed hands as per dealers: 600 bales of cotton from Sarhari at Rs 5000, 450 bales from Mirpur Khas at Rs 5500, 1400 bales from Kabirwala at Rs 5600, 1200 bales from Haroonabad at Rs 5925 and 800 bales of cotton from Fort Abbas at Rs 5975.

Industry News | Time：Jul 11 2016 2:03PM

## Pakistani textile industry may be exempted from load-shedding from July 10

The textile industry is likely to be exempted from load shedding from 10th of July, said reliable sources from the PEPCO. Sources said the textile industry was vying for resumption of load shedding by the end of the holy month of Ramadan but no decision was made by the authority despite availability of surplus power.

"Surplus power was available but the secretary water and power had left for Karachi well before Eid, therefore the decision to resume power supply to the textile industry was deferred till his return," the sources added. It may be noted that the Ministry of Water and Power had withdrawn exemption from load shedding to the textile industry with the start of the holy month of Ramazan. The textile industry was exposed to 10 hours a day load shedding, starting half an hour before Iftar and resuming half an hour after Sehri.

The relevant quarters had well-informed the authority that surplus power would be available during the Eid holidays due to reduced power consumption both by the domestic and commercial consumers. But the authority kept delaying the decision, apprehending any untoward situation in case the domestic consumers face in any trouble due to power supply to the industrial sector.

But still the PEPCO sources said the desperate textile millers were supplied with the electricity in and around the city of Lahore. The textile industry has witnessed unprecedented load shedding of electricity since November 2007 and the size of power-fed textile industry has reduced to an alarming level. The industry has not only been facing the problem of power availability but also the affordability. Now, the import of RLNG has brought a sigh of relief to the industry, as the Ministry of Petroleum and Natural Resources was supplying RLNG to the textile industry on a highly affordable rate to keep their captive power plants operational. However, those yet being fed through the electricity on the independent feeders are facing supply constraints and compromising with their productivity. The government is determined to produce surplus electricity by the end of next year to overcome the power load shedding once and for all.

Source: Business Recorder

# Pakistan textile industry likely to face threat over Indian textile package

**YarnsandFibers News Bureau, 2016-06-27 17:00:00 – Karachi**


In the current situation, when India competitor of Pakistan have announce billions of dollars packages for their industries. Pakistani textile exporters, in absence of a textile package have urged the federal government for a comprehensive textile package to facilitate the domestic industry, attract more investment in the sector and also to compete in the world market, said Shabir Ahmed, Patron-in-chief Pakistan Bedwear Exporters Association.

He said that recently Indian government approved Rs 60 billion special package for textiles & apparel sector to create 10 million new jobs in three years. As per estimates, Indian textile package will attract investments of $11 billion, besides generating $30 billion in exports. In addition, these measures also include additional incentives for duty drawback scheme for garments, flexibility in labour laws to increase productivity as well as tax and production incentives for job creation in garment manufacturing.

India has taken this step to facilitate the domestic industry and attract more investment in the textile sector, as over the last few years, Indian apparel manufacturing shifted to countries like China which had cost advantages. He said that India had already advantages of economies of scale and Pakistan was facing a tough competition in the world market. They believe that this package is a threat for the Pakistan's textile industry as well as exports as these measures will help Indian exporters to capture the foreign markets.

Indian officials are confident that they will overtake Vietnam and Bangladesh in garment exports within next three years if the package is properly implemented, Shabbir mentioned.

He said that while their competitors are facilitating their industries, Pakistani government is not taking preventive measures to protect the domestic industry. He said that UK's departure from EU may also put some negative impact on Pakistan's exports and now exporters were worried about the GSP plus status too.

Shabir urged the ministry of commerce for proper marketing and study of foreign market can help exporters to boost their exports and earn more foreign exchange for the country. Apart from that there was need that Pakistan's government also announce a comprehensive textile package to facilitate the country's largest export sector, otherwise Pakistan may lose some foreign markets.

# Tunisie - Industrie: Capitale du textile, Monastir est en train de perdre la boussole

**07 Juillet 2016**

La région de Monastir, considérée comme la capitale de l'industrie du textile, est la zone la plus touchée par la crise du secteur tant au niveau économique que social, selon une étude publiée par le Forum tunisien des droits économiques et sociaux (FTDES).

