Revue de presse / Press review n° 13 — 16 Fev. 2015

J.F Limantour - ref 20150216

Sommaire / Summary

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VIDEO. Production textile : les coûts et marges de la production en Asie

Où sont fabriqués les vêtements vendus en France ? Combien coûte la production d'un t-shirt ? Réponse avec Laurent Desbonnets.

Publié le 06/02/2015 | 22:43

L'industrie du textile continue de fonctionner par l'intermédiaire d'une production rapide et peu coûteuse en Asie.
Ainsi, nos vêtements proviennent la plupart du temps de Chine, premier exportateur mondial qui gère 39% du marché. Viennent ensuite le Bangladesh (5%), puis l'Inde et le Viet-Nam (4%).
Mais la Chine voit son avance diminuer, face à la concurrence de pays où le salaire minimum est moins élevé. Le Sri-Lanka offre une rémunération de base à hauteur de 58 euros, et 60 euros au Bangladesh, contre 234 euros en Chine.

Une production bon marché, et beaucoup de marge

"Pour un T-shirt vendu chez nous pour 29 euros, la production au Bangladesh ne vaut que cinq euros tout compris, le transport un peu plus de deux euros. Produire là-bas permet donc de maximiser l'argent qui reste pour la marque, et pour le magasin, plus de 18 euros", détaille le journaliste de France 2.

VIDEO :

http://www.francetvinfo.fr/faits-divers/accident/video-production-textile-les-couts-et-marges-de-la-production-en-asie_818443.html

Asia Apparel Expo Comes to Berlin on Feb. 15

— February 02, 2015

Asia Apparel Expo will open its doors in Berlin from Feb. 15-17, 2015, for its fourth edition. As the largest apparel sourcing exhibition in Europe, 220 clothing companies selected for their experience, quality and competence of their production capability will be on show for European clothing companies interested in working with Asian-based apparel manufacturers and suppliers.

Countries and territories represented at ASIA APPAREL EXPO include Mainland China, India, Bangladesh, Pakistan and Hong Kong, providing a business opportunity for European sourcing professionals to meet and talk with potential suppliers face to face, compare skills in specific areas of apparel manufacturing and select from a wide range of apparel products, covering men's, women's and children's wear, fabrics and textiles, as well as trimmings and accessories in the convenient location of Messe Berlin.

China represents the largest group of manufacturers, with more than 120 companies, many with existing relationships with European clients. The majority of the exhibitors are located in Fujian, Jiangsu, Zhejiang, Shandong and Guangdong provinces, along with the city of Shanghai, all locations which are known internationally as key China's textile and clothing production and sourcing centres for the apparel industry.

With recognized export experience in apparel production, the 26 Hong Kong-based companies will be showing a wide variety of apparel, accessories and trimmings. The EXPORT PROMOTION BUREAU of BANGLADESH is once again supporting the expo with a large contingent of 29 companies, many of which are knitwear specialists. India is well-represented with 24 companies, with 17 new companies joining the expo for the first time. The seven companies from Pakistan will be showing styles for men, women and childrenswear, along with casual, sportswear and denim ranges and knitted pieces.

With such a broad range of Asian-based producers and manufacturers, equipped with the lower cost advantages, skilled work forces, modern factories and experience in exporting to Europe, the organizers of ASIA APPAREL EXPO believe that this upcoming fourth edition will consolidate its role as a event of value and interest to European industry professionals looking to view further supply options in the apparel marketplace. Future plans include the expansion of the expo to include more fabric and textile suppliers as well as an increased number of suppliers from both Asia and Turkey.

Publié le 08-02-2015 Modifié le 08-02-2015 à 18:12

Bangladesh: les industriels contre les violences politiques

Par RFI

Les patrons de l'industrie du Bangladesh sont descendus dimanche 8 février dans les rues des grandes villes du pays pour manifester contre les troubles et les violences politiques qui nuisent à leur activité. Ils évaluent dès à présent les pertes pour l'économie du Bangladesh à près de 10 milliards de dollars.

Les patrons du textile, une activité industrielle particulièrement importante dans l'économie du Bangladesh puisqu'elle représente 80% des exportations, mais aussi les représentants des autres secteurs industriels protestent contre les manifestations et les violences politiques qui paralysent la production depuis le début de l'année. Les employeurs ont à leur tour manifesté à Dacca la capitale et dans les grandes villes du pays.

Une grève nationale des transports a été lancée par l'opposition pour renverser le gouvernement et des mouvements violents ont fait près de 80 morts depuis le début du blocus des transports.

Ce blocus et les grèves ont déjà entrainé, selon les industriels, des pertes de près de 10 milliards de dollars dont 4 milliards de dollars pour le seul secteur du textile, soit plus de 15% de son chiffre d'affaires annuel. Le ministre des Finances du Bangladesh a lancé une mise en garde : l'objectif de croissance de 7,2% cette année pourrait bien être remis en cause si les troubles persistent.

VIDEO. Bangladesh : le drame du Rana Plaza rien n’a changé !

Une équipe de France 2 'est rendue au Bangladesh où a eu lieu, deux ans auparavant, l'effondrement d'une usine de textile qui avait fait 1 135 morts.

Le bâtiment de six étages était surchargé. Construit sans permis, il était dépourvu de tout équipement élémentaire de sécurité. Une couturière revient sur cet événement tragique :"*Je n'ai plus aucun souvenir de ce jour-là. (...) Je ne comprends pas comment j'ai survécu". Pour Figoja Begum, survivante de Rana Plaza, rien n'a changé depuis. La couturière a repris un travail dans un atelier proche sous les mêmes conditions : "Je ne peux pas imaginer que cette tragédie se répète, mais tout ce que je vois autour de moi me dit le contraire*".

L'ex-employé du Rana Plaza s'inquiète : "*Je me demande combien de morts il leur faudra pour qu'ils changent, nous n'avons aucun pouvoir. À cause de notre pauvreté, nous devons travailler pour eux*".
L'industrie du textile au Bangladesh pèse 18 milliards de chiffre d'affaires et quatre millions d'employés. Le secteur a rencontré une crise légère après l'événement du Rana Plaza qui a été vite oublié. Le business est encore aujourd'hui florissant.

VIDEO : http://www.francetvinfo.fr/economie/industrie/video-bangladesh-le-drame-du-rana-plaza-n-a-rien-change_818479.html

ECOTEXTILE NEWS

Published on Wednesday, 04 February 2015

Adidas begins sourcing from Myanmar

Written by Brett Mathews

HERZOGENAURACH – Sportswear retailer adidas Group has begun sourcing Myanmar following two years of "extensive stakeholder engagement" in the country. The company announced the strategy as it published its updated global factory list, which details all the factories which manufacture products for adidas. The announcement coincides with news that Myanmar Garment Manufacturers Association has launched Myanmar's first code of conduct for the country's apparel industry. MGMA, which represents around 300 member companies, drafted the code with officials from the EU-funded SMART Myanmar program.

Bill Anderson, head of social & environmental affairs for Asia Pacific region, adidas Group, said: "Myanmar (Burma) is a newly developing country, one which is undergoing

positive political change, but also one that has a legacy of human rights abuses including the use of forced labour, child labour and the like. With the lifting of international trade sanctions against Burma, we asked ourselves a simple question: "If we want to do business in Myanmar, should we do more in our assurance process?" The answer was: "Yes, we need to set the bar higher". That led to a lengthy process of examining and strengthening our policies and approaches to ensure that, from the outset, we were protecting the rights and interests of local stakeholders in Myanmar, as well our reputation as an industry leader in sustainability."

Adidas says it has developed specific guidance for its suppliers on land acquisition and the development of industrial sites and that it engaged with civil society groups, international human rights organisations, the International Labour Organization (ILO), local trade associations and the Myanmar government, including the Ministry of Labour.

"We are currently working closely with the ILO's office in Yangon and the Myanmar Garment Manufacturing Association on ways to lift the overall standards in the garment sector," added Anderson.

Because Myanmar doesn't have an official minimum wage, adidas says it will require its suppliers to set wages against the prevailing industry wage for export factories in the sector. Similarly, due to the lack of specific environmental laws, adidas says it will apply international best practice. "We have called on the Myanmar government to update their regulations, to match our strict standards," says Anderson.

He added: "We have offered feedback to the ILO where we feel the current legislation is lacking and where the new laws need to be better understood by employers, unions and workers. One simple step the government could take would be to consolidate the many dispersed sources of law into a single publication for industry. That would help the workers, their representatives and the factory management.

Anderson also accepted that there are currently no limits set for workers' exposure to noise, chemicals, dust or vibration in Myanmar. "Until national requirements are in place, we are requiring our suppliers to meet in full the adidas Group's Health and Safety Standards, which follow international norms and best practice," he said.

Rangoon textile workers hit the streets

Workers in Shwepyithar Industrial Zone have taken to the streets after staging a prolonged factory sit-in

By NAW NOREEN 9 February 2015

Hundreds of workers marched the streets in Rangoon's Shwepyithar Industrial Zone on Monday morning to demand better pay and working conditions.

The employees came from five garment factories: Ford Glory Garment, Costec International, E-land Myanmar Garment, Red Stone Garment and Han Jen Textile and Garment. The workers marched out of their factory compounds where they have been staging a sit-in since 28 January.

"We are marching around Shwepyithar and we plan to assemble in protest camps in front of the police station if we do not reach negotiations on our demands in one week," said Thein Moe Lwin, a factory worker in the march.

The demands of the workers include a basic salary increase; permission to form labour unions and to set up a labour office in their workplace; days off on public holidays; paid medical leave; and the issuing of welfare cards for all workers.

Since the relaxation of stringent laws on labour unions since President Thein Sein took power in 2011, allowing the formation of trade unions in Burma for the first time in half a century, the country has seen increased industrial action as workers demand more pay and better conditions. In 2012 strikes spread from Rangoon to Mandalay after originating at a factory sit-in by textile workers.