Entre 2007 et 2012, près de 87 entreprises ont fermé leurs portes ayant occasionné le licenciement de 4.500 ouvriers.

En outre, la valeur des exportations du secteur a baissé de 3,6% entre 2010-2012, d'après cette étude réalisée sur un échantillon de 28 entreprises exportatrices de confection réparties dans les différentes délégations du gouvernorat de Monastir et 260 femmes, travaillant dans le secteur du textile.

Cette région occupe la première place au plan national dans le secteur du textile-habillement, avec 511 entreprises (la plupart sont de petites entreprises) en 2012, représentant 26% des entreprises du textile-habillement dans le pays et 50 408 employés, soit 27,5% du total de la main d'œuvre dans le secteur.

**La durée de vie d'une entreprise est de 9,5 ans**

La durée de vie moyenne d'une entreprise du textile-habillement à Monastir ne dépasse pas 9 ans et demi. En outre, la moyenne d'âge de la moitié de ces entreprises ne dépasse pas cinq ans, dont 20% seulement sont encore actives sur une période de cinq à dix ans. Plus de 2/3 de la main d'œuvre opérant dans ce secteur travaillent dans le cadre des contrats à durée déterminée et la titularisation des ouvriers ne concerne que les entreprises installées depuis les années 70 et 80.

Les femmes représentent plus que 86% du total des employés dans le secteur notamment dans les entreprises de confection. Ces employées appartiennent à des milieux sociaux pauvres et moyens et souffrent de la détérioration des conditions sanitaires, alimentaire et d'habitation.

**Faibles compétences de la main-d'œuvre**

D'après cette étude, les faibles compétences de la main d'œuvre est un obstacle devant une éventuelle restructuration de ce secteur pour permettre le renforcement de ses capacités compétitives, notamment avec la concurrence agressive sur les marchés mondiaux. Une réticence est aussi, observée pour l'exercice de ce métier suite à la détérioration des conditions du travail et le faible niveau des salaires.

**Faibles rémunérations des ouvrières**

S'agissant du niveau des salaires de ces ouvrières, l'étude a montré que la rémunération perçue par l'ouvrière productrice ne dépasse pas dans les meilleures des cas, 4% du bénéfice réalisé par les grandes entreprises pour chaque pièce de vêtement. Pourtant, les entreprises du textile réalisent une marge bénéficiaire lorsqu'elles font de la sous-traitance. Ainsi, le coût moyen de la confection d'une robe oscille entre 1,5 euro (3 dinars) et 1,8 euro (3,6 dinars) auprès des entreprises de sous-traitance alors qu'elle coûte chez l'entreprise entre 2,5 euros (5 dinars) et 3 euros (6 dinars).

La grande marge bénéficiaire est réalisée par les grandes entreprises et les grands distributeurs, du fait que le cout moyen lors de l'exportation varie entre 3 euros (6 dinars) et 3,5 euros (7 dinars) alors que la pièce est vendue dans les grandes surfaces à des prix oscillant entre 44 euros (88 dinars) et 90 euros (180 dinars). Ceci montre que le déséquilibre des relations entre les pays en voie de développement -dont la Tunisie- et les entreprises étrangères notamment européennes.

**Les marchés d'exportation ne sont pas assez diversifiés**

D'après l'étude, les obstacles au développement du secteur du textile, concernent une diversification limitée des marchés d'exportation, du fait que les exportations des marchandises sont destinées principalement au marché européen (95%), notamment à la France (33%), l'Italie (31%), l'Allemagne (11)% et la Belgique (6%).

De même, l'approvisionnement en matières premières à des prix élevés constitue un obstacle à la production dans la région, dans la mesure où 80% des matières premières sont importées d'Europe, notamment de l'Italie (27%), de la France (20%), mais aussi de la Turquie (8%) et de la Chine (6%). Le secteur est surtout limité par la faible valeur ajoutée d'une industrie spécialisée dans la confection à bas prix.


# Les maux chroniques du secteur du textile-habillement tunisien

07 Juil 2016 | 10:16 ECONOMIE, Tunisie 0

***En Tunisie, le textile-habillement offre l'image d'un secteur précaire, qui n'est pas en phase avec les changements intervenus dans le monde.***

Selon une étude récente publiée par le Forum tunisien des droits économiques et sociaux (FTDES), cette précarité s'explique principalement par la faible compétitivité de ce secteur clé de l'économie tunisienne, qui ne lui permet pas de faire face à la concurrence mondiale, et par le faible niveau des salaires de la main d'œuvre formée essentiellement de femmes.

Le nombre des entreprises du secteur a fortement chuté, de 2.500 avant 2005, à 1.907 en 2012, et le nombre des postes d'emplois, a également, régressé, passant de plus que 250.000 avant 2005 à 185.000 en 2012, indique cette étude réalisée sur un échantillon de 28 entreprises industrielles spécialisées dans le domaine de la confection destinée à l'exportation, réparties sur les différentes délégations du gouvernorat de Monastir, et de 260 femmes opérant dans le textile, et notamment dans la confection.

La crise dans la zone euro, qui a influencé directement la situation du textile tunisien, ajoutée à l'insécurité et à l'instabilité en Tunisie, notamment après la révolution de janvier 2011, a poussé plusieurs investisseurs à quitter le pays et causé une baisse des investissements dans ce secteur, souligne le rapport du FTDES, qui ajoute : «Cette situation est expliquée par l'impact du taux de change, notamment avec la baisse continue du cours du dinar contre la devise européenne, étant donné que le total des exportations de ce secteur est destiné à l'Union européenne (UE)».

Ces problèmes impactent négativement le marché du travail dans ce secteur et pousse les ouvrières à accepter de travailler aux conditions exigées par les employeurs, en violation de leurs droits économiques et sociaux.

Le textile habillement est connu par une dépendance du marché européen, car ce secteur opère pour le compte des distributeurs et grandes sociétés européennes qui spolient les fruits des efforts des ouvrières, en leur imposant des conditions de travail dures, au nom de la compétitivité et des règles du marché, souligne encore cette étude.

La précarité du secteur du textile tunisien et sa dépendance étroite du marché européen, explique son exposition à tous les changements survenus sur le marché mondial, observés surtout depuis la fin des accords multifibres et la suppression du système des quotas en 2008.

Par conséquent, les entreprises tunisiennes ont été obligées de s'ouvrir et de faire face à la concurrence mondiale, notamment sur les marchés asiatiques, avec des conditions sévères. Cette ouverture a frappé de plein fouet la compétitivité du secteur en termes de prix, qui est un facteur déterminant pour attirer les investissements étrangers dans ce secteur. Les marges bénéficiaires des entreprises ont diminué suite à la baisse continue des prix internationaux des produits du textile de moyenne qualité.

Toutefois et en dépit de cette baisse constatée dans le textile-habillement, ce secteur joue encore un rôle important dans l'économie et dans la société, puisqu'il représente environ le tiers des entreprises industrielles tunisiennes et assure l'emploi de près de 35,7% du total de la main d'œuvre dans le secteur de l'industrie.

Le poids du secteur impose au gouvernement de rechercher les moyens de résoudre ses problèmes structurels et conjoncturels, d'améliorer les conditions de vie des ouvrières du textile, tout en œuvrant à repositionner la production nationale sur le marché mondial, lui assurer une meilleure intégration et une montée en gamme.

**I. B.** (avec Tap)

FASHIONATING WORLD

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MONDAY, 04 JULY 2016 19:10

# USITC STUDY ASSESS IMPACT OF TRADE ON MANUFACTURING JOBS IN THE US

US International Trade Commission (USITC) provides a quantitative assessment on the impact of trade on manufacturing jobs in the US textile and apparel industry in its newly released Economic Impact of Trade Agreement Implemented under Trade Authorities Procedures, 2016 Report. According to the report, manufacturing jobs in the US textile and apparel industry have been declining steadily over the past two decades. Rising import is found as not a major factor leading to the decline in employment in the US textile industry. As estimated, imports only contributed 0.4 per cent of the total 7.6 per cent annual employment decline in the US textile industry. Instead, more job losses in the sector are found caused by improved productivity as a result of capitalisation and automation. Rising imports is the top factor leading to job losses in apparel manufacturing.