Yangon garment workers protest for better pay, conditions

Written byKhin Myat Myat WaiPublished in Myanmar

10 February 2015

More than 2,000 workers from four garment factories in Shwepyithar Township in Yangon took to the streets over pay and conditions on February 9, 2015. Photo: Thet Ko/Mizzima

More than 2,000 workers from four garment factories in Shwepyithar Township in Yangon marched on the streets in their township to call for salary increases and better working conditions on February 9.

Activists supporting the welfare of the workers said they will intensify their sit-in protests if employers fail to agree to the demands of the workers.

Thu Zaw Kyi Win, a protest leader, said, “We are scheduled to stage this protest for only a day. We will discuss the issue with the director-general of the Labour Department tomorrow [February 10]. But if the Ministry of Labour is unable to facilitate our demands from our employers, we will intensify our protest.”

The 11-point demands by the workers include salaries to be adjusted on a par with rates in other ASEAN countries, a reasonable minimum wage, and to be allowed to form workers unions.

The workers have reportedly been staging sit-ins at their factory compounds since January 28.

Some workers said they were asking for an additional K30,000 [US$30] plus their basic monthly salaries of K130,000, whereas others called for an additional K60,000 monthly.

The workers came from the garment factories of E-land Myanmar, Han Jen Textile and Garment, Ford Glory Garment and Costec International.

The government has yet to fix a minimum salary for the workers, although discussions with industry have been held.

The protest took place at a time when the Myanmar Garment Manufacturers Association just published the country's first ever Code of Conduct for the garment industry, setting out responsible and ethical business practices for business owners. The Code of Conduct guidelines were released on February 2.

USTR for consultations with China at WTO on export subsidy

February 14, 2015 (United States Of America)

The United States Trade Representative (USTR) has decided to pursue dispute settlement consultations with the Government of China at the World Trade Organisation (WTO) concerning China's "Demonstration Bases-Common Service Platform" export subsidy programme.

Under the programme, China seems to provide prohibited export subsidies through "Common Service Platforms" to manufacturers and producers across seven economic sectors—including the textiles, apparel and footwear sector—and dozens of sub-sectors located in more than one hundred and fifty industrial clusters throughout China known as "Demonstration Bases".

According to the National Council of Textile Organisations (NCTO), China provides WTO prohibited export subsidies to manufacturers which meet export performance criteria. These subsidies have bolstered China's meteoritic export surge of textiles and apparel into the US market, from around $7 billion in 2001 to over $40 billion in 2013.

Exports from Demonstration Bases comprise a significant portion of China's global exports. For example, in 2012 sixteen of the approximately 40 Demonstration Bases in the textiles sector accounted for 14 percent of China's textile exports. The unfair Chinese export subsidies programme is harmful to American workers and American businesses of all sizes, said Congresswoman Suzan Delbene on her website.

China's massive export growth over 2001-2013 resulted in billions of dollars in lost sales and tens of thousands of lost jobs in the US and the Western Hemisphere, according to NCTO.

"It has been NCTO's long standing position that China's rise in the global textile and apparel market has been substantially aided by illegal and unfair trading practices. These illegal practices distort the global market place and put the entire US manufacturing base at a considerable disadvantage," stated NCTO president Augustine Tantillo while applauding the Obama Administration for its decision to hold US' international trading competitors to their WTO obligations.

NCTO urged the US government to strenuously pursue the matter of Chinese export subsidy programme at the WTO in order to begin the eradication of such trading practices, leading to more fair and open competition in the global market.

In 2013, the US textile and apparel industry was the third largest exporter of textile and apparel products in the world, exporting nearly $24 billion in goods. The industry is also a significant contributor to the overall US economy, producing over $70 billion in annual output. Most importantly, the industry remains a major employer in the United States, providing jobs for nearly 500,000 workers from fibre production to finished product in 2013. Hence, when afforded a level playing field, the US textile and apparel industry can compete with any country in the world, NCTO said. (RKS)

(AWP / 13.02.2015 19h06)

Coton: les prix montent un peu, sans grand changement des fondamentaux

New York (awp/afp) - Les cours du coton se sont maintenus en légère hausse cette semaine, assimilant des éléments contrastés sur l'offre et la demande mondiales, dans un marché qui profite du regain d'intérêt pour les matières premières.

"Le marché a réussi à oublier plusieurs éléments négatifs, dont un rapport peu engageant (du ministère américain de l'Agriculture, l'USDA), les difficultés financières d'une importante filature turque et des exportations décevantes", ont résumé les experts de Plexus Cotton.

Dans son rapport mensuel sur l'offre et la demande, publié mardi, l'USDA a relevé ses prévisions de demande pour le coton américain, mais a aussi revu en hausse ses estimations sur la production mondiale.

"Le rapport de l'USDA était la principale nouvelle de la semaine, avec des bonnes nouvelles aux Etats-Unis et des éléments négatifs sur le plan mondial, qui se sont plus ou moins équilibrés", a expliqué Sharon Johnson, agent de courtage chez KCG Futures.

Avec une baisse de 66'300 balles la semaine dernière, les exportations américaines, publiées jeudi, n'ont pas apporté de soutien, comme l'ont souligné les experts de Plexus Cotton, mais n'ont pas fait oublier que les Etats-Unis "ont vendu énormément de coton en janvier", selon Sharon Johnson.

Faute d'évolution notable dans la situation commerciale du coton, les cours ont donc trouvé "du soutien sur les autres marchés, avec une hausse du pétrole jeudi et vendredi et une baisse du dollar", qui favorise les exportateurs américains, a-t-elle ajouté.

Les fluctuations ont par ailleurs été influencées par des éléments techniques, à l'approche de l'expiration du contrat pour mars, désormais remplacé par celui pour mai sur le plan des volumes les plus échangés sur l'IntercontinentalExchange (ICE)

La livre de coton pour livraison en mai coûtait en séance 62,81 cents contre 61,63 cents en fin de semaine dernière.

L'indice Cotlook A, moyenne quotidienne des cinq prix du coton les plus faibles sur le marché physique dans les ports d'Orient, valait 69,05 dollars les 100 livres contre 68,60 dollars vendredi dernier.

Textile World

Fiber World

Raw Cotton Destocking Could Bring Quality Issues For Spinners

USTER, Switzerland, February 4, 2015 – As worldwide stocks of cotton continue to build up, spinners might be eagerly anticipating a period of lower prices for their raw material. But there are serious risks ahead, particularly when the market is likely to be flooded with some cotton which has been stored in warehouses for lengthy periods.

This issue was highlighted at the recent ITMF Conference in Beijing and the ICAC Plenary Meeting in Thessaloniki, with experts warning that stockpiled cotton can degrade over time. Quality problems are inevitable: color loss (‘yellowing’) and deterioration of spinning quality are the biggest concerns. Accurate testing with USTER® HVI 1000 is the only sure way to check that cotton supplies are fit for purpose.

Prices on world cotton markets look set to fall, against a background of inventory levels which have risen massively over recent years. It is estimated that more than 100 million bales now sit in warehouses around the world – a stockpile which would supply the entire textile industry for a whole year. China alone has more than half of this total inventory, at 62 million bales, which would be enough for two years of domestic textile needs in this, the largest single cotton-consuming, country.

Cotton growers are bound to cut back outputs as demand falls and the cotton supply chain starts destocking on a large scale. So, is this good news for spinners, if a glut of lower-priced cotton is soon to hit the market? The answer is ‘probably not’ – if spinners forget the ancient Roman maxim ‘Buyer Beware’.

Storage effect on cotton quality

The big problem is likely to center on how long the cotton stocks have been warehoused, and under what conditions. It is an acknowledged fact that raw cotton quality declines over time, even when stored in excellent conditions. The major issue is loss of color grade, often referred to as ‘yellowing’ – and it is not always readily apparent without proper testing. So, a cotton may emerge from the gin and into the warehouse with excellent quality ratings, recorded and tagged at this point. But, over time, color degradation will take its toll on the quality level, especially when the cotton is warehoused for long periods.

Special attention should be paid to cotton sourced from areas with enormous stockpiles, where storage options are often poor, with farmers keeping cotton loose in sheds, exposed to changing environmental conditions and moisture – a clear quality risk.

In the near future, there will be acts to balance mill consumption with cotton production. One way will be to cut back on imports, so that domestic mills will buy warehoused supplies. But if Chinese spinners are aware that this cotton may have been in the warehouse for as long as three years, they might baulk at the potential quality risks it carries. In those circumstances, some of these supplies might be unloaded to world markets – spreading the risks to spinners everywhere.

Customers who purchase cotton which has been in long-term storage will almost certainly not be able to rely on the quality data tagged on the bales. And this can affect the value – the price paid may be higher than it’s really worth – as well as the quality performance of the cotton through yarn production and into the finished fabric. Careful testing of incoming cotton for key quality parameters is vital if spinners are to avoid these potentially serious problems from damaging their business prospects.

Is color grade really important?

Color grade is a key driver of raw cotton pricing, always a factor in buying and selling negotiations. That is because a number of serious fabric faults can be traced back to color grading issues. It is essential that spinners know exactly the correct color data for every cotton purchase, so they can ensure that mixing of the bales at the start of the spinning process is appropriate for the yarn quality being produced.

Extensive testing of color degradation of cotton under various environmental conditions has resulted in clear evidence of the seriousness of the problem. The longer that cotton is in storage, and the worse the warehousing conditions, the quicker and more severe will be the loss of color grade.

Even in an ideal storage environment, in a cool and dry warehouse, cotton that is kept for more than a year will start to degrade. If conditions are unsuitable – a hot and humid warehouse, for example – the ‘yellowing’ will occur after only six weeks.

The impact on spinners

Most spinners will be fully aware of the risk of color grade loss with cotton that has been in long-term storage. But the effect of the storage conditions on this problem is less widely known. In any case, it may often be impossible for spinners to check on the detailed warehousing environment of a cotton purchase.

What spinners will realize only too well is that yarn quality can be drastically affected by inaccurate color grade data. The defect known as barré is an unwanted striping effect in woven or knitted fabric, which becomes visible only during fabric manufacture or even at dyeing – the worst possible times to detect off-quality. The barré effect can be caused directly by inaccurate color grade data, often taken from outdated bale tags. As has been explained, quality tags on the bales are only completely valid for the time of issue. So spinners can be faced with costly quality claims and lost reputation for this single issue.

David McAlister, Product Manager for Cotton Classing within Uster Technologies, says: “Relying on data that does not represent the current quality of the cotton results in unavoidable issues of unforeseen enormity, with repercussions along the entire textile value chain in terms of both quality and profitability – and spinners will be the ones in the firing line.”

The only sure safeguard

The solution for spinners is effective cotton classing, in other words re-testing raw cotton samples before making a purchase decision. For this task, the USTER® HVI 1000 is the globally-accepted instrument, used to set cotton calibration standards by the world’s leading cotton authorities, including USDA in the USA, CFIB in China and many other national bodies. The HVI provides fast and accurate data on color grade levels, so that spinners can compare quality data from bale tags with their own test results. Not only does it give them security that their cotton purchase is good value, it also helps to determine the optimum mix of qualities for the start of the spinning process.

McAlister says: “The USTER HVI 1000 will not only prevent pricing and quality problems, it will also provide a rapid payback on the initial investment in the system. It will give spinners confidence that the yarn quality they are producing will be exactly what their customers have ordered.”

McAlister points to a 2002 study by Cotton Incorporated for some stark illustrations of the financial impact of the barré problem – and the massive cost savings possible with the USTER HVI 1000. “The study showed that producing fabric with barré costs about 21,400 Euros (USD 27,000) for every 1,818 kg (4,000 lbs.) of fabric. That means a typical 50,000-spindle mill, producing 30,000 kg of standard-count yarn per day, would be losing 400,000 Euros (USD 500,000) each day. At this rate, a single day of preventing barré would more than cover the investment cost of HVI instrumentation – as well as protecting hard-won profit margins.”

“Rising worldwide yarn quality requirements and the realistic risks from long-term raw cotton stocks cannot be ignored. There could be a serious impact on world markets for many years to come. But the situation also presents an opportunity for smart spinners who can deliver consistent yarn quality levels supported by accurate raw material testing.”

Posted February 10, 2015

QIZ: A success story that tripled Egyptian textile exports to the United States


Mohamed Kassem, Chairman of Egyptian Ready Made Garment Export Council

Mohamed Kassem , Chairman of Egyptian Ready Made Garment Export Council
Textile exports to the United States represent 25% of non-oil exports and 20% of total manufacturing in Egypt. This is largely a result of the QIZ program, which has brought Egyptian and Israeli companies together in business.

What do you feel were the key factors that led to Egyptian textiles becoming the backbone of the countries exports?

Egypt has had a long history of textile manufacturing and we have one of the best cottons in the world. However, we are a late-comer to the government sector. Our goal is to increase from the $2.5 billion in exports that we are currently producing to $10 billion. Our strategy is channeled through our "Vision 2025" in which we expect to be hitting that $10 billion goal. To get there, we want to attract upstream investment in spinning, weaving, buying, and finishing as that is the backbone of the government owned textiles. Currently, most of our exports are dependent upon importation of yarn and material. We want to reduce this dependency on importation.

What markets do you feel are the most important for the country?

Our major markets are the EU and the US. We see a potential increase in new markets such as Asia but this is still in its early stages.

Going from $2.5 to 10 billion a year in textile exports is a huge jump. How will Egypt compete with other markets such as the Asian market?

Right now the international textile trade is around 350 billion US dollars. That is expected to increase to $700 billion by 2025 in a space of 10-11 years. Currently, China sees the lion's share of that trade at about 40 percent. Others players are India, Bangladesh, and Vietnam, but with China and India's rapid economic tangent with the growth of its middle classes, there will be little room for export growth in those populous countries. The experts predict that an increase of local consumption in these places will take away from their export drive. However, the demand will be very big, so it will not be difficult to reach our goal if we do our job right.

Are there plans to import cotton from other countries to achieve your goal of going from $2.5 to 10 billion in exports?

We will have to use other materials. Our Egyptian cotton is what they call the "extra-long staple". The demand for this type of cotton does not exceed 3-4 percent of the total demand of all fibers. To be a major player, other fibers including short staple cotton must be used. You cannot use an expensive Egyptian cotton to produce cheap yarn. To produce denim or T-shirts, thicker, coarser yarn is needed. The finer Egyptian cotton is used for bed sheets and more expensive shirting. At the end of the day, the products made with Egyptian cotton are a niche market. Our goal is to expand our supply chain to produce fine yarns and fabrics, but all of this won't account for much because the demand for that niche is not huge. To be a player in this market, you need to play the game that everyone is playing.

Through the Ministry of Trade and Industry, QIZ was formed in 2004. Since the QIZ has been established, what do you feel is the impact?

The impact of the QIZ on Egyptian exports is huge. The question is, what would our exports be without QIZ? At the time we joined QIZ, Egypt had been struggling because the US had introduced the AGOA (Africa Growth Opportunity Act), which allows sub-Saharan countries to export to the US duty-free. A few years earlier in 2001, they had also signed a QIZ protocol with Jordan. We had seen a migration of business from Egypt to Jordan and the AGOA countries, so if Egypt had not signed, our exports would not be what they are now. Through QIZ, we are now duty-free exports, but there is also a political initiative, which brings Israelis and Egyptians together in business. In my opinion, this is one of if not the only, political initiative that has paid back.

What is the potential of the European market? Do you find the US or European market more attractive?

Honestly, they are both important, and they will continue to be our biggest markets. Right now, it is close to equal. The competition that we face in the EU is a little larger. The EU grants duty-free access to many countries like Pakistan, Bangladesh, Sri Lanka, Vietnam, and Myanmar. These countries are exporting to the EU duty-free under different schemes, so the duty-free access that Egypt enjoys to the EU is not as important as the duty-free access to the US. Also, the EU tariff rate is about 12 percent, which is less than the tariff rates in the US which can be up to 30 percent. The advantage of the duty-free access of the US is bigger than that of the EU. The advantage that Egypt enjoys in the EU is proximity, which we have not really capitalized on significantly in the past, but are hoping to change.

You could have entered into any industry - what motivated you to be involved in the textile industry first and foremost?

I was not born into the business and entered it relatively late in the last 25 years. Before that, I was in government and the Foreign Service. In the last 4 years of government service, I was the commercial attaché in charge of promoting Egyptian exports at our embassy in Washington, DC. As I negotiated the quotas for the US and other places, I became interested in the textile business. In 1989, I started my first private business, and since then I have branched out to include solar energy and industrial real estate development among other things.

Industries can come and go in a country. How will you continue to insure that the textiles industry remain at the helm?

The more advanced an economy is, the less textiles they produce, except in places where fashion and innovation is taking place such as Italy, which is a powerhouse. We can compete with mass-production but not the top fashion designers. Even though we have a long way to go, I don’t see this textile industry in Egypt going away in the foreseeable future.

As the head of the Ready-Made Garments Export Council, have there been talks among other players within the industry about how to meet your goals?

The council is chaired by the Minister of Industry, and I happen to be the Vice Chairman. All of the export councils are represented along with the state owned companies, the cotton manufacturers, Chambers of Textiles and Apparel, and everyone who is concerned with the textile supply chain. It is in charge of the national strategy for textiles.

During the revolution, many sectors had been affected, although the textile industry seems to have remained relatively strong. How did the industry manage this?

We had been growing by double-digit numbers until 2011. Since then, we are holding our ground at a very high cost with a lot of hard work to keep our customers from leaving. It depends on the relationship they had with us and the level of comfort they had with us. In the first days of the revolution, we were sending our "situation updates" so that they didn't rely on Fox News to hear what was happening. We explained to them that the ports, roads, factories were all open. We have been creating confidence for our customers.

What are the goals for the council in the next few years?

The mandate is to advise the government on policy issues that will improve and enhance our exports. The second is to resolve disputes with government agencies. The third mandate is to improve the ease of doing business.

As someone who has worked in politics and business, you have seen it all. Why Egypt?

Egypt is a good place to do business. Garments out of Egypt are seeking customers in the US. "Every garment you buy from Egypt is a vote for democracy".

Lectra: s'attend à un résultat net 2015 de l'ordre de 20 ME.

BFM BUSINESS Cercle Finance Publié le 11/02/2015 à 18h17 Mis à jour le 11/02/2015 à 18h30

(CercleFinance.com) - Le chiffre d'affaires s'inscrit à 57,4 millions d'euros en 2014 en croissance de 5 % (+ 8 % à données réelles). Le chiffre d'affaires des nouveaux systèmes ressort à 24,6 ME en progresse de 3 %. Le résultat opérationnel

(CercleFinance.com) - Le chiffre d'affaires s'inscrit à 57,4 millions d'euros en 2014 en croissance de 5 % (+ 8 % à données réelles). Le chiffre d'affaires des nouveaux systèmes ressort à 24,6 ME en progresse de 3 %.

Le résultat opérationnel courant est de 6,4 ME sur l'exercice. Il augmente de 1,1 ME (+ 26 %) à données comparables et de 2,2 ME à données réelles (+ 51 %).

La marge opérationnelle (11,1 %) progresse de 1,6 point à données comparables et de 3,1 points à données réelles.

Le résultat net est de 4,7 ME en hausse de 1,0 ME (+ 29 %) à données réelles par rapport au résultat net avant éléments à caractère non récurrent du quatrième trimestre 2013.

Le cash-flow libre (9,7 ME) bénéficie de l'encaissement en octobre de 5,7 ME au titre du crédit d'impôt recherche de l'année 2010.

Le carnet de commandes s'établit à 19,6 ME au 31 décembre 2014 (+ 6,4 ME par rapport au 1er janvier).