However, USITC did not estimate the impact of trade on employment changes in the retail aspect of the industry. According to the US Bureau of Labor Statistics, approximately 80 percent of jobs in the US textile and apparel industry came from retailers in 2015.

# South Korea to build textile techno-park in Uzbekistan

Tashkent recently hosted a groundbreaking ceremony for the Korea-Uzbekistan Textile Techno-Park in the territory of the Tashkent Institute of Textile and Light Industry, the Times of Central Asia cites the Jahan information agency report.
The project to establish in Tashkent the Textile Training-Research Techno-Park until 2018, implemented by Uzbekistan's light-industry JSC O'zbekyengilsanoat together with the Ministry of Commerce, Industry and Energy of the Republic of Korea, is a vivid example of the Uzbek-South Korean cooperation.

The main goal of the techno-park is development and implementation of international training and research programs, exchange of experiences and advanced technologies aimed at the development of the textile industry, and the transfer of technological know-how and conducting research works in the textile field.

The financing of the project is planned at the expense of grant funds from the Program "Official development assistance" (ODA) of the Government of the Republic of Korea. It will finance construction and installation works, acquisition and installation of technological equipment, and personnel training. The approximate cost of the project is estimated at $15 million.

The project involves the construction of high-tech 3- and 5-storey administration buildings, as well as a separate 2-storey building for experimental production with the use of energy efficient technologies, equipped with solar panels over a total usable area 10 thousand square meters.

"We are pleased that every year strategic partnership between Uzbekistan and South Korea has more and more strengthened," said the President of Korea Institute for Advancement of Technology (KIAT) Chung Jae-Hoon. " Realization of joint projects in various sectors of the economy reflects gradual development of mutual cooperation. The potential of Uzbekistan in the textile industry is consistently rising. We intend to further develop cooperation and expand joint projects."

# Vietnam's textile exports slow in first 6 months as buyers shift

Thanh Nien News

Thursday, July 07, 2016 09:16


*An undated photo of a textile factory in Vietnam. Photo: Diep Duc Minh/Thanh Nien*

Vietnam's exports of textiles and garment products increased 5.1 percent to US$10.7 billion in the first six months, the slowest pace since 2010, which industry insiders attribute to the rise of new suppliers in the global market.

The downshift means the industry, which accounted for nearly 14 percent of the country's exports last year, is likely to miss the annual shipment target of $31 billion this year, according to news website Dau Tu.

Buyers are not cutting back purchases altogether but they are increasingly turning toward other suppliers such as Bangladesh, Cambodia, Laos and Myanmar for lower import tariffs and thus lower prices, local media reported, citing industry insiders.

Vu Duc Giang, chairman of Vietnam Textile and Apparel Association, told news website Bnews that Vietnam will have to wait at least two years before its free trade agreement with the EU and the Pacific-Rim trade pact TPP take effect. The former has been signed off but the latter is still waiting to be approved by each of the 12 member states.

At the moment, Vietnam's textile shipment is subject to an average tariff of 17 percent in the US and nearly 10 percent in the EU.

The industry's exports grew 8.2 percent to $22.63 billion last year, according to figures released by the General Statistics Office of Vietnam.

However, the industry's own data showed it actually shipped $27.2 billion worth of textiles and garments products in 2015, up more than 10 percent from the previous year.

Việt Nam News
THE NATIONAL ENGLISH LANGUAGE DAILY



# German tech meets VN textile

Update: July, 06/2016 - 11:00

Germany's latest textile and apparel technologies were introduced to local enterprises in Ha Noi on July 5. — VNA/VNS Photo

HÀ NỘI — More than 600 business representatives and experts from Việt Nam's textile and support industries were introduced yesterday in Hà Nội to Germany's latest textile and apparel technologies.

The event, held by the by the VDMA Textile Machinery Association, supported by the Việt Nam Textile and Apparel Association (VITAS), provided an opportunity for companies to make contact, exchange information and establish a mutually beneficial co-operation, said Trương Văn Cẩm, VITAS deputy chairman.

German machinery is of high quality although its cost is high, said Cẩm.

"However, if Vietnamese textile enterprises want to develop modern technology, they should co-operate with high-technology providers to catch up with global quality and labour productivity," he added.