L'objectif de la société est de réaliser un chiffre d'affaires en 2015 de l'ordre de 240 ME (+ 14 % par rapport à 2014 ; + 11 % à données comparables), un résultat opérationnel courant d'environ 29 ME (+ 47 % ; + 30 % à données comparables), une marge opérationnelle courante de 12 % (+ 1,6 point à données comparables), et un résultat net de l'ordre de 20 ME (+ 39 %).

Roudière : vers le dépôt de bilan

Publié le 14/02/2015 à 08:03

Entreprise - Lavelanet (09) - Économie

Basée à Lavelanet, la société Roudière pourrait bientôt fermer ses portes. / Photo DDM A. C.

L'entreprise de textile de Lavelanet, autrefois connue sous le nom de Tissus Roudière, et intégrée à la société marocaine Fashion Company depuis plusieurs années, projette, selon nos sources, de déposer le bilan le 25 février prochain. Vingt-cinq emplois sont en jeu.

La rumeur n'a pas été confirmée par la direction mais elle court déjà depuis un certain temps parmi les derniers employés de l'entreprise de textile Roudière. Un dépôt de bilan est prévu pour le 25 février, au greffe du tribunal de commerce de Paris, où est situé le siège de l'entreprise. Sur Internet, le site du registre du commerce et des sociétés laissait déjà présager de mauvaises nouvelles. En effet, seul le chiffre d'affaires de 2013 y est déclaré. Celui de 2014 n'ayant pas été enregistré dans la base de données, on pouvait supposer que les affaires ne tournaient plus aussi bien qu'avant.

Depuis 2009, il ne reste que 25 employés à Lavelanet. A son apogée, en 1987, lors du développement des tissus techniques d'habillement, la société en comptait 2 500… Désormais, seules la création, la logistique et la partie commerciale sont assurées sur le site. Un atelier est également présent mais ses ouvriers seraient dépourvus d'activité — bien que contraints de faire acte de présence — depuis plusieurs mois, la fabrication ayant été principalement délocalisée au Maroc. «La main-d'œuvre est certes bon marché au Maghreb ou en Asie, mais elle est également exploitée, dénonce Marc Sanchez, le maire de Lavelanet. Beaucoup d'entreprises sont allées là où elles pouvaient avoir un meilleur profit, au détriment de la qualité qui est toujours restée en France». Prudent, l'élu dit attendre une confirmation officielle. «Si cette information s'avérait exacte, ce serait une perte pour la ville mais surtout pour les 25 salariés qui devraient retrouver du travail ailleurs», déclare-t-il.

Des difficultés anciennes

L'entreprise d'André Roudière avait été rachetée en 1985 par le groupe Chargeurs. Outre le morcellement de la société, ce fut le début de plusieurs grosses vagues de licenciements. En 2002, Chargeurs crée sa filiale Fashion Company, au sein de laquelle seront notamment intégrées en 2008 les sociétés Roudière et Avelana, à Villeneuve-d'Olmes. Fashion Company étant basée à Paris, ceci explique pourquoi le siège de Roudière ne se situe plus à Lavelanet. Toujours en 2008, Chargeurs cède la moitié de ses parts au groupe marocain Holfipar, puis le reste en 2009. Holfipar devient alors le seul détenteur de l'entreprise de textile. A noter que la holding appartient à Karim Tazi, qui possède également Richbond, la première entreprise de textile d'ameublement du Maroc, avec plus de 1 200 employés.

Avec Avelana et Michel Thierry à Laroque-d'Olmes, Roudière représente sans doute la dernière génération de sociétés de textile du pays d'Olmes. L'enjeu de cette déclaration de cessation de paiement est donc symbolique. Plus qu'un bouleversement économique, ce serait alors la fin d'une ère industrielle démarrée dans les années 1940. Celle du textile lavenétien.

Nathalie Cauquil avec Angel Cavicchiolo

Primark : déjà 126 millions d'euros de chiffre d'affaires en France en 2014

Publié le 11 février 2015 par JEAN-NOËL CAUSSIL

Primark est bien l'épouvantail du petit milieu de la mode en France. Disons que l'enseigne irlandaise a clairement réussi son entrée sur le territoire, ainsi que le confirment les chiffres fournis par Kantar Wolrdpanel, à l'occasion de sa journée consacrée à la mode, le 10 février 2015.

Primark, arrivée en France en décembre 2013 à Marseille, a joliment fait son trou dans le commerce de la mode. On savait déjà, grâce à Kantar Worldpanel, qu'au bout de six mois de présence en Franceseulement, Primark était déjà parvenue à intégrer le « top 25 des plus grosses enseignes en volume, pour atteindre d'ores et déjà un nombre d'articles achetés proche de La Redoute ».

2 MILLIONS D'ACHETEURS EN UN AN

On sait maintenant, toujours grâce à Kantar Worldpanel, à l'occasion de la septième édition de son « Fashion morning », faisant le point sur le marché dutextile, que cela s'est bien concrétisé les six mois suivant.

Sur l'année 2014, en effet, Primark a attiré dans ses magasins (5 en France seulement !) 2 millions d'acheteurs, avec chacun en moyenne 12,4 articles par panier, pour un prix moyen de 5,1 euros.

LOIN D'AVOIR ATTEINT SA VITESSE DE CROISIÈRE

Si Kantar Worldpanel s'arrête là dans son pointage, un rapide calcul nous permet ainsi de déterminer que l'enseigne, en France, a réalisé en 2014 un chiffre d'affaires de 126 millions d'euros.

Pas mal du tout, et même plus que cela si l'on considère que Primark compte seulement cinq magasins dans l'Hexagone, à Marseille, Dijon, Créteil, Villeneuve-la-Garenne et Parinor-Aulnay-sous-Bois (93)... en attendant Toulouse, Metz, Lille et Val-d'Europe dont les ouvertures sont déjà prévues. Si l'on ajoute que la cinquième boutique, à Créteil, a ouvert en juin 2014 seulement, alors on voit là l'exploit : ces 126 millions d'euros sont loin d'avoir été acquis à une vitesse de croisière, une seule de ses boutiques, celle de Marseille, ayant au bilan une année pleine.

China in mind, draft textile policy talks of mega hubs, disinvestment & FDI

Tuesday, 3 February 2015 - 6:45am IST | Agency: dna | From the print edition

The Suresh Halwankar Committee formed to review the existing textile policy of Maharashtra has recommended disinvestment of sick cooperative mills and development of five mega-textile hubs, while stressing the need for foreign direct investment (FDI) to take global players head on.

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The Suresh Halwankar Committee formed to review the existing textile policy of Maharashtra has recommended disinvestment of sick cooperative mills and

development of five mega-textile hubs, while stressing the need for foreign direct investment (FDI) to take global players head on.

The draft of the new policy which was submitted to **chief minister** **Devendra Fadnavis** on January 30 talks of adopting a 'Fibre to Fashion' approach to turn around the textile sector, which was once blooming in the state.

The Committee has suggested setting up of mega composite hubs which will offer spinning, weaving, processing, designing and garmenting units to cut down on cost and time. The area should have common effluent treatment plants and water recycling plants to minimise damage to the environment. It policy also seeks to reduce power tariff for the sector.

The draft policy will now be sent to the cabinet for approval.

"We are losing out the market to **China** mainly because it takes nine months for our cotton to become a garment. There it takes just two months because of full-fledged textile hubs," said Halwankar, who has recommended establishment of mega-textile hubs spread over 1,000 hectares as against allowing garment factories to come up in a scattered manner.

"Amravati must be developed as spinning, Nagpur as knitting, Solapur teri-towel and Ichalkaranji for suiting-shirting-denim mega composite textile hubs with complete set-up of related facilities including world-class designing and skill development centres. Three process parks at Ichalkaranji-Solapur-Malegaon is must," outlines the proposed policy which is drafted in accordance with the central government's "Vision, strategy and action plan for Indian Textile sector 2020-2025" and after studying policies of eight states.

At present, over 30 lakh people are directly employed by the garment industry and its ancillary units provide jobs to about 2 crore people. This makes the sector second only**agriculture** in terms employment generation.

Maharashtra is India's second largest cotton producer – 81 lakh bales from over 38.7 hectare. Of this, only 25 lakh bales are consumed by the spinning mills in the state.

According to the Committee's report, Maharashtra will need over 50 lakh spindles to utilise all the cotton grown in the state. To achieve this, the sector will need an investment of about Rs50,000 crore. "Since the state earns over Rs1,000 crore revenue from selling yarn worth 40,000 crore, increasing spinning capacity would help generating more revenue."

Halwankar has also proposed handing over of permanently sick cooperative cotton mills to the private sector and the government should implement a disinvestment scheme to facilitate such changes. The committee has also asked the government to project 'Maharashtra beyond Mumbai' at international stage to attract FDI in textile sector.

Halwankar report will kill cooperative sector: Former textile minister

Congress MLA and former textile minister slammed the report, saying it would kill the cooperative sector. "Giving away sick cooperative textile mills to private sector will kill the cooperative sector which has played a major role in rural development. The government must take action against erring officials of cooperative mills. Halwankar has proposed reduced power tariff while it is the **BJP** government that discontinued power subsidy to power looms."

Recommendations of Halwankar Committee

One form, one window to grant all permissions to set up industry

Reduced power tariff for textile industry like other states

NOC from pollution board not required for spinning, weaving or knitting mills

0.5% cess on cotton purchase of cotton for insurance of workers

Women to be allowed to work in night shifts to improve production

75% subsidy for "design-cum- sampling centres"

25% subsidy for setting up skill development centre affiliated to all big industries for offering relevant programmes with the help of IITs.

25% subsidy on conversion of shuttle loom to semi-automatic looms

10% subsidy instead of 5% for technical textiles with a cap of Rs50 lakh

30% subsidy for upgradation in B and C zone of the state, 40% in D zone

Le secteur textile italien gagné par les « sweatshops » ?

6 FÉVRIER 2015 PAR OLIVIER PETITJEAN

Il n'y a pas que le Bangladesh, le Cambodge ou l'Europe de l'Est. Les « sweatshops » gagnent aujourd'hui l'Europe du Sud, et en particulier l'Italie, où opèrent notamment les grands groupes de luxe français comme Kering et LVMH. Sous la pression de la concurrence internationale et des politiques de « compétitivité », les conditions de travail et les salaires se dégradent dans les ateliers textiles de la péninsule et, comme en Asie, le besoin d'un « salaire vital » est plus que jamais à l'ordre du jour.

« Les conditions se détériorent dans le secteur textile italien », alerte un nouveau rapport de la Clean Clothes Campaign (Campagne vêtements propres, Éthique sur l'étiquette en France). Les enquêteurs qu'elle a missionnés dans les ateliers textiles de Vénétie, de Toscane et de Campanie y ont constaté une tendance à la baisse des salaires et à la précarisation, ainsi qu'un accroissement du travail informel, de la sous-traitance en cascade et des durées de travail illégales. Autant de caractéristiques que l'on aurait plutôt tendance à associer au secteur textile chinois ou bangladeshi.

Compétitivité

Le secteur textile italien, comme ailleurs en Europe, a été sévèrement touché par l'internationalisation de la filière et la concurrence des usines d'Asie et d'Europe de l'Est. Il a mieux toutefois mieux résisté qu'ailleurs en raison de sa spécialisation et de l'importance des marques de luxe, à forte valeur ajoutée.

Mais, dans le nouveau contexte d'austérité et de course à la compétitivité qui caractérise l'Europe du Sud, la situation est en train de changer. Les grands groupes comme les français LVMH (Louis Vuitton, Dior), Chanel et Kering (Gucci, Bottega Veneta, Balenciaga) - ainsi que les italiens Prada et Giorgio Armani -

rachètent des ateliers qui avaient été abandonnés, mais au prix d'une dégradation des salaires et des conditions de travail. D'autres ateliers sont repris par des intérêts chinois pour fournir ces grands groupes prestigieux. Prato, à côté de Florence, spécialisée dans l'industrie du cuir, abriterait la deuxième communauté chinoise d'Europe après celle de Paris.

Le salaire officiel d'entrée dans le secteur textile italien est de 1200 euros nets par mois - sensiblement moins que le salaire vital estimé à 1600 euros [1]. En réalité, du fait du recours aux stages, aux contrats précaires, à la sous-traitance et au travail illégal, les salaires réels sont souvent bien moindres, pour des horaires largement en excès de la durée maximale légale. Des cas ont même été constatés de travailleurs migrants chinois dormant à 15 dans des pièces exiguës, sans fenêtre et dans des conditions douteuses du point de vue de la sécurité.

Des sacs Gucci fabriqués en Toscane par des ouvriers chinois

Fin décembre 2014, un reportage de la télévision italienne avait fait scandale en mettant en lumière les conditions de travail et de vie chez un fournisseur de Gucci (qui appartient au groupe français Kering) appelé Mondo Libero. Les ouvriers - des Chinois - y travaillaient 14 heures par jour, et Gucci achetait les sacs qu'ils fabriquaient 24 euros la pièce, pour les revendre au prix de 1000 euros. Réagissant au scandale, le groupe Kering a promis d'augmenter le nombre d'inspections des usines de ses fournisseurs.
L'usine en question n'était pas localisée, comme on pourrait le penser, en Chine, mais tout près de Florence...

Le rapport complet (en anglais) est à lire ici
Olivier Petitjean

Le textile cherche encore des relais de croissance

En 2014, les exportations sont en hausse par rapport à 2013 mais les industriels sont insatisfaits. Ils regrettent le fait que le secteur ne puisse pas dépasser la barre des 30 milliards de DH. Malgré tout, le Maroc a gagné des parts de marché en Europe.

Les industriels du textile ne sont pas contents. Certes, les exportations ont progressé de 3,8% par rapport à l'année 2013 à 30,1 milliards de DH, dont 19,9 milliards pour la confection et 7,2 milliards pour la bonneterie. Mais pour eux, il s'agit d'une stagnation. «Cela fait des années que nous sommes au même niveau alors que le Maroc peut faire mieux», commentent-ils. Selon un opérateur, «il n'y aura aucune visibilité quant aux perspectives du secteur textile tant que la mise en œuvre de la stratégie sectorielle qui devait être opérationnelle au cours de 2014 ne démarre pas». Rappelons que cette stratégie vise, à l'horizon 2025, un repositionnement stratégique pérenne. Elle permettrait d'atteindre un PIB de 48 milliards de DH et d'exporter entre 85 et 95 milliards de DH, en plus de la création de 250 000 nouveaux emplois dans la filière.

Le temps nécessaire a bien été pris pour finaliser au mieux la stratégie des écosystèmes. Reste qu'il faudrait, de l'avis des industriels, accélérer le processus. L'Amith qui devait rencontrer les pouvoirs publics la semaine dernière attend toujours une nouvelle date, étant donné que le rendez-vous a été reporté pour des raisons de calendrier. Pour les industriels, la stratégie doit être déployée, même si ses premiers fruits ne seront apparents que dans deux ou trois années, car c'est «la réponse et la solution à toutes les problématiques de la filière textile».

A cette lenteur administrative s'ajoute la conjoncture sur les marchés européens, principaux débouchés des exportations nationales. D'abord, il y a les aléas climatiques puisqu'il y a eu, soulignent les opérateurs, «un hiver doux en Europe et donc un décalage de la saisonnalité qui justifie la baisse des ventes des collections d'hiver». Résultat : le Maroc, source de réassort pour les marchés européens, n'a pas reçu de commandes étant donné que les distributeurs n'ont pas réalisé de bonnes ventes durant les mois d'octobre et novembre.

Ensuite, les industriels signalent que l'affaire Charlie Hebdo a également affecté le marché français durant la période des soldes. Enfin, ils notent la pression sur les prix dans les pays européens, notamment l'Espagne et la France, due à l'apparition de donneurs d'ordre low cost. C'est le cas de l'irlandais Primark qui s'est implanté dans plusieurs pays européens et exerce une forte pression sur ses concurrents qui sont des clients du Maroc. Et donc par transitivité, le textile national en pâtit.

Le Maroc pourrait profiter du recentrage de la Chine sur son marché local

Cependant, le tableau n'est pas totalement noir puisque deux opportunités pourraient être saisies. Premièrement, les industriels considèrent que le Maroc pourrait profiter du recentrage de la Chine sur son marché local, d'où la libération de quelques parts de marché. Deuxièmement, la hausse du dollar améliore la compétitivité du Maroc dans la zone euro.

Il importe de rappeler que d'après une étude réalisée par l'Institut français de la mode (IFM), le Maroc a gagné des points dans le sourcing européen. Ainsi, sur les 40,6 milliards d'euros d'importations textiles européennes en 2014, le Royaume a engrangé 1,4 milliard d'euros, en hausse de 9% par rapport à 2013. Ses concurrents, la Turquie et la Tunisie, ont vu leurs exportations progresser respectivement de 5% et 3% au cours de la même année. Et c'est sur le marché espagnol que le textile national s'est bien comporté en 2014. Les exportations ont évolué de 15% par rapport à 2013, à 743 millions d'euros sur un total de 6,7 milliards d'importation payés par l'Espagne. La Turquie se situe devant le Maroc avec des exportations de 777 millions d'euros mais avec une croissance plus lente. Si le textile marocain consolide sa position sur le marché espagnol, il est en revanche en recul sur son débouché traditionnel, la France. Ses exportations ont fléchi de 1% par rapport à l'année antérieure alors que les exportations tunisiennes y ont augmenté de 4%.

Aziza Belouas. La Vie éco

2015-02-05

Textile Industry of Uganda- An Overview

Introduction:

"The giant is crying" is a phrase to use about the Uganda textile industry, the Uganda Textile Society (UTS) president, Assoc. Prof. Dr. Wanyama Aaron asserts.

The industry which in its current sorry state employs about 21 per cent of the country's population both directly and indirectly is what I am writing about here. The Uganda textile industry is a firm to fashion industry, right from natural fibre growth.

The most common fibres in Uganda are cotton and silk. Currently, the industry is largely dominated by ginneries – estimated to be around 40 throughout the country – whose final product is just raw cotton. About 20 per cent of this cotton is consumed locally, mainly by Southern Range Nyanza (Nytil) Ltd and Phenix Logistics (U) Ltd, while the rest is exported in half-processed form. This fetches a low economic value – which has discouraged many potential traders.

Textile Industry of Uganda

Why is the giant crying?

The Ugandan textile industry itself gives little or no revenue to the government as it is comprised of the illegal and unregistered CUT, MAKE AND TRIM (CTM) enterprises owned by different individuals across the country these make 90% of the sector. Most of which are found in the central region in the capital of the country, Kampala. We see that inspite of the fact that the industry employs the largest part of the population, it is not known, there is no way the government can revamp and fund the unknown business, and therefore remain staggering only on the local scene. Due to the lack of registration certificates and lack of unity and clear statistics; take the case of not having clear figures on how much of the Uganda population can be satisfied by the locally produced textile products in Uganda, it has become very difficult for the government of Uganda to be convinced to reduce the amount of imported textiles in the country. Without such clear statistics there is no way even the government can stand to ban the imported textile products take the example of second hand clothes and other already made cheap products that are imported into the country. In addition the existing fashion designers in Uganda are completely on individual basis who in general I would say are there for survival purposes but not to develop the industry.

The country has one of largest integrated mill in the east African region, which is Nyanza Textiles Limited (Nytil) which performs all technical processes on a textile, right from fibre preparatory processes, including spinning to garment construction with the state of the art equipment. Other industries include Phenix logistics Ltd, Fine Spinners (recently opened in Kampala). However, these can not even satisfy the demand for cotton spun yarns in Uganda forcing the consumers of such to import from the neighbouring countries especially Kenya especially when it requires very fine and strong yarns used when knitting finer fabrics/ garments. At one time I interacted with one of the consumers of cotton spun yarns (a registered textile training center) who approached our biggest integrated textile factory for a deal of supply of cotton spun yarns but to their surprise instead of being welcomed, they were advised to make a very exaggerated order that the factory needed to have at hand before any spinning would be made for them; in other words, they were indirectly responding with a negative feedback. The this is the crying giant

Another reason for giant crying is the national textile policy. The National Textile Policy was formulated in 2009, debated and passed, however the implementation of the policy continues to be one of the industry's biggest challenges. The national textile policy was meant to protect the industry at large.