The deputy chairman also said that a considerable proportion of technologies in Việt Nam's textile and apparel industry needed to be replaced to improve quality, especially those supplying cloth for export garment-making. "Due to the recently signed Trans-Pacific Partnership (TPP), Việt Nam is increasingly becoming a much preferred textile manufacturing location by companies worldwide," explains Thomas Waldmann, managing director of the VDMA Textile Machinery Association.

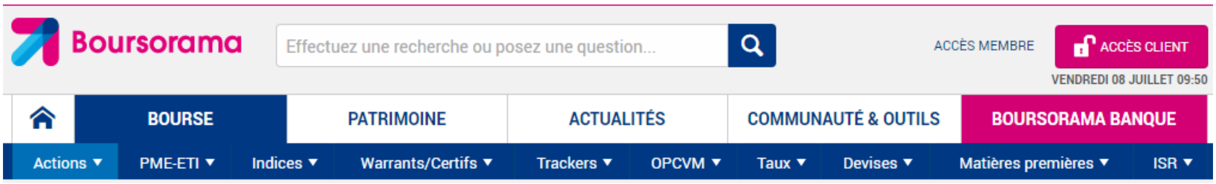
TPP will reduce 18,000 tariffs. Việt Nam is almost a sole supplier of textiles among the TPP member countries and an important supplier of textiles and garment to big consumer markets like the US.

Textile and garment exports from Việt Nam to TPP markets are expected to grow by more than 10 per cent this year.

"Việt Nam is a very important market in the area of textile, there is a need for Vietnamese textile industry to invest to modernise the technology and machinery. German companies and VMAD member companies are leading in this area, and that is the reason we are here," said Boris Abadjieff, director of Exhibition and Export Marketing under the VDMA.

Phí Ngọc Trịnh, deputy director of the Hồ Gươm Garment JSC, said the forum was a good opportunity for Vietnamese businesses as the country was integrating further and deeper into global markets with many trade agreements, including TPP, as well as the Việt Nam-EU free trade agreement.

The VDMA Textile Machinery Association groups 130 companies manufacturing textile machines and equipment with a value of 3.1 billion EUR (US$3.46 billion) in 2015. A similar event will be held in HCM City on July 7. — VNS




# LECTRA : Lectra annonce l'ouverture de sa filiale au Vietnam

**Nasdaq le 07/07/2016 à 17:50**

***Basée à Hô-Chi-Minh-Ville, Lectra Vietnam accélèrera le développement du groupe en Asie***

**Paris, le 7 juillet 2016 -** Lectra, numéro un mondial des solutions technologiques intégrées pour les industries utilisatrices de tissus, cuir, textiles techniques et matériaux composites, annonce l'ouverture de sa filiale Lectra Vietnam le 1er juillet 2016.

Présente dans le pays depuis plus de vingt ans, Lectra était depuis douze ans représentée par son agent Ly Sinh Cong Trading Service Company (LSC). La nouvelle filiale reprend l'ensemble du personnel et des actifs de LSC.

Avec l'ouverture de sa filiale vietnamienne, Lectra poursuit son plan de développement en Asie.*« Bénéficiant d'une croissance de 5,5 % au premier trimestre 2016, le Vietnam est l'une des économies les plus dynamiques d'Asie du Sud-Est. Il est une destination de choix pour les industriels soucieux de maîtriser leurs coûts de production et les marques cherchant à diversifier leurs approvisionnements. L'accord de partenariat transpacifique signé en février 2016 renforcera encore l'attractivité du pays, où Lectra compte de nombreux clients, dont de très grands groupes asiatiques »*, déclare Daniel Harari, directeur général de Lectra.

*« Lectra Vietnam a pour objectif d'aider les entreprises vietnamiennes à mettre en place les technologies de Lectra qui ont fait leurs preuves en Asie et dans le monde, et d'accompagner le développement des groupes étrangers implantés dans le pays. Cette ouverture dynamise l'expansion de Lectra en Asie du Sud-Est et renforce la synergie commerciale avec les autres filiales du groupe dans la région »*, précise Yves Delhaye, Directeur Asean, Australie, Corée du Sud, Inde.