"The policy implementation intended to put in place various blocks through which the sector would develop. All these were agreed on at Cabinet level but one wonders why there seems to be reluctance in terms of implementation," says the Uganda Textiles and Garment Manufacturers Association, secretary general. The Chief Executive Officer of Nytil is lamenting about the same thing of the government implementing the Uganda Textile policy, equally the Institutions of higher learning is doing the same, the farmers and traders in textile products are lamenting; now who is not lamenting about this policy?

The National Textile Policy says with an East African population of 120 million people, the region has a market potential that can consume 820 million meters of cloth per annum, generating about ShsShs1.4 trillion. Page 9-23 of the textile policy talks about the support that the government through its different ministries and partner organizations is to provide to the institutions of higher learning which include Kyambogo and Busitema Universities through equipping them with training and hands on work facilities to enable the students to be equipped with the required knowledge and skills which has not been at all implemented despite the so many requisitions that these universities have submitted to the ministry to the ministry of trade, tourism and co-operatives.

Formal Education and Human Resource

Unlike in the past ,Currently Almost every institution of higher learning in Uganda has a textile or textile related course(s) spanning from garment design to advanced chemistry, with two universities (all public) having strong established departments; which are Kyambogo University and Busitema University.

Busitema University textile ginning and engineering department was as the result of the World Bank's efforts to revive the industry through the introduction and funding of a bachelor's degree in Textile Engineering. Kyambogo University has at least strived to give the country's economy on average 13graduates every year (Bachelor of Science in Textile and Clothing Technology and Diploma in Textile Design) since 2006 and Busitema University (Bachelor of Textile Engineering and Diploma in Ginning Engineering) since 2013. However, the few existing textile factories and companies are less wiling to take up the professional graduates as they say "are expensive in terms of payment'' and they resort to on job training employees who are cheap and very willing to grab the small penny collected at the end of the month. In addition, the practioners in the textile industry are very less willing to offer even if a two weeks skills training to graduates as they are very well aware that our Universities do not have enough facilities to equip students with all the necessary skills required for effective production in the industry. This has left a very big gap between the textile students and the textile practioners who ought to be more supportive to students and graduates in a lot of research in the sector especially at university levels. Unless one gets close to the industry so as to analyze the strength, weaknesses and challenges, it is not possible to design a great research topic that will benefit that particular industry.

Despite all present and future advantageous avenues possessed by the textile industry, its current state is worrying.

GSP-Plus status: President FCCI hails 21 percent increase in textile export

February 01, 2015

BUSINESS RECORDER - Phenomenal increase of 21% in textile export to European Union (EU) countries during 2014 after the grant of GSP-Plus status is very encouraging , however diversification of export is imperative to fully harvest the benefit of this facility, said Engineer Rizwan Ashraf, President Faisalabad Chamber of Commerce and Industry (FCCI).

Addressing a seminar on GSP-Plus organised by Trade Development Authority of Pakistan (TDAP) in FCCI, here today; he said that despite of energy crisis and financial crunch, the increase in export is indicative of the exceptional capabilities and hard work of our exporters. He said that now we have to make reinvigorated efforts to give our exports yet another quantum jump during the current year.

Commenting on the GSP-P status, he said that entire benefits of withdrawal or decrease in duties have been enjoyed by the EU importers, but on the other hand the cost of doing business for Pakistani exporters has been increased as they have to ensure compliance's of 27 different conventions and protocols. He said that a portion of financial benefits of duty free import should also be passed on to the Pakistani Exporters.

He said that small and medium exporters were handicapped to avail the facility of GSP-Plus because of their inherent problems. However, FCCI has established a GSP cell to give them necessary information regarding the facility of GSP-Plus. Similarly seminars and workshops are also being arranged for their information and guidance.

Continuing, he said that small and medium units of dyeing, processing and printing could not export to EU countries as they were unable to fulfil the mandatory requirements of social and environmental compliance's including treatment of their water effluent. He disclosed that central development working party has approved a study to set up combined waste water treatment plant in Faisalabad with French collaboration. It will help these units to fulfil the mandatory environment related compliance's paving way for them to export their products directly to the EU countries.

Published in Dawn, February 15th, 2015

Plan to increase textile exports

ISLAMABAD: Textile industry has evolved a comprehensive strategy to increase cotton-based textile exports in the next five years.

The proposed new measures include formulation of a new policy as well as restructuring of institutions dealing with cotton to promote availability of better cotton for the value-added sector in the textile value chain.

Currently, there is a strong fibre base of 13 million bales of cotton in Pakistan which is almost stagnant for the past few years.

Cotton and administrative control of the Pakistan Central Cotton Committee (PCCC) was given to the textile industry in 2011 after devolution of the ministry of food and agriculture.

Official documents show that the ministry of textile industry has already started work on the first Ginning Institute of Pakistan in Multan and is actively pursuing implementation of Cotton Standards Act with the help of provincial governments.

At the same time, it was proposed to restructure the PCCC to strengthen their research activities.

Focus will be on increasing per hectre yield, reducing risk of cotton curl-leave virus and introducing longer staple length varieties.

Organisation rules will be amended to extend incentives to the employees on the basis of performance and output.

The ministry also pointed out that Pakistan Cotton Standards Institute (PCSI) was in a state of disarray after Cotton Standardisation Fee (CSF) was suspended in 2007. As a result, the ministry has revived the CSF to ensure its survival.

The PCSI has been shifted to new premises and its capacity and equipment will be strengthened through export development funding.

According to the documents, the ministry will set up Model Cotton Trading Houses in Multan and Sakrand, in collaboration with the PCCC, to facilitate farmers, ginners and other stakeholders. This will also help encourage standardisation and brand development.

On the policy side, the ministry of textile Industry will pursue enactment of Plant Breeders Right Act as well as amendment in Seed Act and Quarantine to facilitate research, attract new technologies and increase availability of certified quality seed.

To improve standardisation of cotton and ginning sector, implementation of Cotton Control Act is imperative. In addition, cotton standardisation and clean cotton with reduced contamination levels will be facilitated through upgradation of ginning machinery, for which the ginning sector has already been included in the long-term finance facility (LTFF) of the central bank.

The government will pursue better cotton initiative which was introduced in Pakistan by WWF-Pakistan and funded by the EU.

The BCI aims to promote measurable improvements in environmental and social impact of cotton cultivation on land, climate, environment and people.

Pakistan will pursue this programme and necessary funds will be arranged for continuation and expansion of current programme through foreign donor agencies and Export Development Surcharge.

According to the document, the government will take measures to introduce extra Long Staple Cotton in the country. In this regard, a comprehensive training and capacity building programme would be developed to establish a system in the private sector for grading and classifying cotton, ensuring that proper premiums are paid on cotton based on grading and classification.

Cotton hedge trading for the domestic cotton will also be initiated in consultation with stakeholders.

Pakistan to sign FTA with ASEAN countries on exports

- Business

2 DAYS AGO BY INP

The National Assembly was informed Friday that the government was making efforts to sign free trade agreements with ASEAN countries to promote trade and export to these countries.

Minister for Commerce Khurram Dastgir Khan told the House during Question Hour that Pakistan was in the process of signing Free Trade Agreement-II [FTA-II] with China. He said China had promised to give more facilities and market access to Pakistan products under FTA-II. He said export of pine nuts had increased to 68 million dollars in 2013-14 from 51 million in 2012-13 to China.

He informed the House that as a result Preferential Trade Agreement [PTA] signed with Indonesia, the exports of Kinnow had increased to 19.22 million dollars in 2013-14 from 3.2 million dollars in 2012. He said the PTA with Indonesia would also facilitate Pakistan's entry into ASEAN market.

Khurram Dastgir Khan told the House that the ministry of commerce had developed a performance evaluation criteria covering qualitative and quantitative aspects for the valuation of trade officers. He said contracts of those trade officers had not been renewed whose performance was not up to the mark.

Replying a question, the commerce minister informed the House that Pakistan and Afghanistan recognise the imperative work together to effectively combat the menace of terrorism through strengthening border controls and management.

He said the government had turned a new leaf in Pakistan's relations with Afghanistan. He said Pakistan did not favour any party in Afghanistan as she respected its sovereignty and expected this to be reciprocated. He pointed out that Pakistan and Afghanistan were cooperating closely to eliminate terrorism.

He said in the aftermath of the terrorist attack in Peshawar, the chief of army staff again visited Kabul and shared vital elements of intelligence with concerned authorities. The Afghan president assured that the Afghan soil would not be allowed for terrorist activities against Pakistan.

He said the terrorist infrastructure in North Waziristan had been eliminated after the launch of operation Zarb-e-Azb. He said Pakistan also requested the Afghan authorities to take complementary action on their side of the border to block the fleeing terrorist and eliminate terrorists' sanctuaries.

Khurram Dastgir Khan told the House that Pakistan was a party to all the four Geneva Conventions regarding humanitarian law. He said to fulfil the international obligations, a treaty implementation cell had been set up and these centres were being set up at provincial level.

Minister for Inter-Provincial Coordination Riaz Hussain Pirzada informed the House that there was a proposal under government consideration to lay astroturf for hockey in Swat. He said an amount of 20 million rupees had been proposed for this project in the next financial year PSDP.

The minister told the House that the players in the World Cup team were included after their fitness test. He said special attention was being paid for maintaining discipline among the players.

Minister for Textile Industry Abbas Khan Afridi told the House that 286 textile companies having textile and allied industry hade either been wound up or their names have been struck off under the provision of company's ordinance, 1984 during the period from March 2013 till date. He said the main reason was energy crisis. He said the present government had resolved the issue of energy for industrial sector and as a result 292 new industries had been registered. He said the new textile policy announ

Daily Times
Your right to know A new voice for a new Pakistan

Pakistani textile products great potential in Europe

February 11, 2015, 10:17 pm

ISLAMABAD – The Ambassador of Pakistan to France Ghalib Iqbal has said that Pakistani textile products have great potential of finding more space in European markets.

He was talking to Michal Scherppe, the president of Taxworld Fair being held in Paris, said a message received here on Wednesday. The ambassador visited Pakistani Pavilion and Pakistani entrepreneurs' stalls. He discussed with the exhibitors prospects of business development in France and assured them of continuation of full support and cooperation from the Mission.

The exhibitors told the ambassador that the response of the buyers was encouraging. The ambassador told the exporters that a fashion show of Pakistani garments would be held in the next edition of Taxwolrd in September this year. This is the 36th edition of Taxworld being held in Paris, in which 624 exhibitors are participating from all over the world including China, Thailand, India, Indonesia, Turkey and Bangladesh.

Large numbers of companies are exhibiting their products. There was substantial presence of Pakistani manufacturers and exporters of denim and cotton fabrics. Trade Development Authority of Pakistan (TDAP) has arranged national pavilion in the exhibition. Nine Pakistani companies are participating under TDAP while others are exhibiting their fabrics on their won. In total 28 Pakistani companies are participating in the fair.

BUSINESS RECORDER
Founded by M. A. Zuberi
Pakistan's Premier Financial Daily

Pakistani Textile to find more space in European markets

Thursday, 12 February 2015 15:12

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The Island Online
Monday February 2nd 2015

Garment exporters confident of achieving 2015 revenue target

February 1, 2015, 8:56 pm

A sight from the B2B event held by the Sri Lanka Chamber of Garment Exporters (SLCGE) and its partner Sri Lanka Apparel Sourcing Association (SLASA) recently

Sri Lanka Chamber of Garment Exporters (SLCGE) and its partner Sri Lanka Apparel Sourcing Association (SLASA) expressed confidence of achieving this year's government target of USD five billion in export revenue.

SLCGE Manager, Administration, Rohan de Silva told The Island Financial Review that the apparel sector is keen on signing a Free Trade Agreement with China and at least a Memorandum of Understanding with Japan.

He said that if the country is able to sign the agreement with China and tap the Japanese market, Sri Lanka could easily achieve the export target USD 8.5 B in 2020.

'The Chinese market is at present catered to by Vietnam, and Sri Lanka has all the opportunities to penetrate the Chinese market though better quality products though the Chinese were not keen on garments, he said.

He also said that if they could get back the GSP Plus facility, their target would be much easier adding that even without GSP Plus, the sector achieved a target of USD 4.8 bn last November.

Another official said economic interests of the country should be foremost in the negotiations with the European Union.

"The loss of GSP Plus status was a big blow to the country's economic development as the EU countries account for about 60 percent of the country's export market. The American and European markets are the main buyers with the latter superseding the former in recent years," he added.

He also said that the hope and expectation are that the Sri Lankan government would give certain assurances that would enable the EU to continue with the GSP Plus concession without compromising the conditions that are laid down by the EU. May be guarantees of future compliance is the way forward for the Sri Lankan government. Economic interests of the country must be foremost in the country's international relations and international diplomacy.

Speaking about the partnership, SLCGE president, Bandula Fernando said that the bi-annual programme which took place for the third time mainly focuses on facilitating their members to meet the key buyers operating in Sri Lanka and to prove their capability of producing high quality garments for export purpose.

He said big players in the trade have direct links with these buyers and even operate their own offices overseas. Thus, they are conducting this event to provide 'our members this opportunity with minimum cost.'

The Chamber works mainly on behalf of the Small and Medium sector, for their rights and benefits.

It was solely due to the representations made by the Chamber that the government introduced provisions in the rules for the allocation of textile quotas, he said.

Chamber's vice president A P C Mendis said that they are expecting more investment opportunities especially from US and U K buyers.

He strongly believes that the country with a new government with a better think-tank could do much more in the future. He stressed if corruption is eliminated the country could achieve much more.

An Export Development Board official said with an impressive partnership portfolio Sri Lanka showcases the best of technology in the garment industry, including the world's first eco-friendly Green Garment Factory.

She said buyers placing orders have the choice of selecting fabric and accessories from any part of the world to be brought to Sri Lanka for conversion into finished apparel. There is also an advantage in sourcing from Sri Lanka due to its central location, which provides the shortest shipping times to Europe.

For those who are concerned not only with the quality of the product but also the values of the manufacturers, Sri Lanka will definitely be the ultimate choice, she added.

The Sri Lanka Apparel Sourcing Association was formed in 1993 with the primary objective of promoting and fostering the growth of the garment industry in Sri Lanka.

The members of the Sri Lanka Apparel Sourcing Association represent international prestigious brand names and are responsible for the generation of approximately 70% of Sri Lanka's exports of textiles and apparels.Their membership represents all major global importers and retailers from the USA, EU, Australia and Japan.

A majority of the Association's membership has been carrying out operations in Sri Lanka for more than 15 years, marketing the country and its merchandise effectively. The Association is also a strong lobby for the industry.

Textile professional finds Taiwan fascinating

February 11, 2015, 7:45 pm TWN

Drawn by Chinese culture and interested in learning the Chinese language, San Francisco-born Courtney Cruzan flew to mainland China four years ago. She and her husband stayed in Zhejiang province (浙江省) for two years before they came to Taiwan.

Courtney has a bachelor's degree in textiles and a MBA focusing on international business. With assistance from the Taiwan Textile Federation (紡拓會), she started working for HerMin Textile Co. (和明紡織), a leading fabrics manufacturer in Taiwan.

Courtney found many fascinating things about Taiwan after she settled down. The relationship between people is more “inclusive,” and people tend to look out for others, Courtney said. It's like a family and this kind of feeling is also present in her office, which Courtney said is quite a blessing.

She recalls her experience of making purchases at a local shop. Although she did not bring enough money, the store owner let her leave without paying, trusting that she would return the money on her next visit.

“It is easier to build trust in Taiwan,” she said, adding that Taiwanese people are more helpful and more considerate of others.

As an open-minded person, Courtney has tried much of what Taiwan has to offer. She has traveled to Hualien and Taitung on the East Coast, Tainan and Kaohsiung in the south, as well as famed places like the Jade Mountain (玉山) and Taroko Gorge (太魯閣).

Convenient transportation in Taiwan provides “easy access to beautiful places,” Courtney said. In Zhejiang where she used to live, scenic locations are usually just a one-hour drive away.

Courtney has tasted Taiwan's assorted foods, including stinky tofu, which most Westerners frown upon. It's similar to the stinky cheese of France, she said. But Courtney said she prefers the local lumpia much more, which wraps various ingredients including peanut powder and Chinese parsley in a pastry roll.

Taiwan has an eclectic mix of influences. It's one of the things that make Taiwan so special, Courtney said. Many good things come from Taiwan, and it boasts quality textiles, electronics and computer chip production. Taiwanese should feel more proud, she said.

As the assistant marketing manager at HerMin Textile, Courtney is tasked with the company's merchandising, sales development and international presence promotion efforts.

Since Taiwan is such a nice place, Courtney said she wants to help people know more about Taiwan. Some of her mainland Chinese friends are also very interested, and they are always excited about visiting Taiwan with Courtney. ■

Espace Manager .com

La Tunisie crée l'événement au salon Apparel Sourcing

Ajouté le 12 Février, 2015 - 20:29

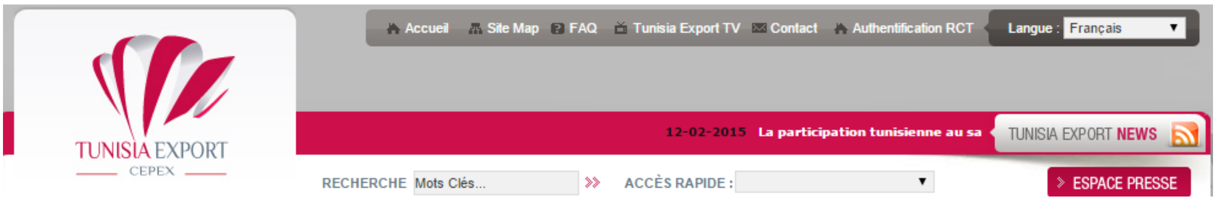
La Tunisie a rejoint pour la première fois l'offre de fabrication des produits de mode du salon Apparel Sourcing qui s'est tenu du 9 au 12 Février 2015 au Parc des Expositions Le Bourget -Paris.

La Tunisie à crée l'évènement au tour de cette participation grâce à un programme riche et diversifié qui vise la promotion du secteur Textile Habillement auprès des donneurs d'ordres internationaux en mettant en avant son offre de circuit court, de sourcing de proximité ainsi que son potentiel de design et création.

Le salon « Appareil Sourcing » a ainsi abrité un village Tunisie où l'offre de maille, prêt-à-porter, jeans et lingerie-balnéaire a été exposée grâce à la participation de huit entreprises tunisiennes des plus performantes. En plus de l’exposition au salon, une conférence économique ayant pour thème « ***Le secteur Textile Habillement en Tunisie : Un pôle d’Excellence »*** a été organisée le deuxième jour du salon, conjointement, par l’Ambassade de Tunisie à Paris, le Centre de Promotion des Exportations (CEPEX) et la Fédération Nationale du Textile (FENATEX) pour valoriser le savoir-faire tunisien dans ce domaine et les capacités l’adaptation du secteur aux exigences internationales. La conférence de presse du salon organisée le 11Février 2015 s’est focalisée également sur l’offre tunisienne d’habillement.

Pour marquer cette première participation au salon, deux passages du défilé de mode spécial Tunisie baptisé « **FASHION BY TUNISIA** » ont été organisés spécialement au cours de ce salon et ce le 10 et 11 Février 2014. Les huit entreprises participantes ainsi que les deux créateurs tunisiens Ali KAROUI et Ahmed Talfit ont eu ainsi l’occasion de valoriser leurs capacités de design et de création.