L'industrie de l'habillement est particulièrement dynamique au Vietnam. Les exportations de vêtements ont atteint $ 21 milliards en 2014 et devraient croître de 8 % pour atteindre $ 29,5 milliards en 2016, dont près d'un tiers en provenance d'acteurs locaux. Sur les 6 000 entreprises du textile et de l'habillement, un grand nombre est contrôlé par des groupes chinois, hongkongais, sud-coréens, japonais et taïwanais opérant au Vietnam pour bénéficier de coûts de fabrication moins élevés.

*« Grâce à vingt ans d'expérience au Vietnam, Lectra comprend parfaitement les fondamentaux de l'industrie locale. Je suis heureux de développer davantage les relations étroites établies de longue date avec les entreprises présentes dans le pays »*, ajoute Yves Delhaye. *« Plusieurs de nos clients chinois et sud-coréens de l'habillement produisent une partie de leurs collections au Vietnam. Ils montrent beaucoup d'intérêt pour les solutions innovantes améliorant la qualité de leurs produits, l'efficacité de leurs opérations et la productivité de leurs usines. Par ailleurs, de plus en plus d'acteurs de l'industrie automobile investissent au Vietnam. Lectra sera là pour les aider à développer leur production »*, souligne-t-il.

**A propos de Lectra**

Lectra est le numéro un mondial des solutions technologiques intégrées (logiciels, équipements de découpe automatique et services associés), dédiées aux entreprises qui utilisent des tissus, du cuir, des textiles techniques et des matériaux composites dans la fabrication de leurs produits. Elle s'adresse à de grands marchés mondiaux : la mode et l'habillement, l'automobile, l'ameublement, ainsi qu'une grande variété d'autres industries. Ses solutions métiers spécifiques à chaque marché permettent d'automatiser et d'optimiser la création, le développement des produits et leur production. Forte de plus de 1 500 collaborateurs, Lectra a développé dans plus de 100 pays des relations privilégiées avec des clients prestigieux en contribuant à leur excellence opérationnelle. Lectra a réalisé un chiffre d'affaires de € 238 millions en 2015 et est cotée sur Euronext.

www.lectra.com

Votre seul journal en langue française du Vietnam. Éditeur : Agence Vietnamienne d'Information

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# Les technologies allemandes et le textile vietnamien

06/07/2016 11:07

**Le forum "Technologies allemandes pour le textile et l'habillement du Vietnam" a eu lieu le 5 juillet à Hanoi.**

*Dans une usine de la Compagnie d'investissement et de commerce TNG à Thai Nguyên (Nord).* Photo : Hoàng Nguyên/VNA/CVN

L'événement, organisé par l'Association du textile et de la confection du Vietnam (Vitas) et l'Association allemande de machinerie et de l'industrie du textille et de l'habillement (VDMA), a suscité la participation d'environ 650 producteurs et experts spécialisés dans ce secteur.

Truong Van Cam, vice-président et secrétaire général de la Vitas, a précisé que ce forum avait pour objet de présenter des technologies de dernier cri des premières entreprises allemandes, ainsi que de créer des opportunités d'affaires pour les producteurs directs et les producteurs de l'industrie auxiliaire du secteur. Il a aussi souligné que si les compagnies vietnamiennes employaient des technologies allemandes, malgré un coût d'acquisition plus élevé, la qualité de leurs tissus pour la fabrication de produits d'export serait nettement améliorée.

Ce forum était d'une importance significative alors que le Vietnam est presque l'unique fournisseur d'articles de textile et d'habillement parmi les parties à l'accord de partenariat transpacifique (TPP), ainsi qu'un important fournisseur sur le marché américain.

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# Vietnam to import 12 mln tons of cotton, a 19 pct yoy this year

**YarnsandFibers News Bureau, 2016-07-08 17:00:00 – Hanoi**


Vietnam, the world's fifth largest garment exporter, will import 1.2 million tonnes of cotton this year, which represents an increase of about 19 percent from the previous year 2015, an industry official said on Wednesday.

Vice Chairman Nguyen Son of the Vietnam Cotton and Spinning Association said that most of the imported cotton will come from the United States, which has been Vietnam's top supplier of the raw material, followed by India, Brazil and Australia.

The move is aimed to meet rising demand from its textile industry while domestic output is insignificant.

According to the trade ministry, Vietnam's second biggest cash earner after smart phones is its textile and garment exports which is expected to increase by 36 percent to $31 billion this year.