L’animation n’a pas manqué à cette participation, puisqu’une Tombola a été organisée lors du cocktail spécial Tunisie, où deux visiteurs du salon ont bénéficié de voyages avec séjours en Tunisie offerts par TUNISAIR et l’ONTT.



La participation tunisienne au salon Apparel Sourcing

Le Bourget, 9-12 Février 2015

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Textile: La Tunisie au salon « Apparel Sourcing » de Paris

Jeudi 12 Février 2015

Huit entreprises tunisiennes opérant dans le secteur textile/habillement, ont participé pour la première fois, au salon « Apparel Sourcing » qui s'est tenu, du 9 au 12 février 2015 au Parc des Expositions le bourget-Paris.

Le salon « Apparel Sourcing » a abrité un village Tunisie où l'offre de maille prêt à porter, jeans et lingerie balnéaire a été exposée.

En plus de l'exposition au salon, une conférence économique ayant pour thème « Le secteur Textile Habillement en Tunisie, un pôle d'Excellence », a été organisée le deuxième jour du salon conjointement, par l'Ambassade de Tunisie à Paris, le Centre de Promotion des Exportations (CEPEX) et la Fédération Nationale du Textile (FENATEX).

L'objectif de cette manifestation est de valoriser le savoir-faire tunisien dans ce domaine et les capacités l'adaptation du secteur aux exigences internationales, précise un communiqué du CEPEX publié, jeudi.
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High Hopes, Low Expectations For U.S. Textile Trade Agenda

Unresolved trade agenda items affecting the U.S. textile and apparel industry may be contentious issues for the 114th Congress

Jon Fee

In his 2015 State of the Union address, President Obama made clear his intention to work with Republicans in Congress on trade legislation. Republicans trounced the Democrats in the 2014 midterms. They won the greatest number House seats since World War II, and the largest Senate majority since 2004. What these Republican majorities accomplish with a Democrat in the White House remains to be seen. But both parties and the Obama administration are poised to consider matters of interest in the textile and apparel business, including the Trans-Pacific Partnership (TPP), Trade Promotion Authority (TPA), the Generalized System of Preferences (GSP), the African Growth and Opportunity Act (AGOA) and the Nicaragua Tariff Preference Level (TPL).

Ongoing TPP Negotiations

The TPP is a free trade agreement (FTA) — generally modeled after a series of such agreements dating back to the North American Free Trade Agreement (NAFTA) — still being negotiated by the parties expected to sign it. Besides the United States, parties involved in the TPP are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The Obama administration calls it a comprehensive, ambitious agreement, representing a shift in U.S. trade focus towards Asia. The TPP countries are said to represent 40 percent of U.S. international trade.

Whatever its final terms, the TPP will be anticlimactic in some respects; the United States doesn't have significant trade with some of the parties, like Brunei, and already has free trade agreements with others, like Mexico. The TPP will nevertheless have great significance in selected areas. American farmers, for example, will gain unprecedented access to Japanese market for their exports. The U.S. textile and apparel industry and its counterparts in Central America will be most affected by imports into the United States of apparel produced in Vietnam, which is already the second largest source, after China, of U.S. apparel imports. Indeed, U.S. apparel imports from Vietnam have increased 40 percent since TPP talks began, likely spurred by the prospect of the TPP's passage.

The origin rule for most apparel under the TPP will almost certainly be "yarn forward." Yarn forward is the standard for apparel under all of the FTAs signed by the United States since NAFTA. Preferential treatment will be allowed if the component determining apparel tariff classification is knitted or woven in TPP countries from yarn spun or extruded in TPP countries and the apparel is cut or knit to shape and assembled in TPP countries.

Unlike many FTAs, the TPP probably will not provide duty-free treatment for all originating apparel immediately after it goes into effect. Instead, the United States has proposed three "baskets" of apparel classifications with different provisions for preferential treatment. The first basket would include classifications for non-sensitive apparel, which would be duty-free right away after the TPP effective date. The second basket would be for relatively more sensitive apparel. Duties would be reduced linearly in stages of 20 percent each year until they became free in the fifth year. The third basket, sometimes called the “X” basket, would be treated specially. Duty rates would immediately be cut by some percentage, perhaps 35 or 50 percent. But then they would remain unchanged for some length of time, perhaps 10 or 15 years, after which they would be changed to free. The sensitive X basket would likely include shirts, sweaters and trousers of cotton and man-made fibers.

The TPP will include a so-called “short supply” feature, but it will not be as flexible as short supply under the Central America Free Trade Agreement (CAFTA). It will be more like short supply under NAFTA, without NAFTA’s cumbersome, little-used feature that theoretically allows new short supply designations. In anticipation of the TPP, the office of the United States Trade Representative (USTR) and the Department of Commerce’s Office of Textiles and Apparel (OTEXA) invited interested persons to suggest, or oppose, short supply fabrics and yarns on a website. After considering this input, the United States is proposing that certain classifications of non-sensitive apparel will be either temporarily — probably for three years — or permanently duty-free if made in TPP countries with nonoriginating short supply fabrics or yarns. The list of short supply fabrics and yarns and the apparel for which they can be used will be incorporated in the text of the TPP. Interested persons will not be allowed to request that fabrics and yarns be added to or removed from the list after the TPP is signed and in effect.

Negotiations over the TPP are continuing and many of its provisions are far from final. Vietnam opposes short supply and, in league with many U.S. retailers, but over the opposition of U.S. and Central American textile and apparel producers, prefers a more liberal origin rule that would allow it to make qualifying apparel with nonoriginating fabrics from China or elsewhere. Mexico seeks a shortened short supply list to protect its access to the U.S. market. These and many other issues affecting many different interests must be resolved before a final version of the TPP is signed and can be considered for approval in the 114th Congress. The USTR hopes to conclude TPP negotiations sometime in mid-2015.

TPP negotiations continue, but the U.S. textile and apparel industry and its counterparts in Central America already have been impacted by a 40-percent increase in U.S. apparel imports from Vietnam since TPP talks began.

TPA Not A Foregone Conclusion

TPA legislation would give the U.S. president “fast track” authority to negotiate the TPP — and theoretically other free trade agreements — under terms that would require Congress either to approve or to disapprove FTAs, under expedited procedures, without adding amendments and without the opportunity to filibuster the approval legislation. Without TPA legislation, other countries might be reluctant to sign a FTA with the United States. The last TPA legislation expired in 2007. Conventional wisdom says that the administration cannot sign the TPP, and President Obama cannot present it to Congress for approval, without TPA legislation in place.

Interestingly, President Obama has negotiated the TPP as though TPA legislation existed, gambling that the momentum of the TPP negotiations would make TPA legislation a foregone conclusion. But the divided 213th Congress, which passed fewer bills than any Congress since records were first kept in 1947, proved that no legislation was certain. Bipartisan TPA legislation was proposed in early 2014; but even members of the president’s party complained that it did not allow sufficient Congressional oversight of the TPP’s terms and support for the legislation fell apart when a key cosponsor, Senator Max Baucus, D-Mont., left the Senate to become ambassador to China. More ominously, from the point of view of TPP supporters, many senators and House members wanted TPA legislation to address currency manipulation, requiring the United States to invoke trade remedies against countries found to be manipulating their currency exchange unfairly to affect trade. Such a feature, with its threat of U.S. sanctions, could give other TPP parties second thoughts about signing the TPP itself.

GSP Renewal Overdue

The GSP expired last July without renewal by Congress. With some exceptions, the GSP ordinarily affords duty-free treatment for imports from more than 100 designated beneficiary developing countries. Historically, the GSP has been renewed every three years by unanimous vote without delay or controversy; but recent renewals have been delayed and the current renewal is now long overdue. Most textiles and apparel are excluded from GSP preferential treatment; but lawmakers' failure to renew the GSP in the 113th Congress is an indicator that no trade legislation, including TPA and TPP approval, is certain to make it through the 114th.

The Nicaragua TPL under CAFTA also expired at the end of 2014 without renewal. Unlike the GSP, however, there was no intention, at least at the time CAFTA was adopted, to extend it. The Nicaragua TPL allowed duty-free treatment in the United States of limited quantities of cotton, man-made fiber and certain wool apparel made in Nicaragua from foreign, non-CAFTA fabric and yarn. The TPL was limited to 100 million square meter equivalents (SMEs) per year, with a special sublimit of 1.5 million SMEs for certain men's wool sport coats. For woven trousers under the TPL, Nicaragua had to export an equal quantity of originating trousers to the United States, up to a cap of 50 million SMEs.

In the last Congress, Senators Dianne Feinstein, D-Calif., and Kay Hagan, D-N.C., introduced separate bills to extend the Nicaragua TPL. One bill would have extended it for ten years without change. The other would also have extended it for ten years, but only for trousers and subject to an "earned import allowance" program similar to a program in effect for trousers from the Dominican Republic. Neither bill was passed, and prospects for introduction or passage in the current Congress are uncertain, especially because the administration has expressed no interest in renewal on any terms.

AGOA Renewal Uncertain

AGOA will expire in September 2015. Its most important feature allows lesser developed AGOA countries to produce a limited annual quantity of apparel with third-country fabric for duty-free importation into the United States. The administration and many members of Congress support renewal; but, like prospects for renewal of the lapsed GSP, prospects for AGOA renewal are not certain.

Will Things Move Forward In The 114th Congress?

Political commentators say that trade is an issue, like tax reform, about which Republicans and Democrats should be able to find bipartisan common ground, suggesting that all of the trade agenda items — TPA, TPP, GSP, Nicaragua TPL and AGOA — could be addressed with legislation in the current Congress. But predictions of such an outcome could be overly optimistic. President Obama's aggressive immigration initiative, his evident opposition to the Keystone pipeline, his proposal to tie tax reform to increased taxes on wealthy individuals and his plan to offer free community college to all applicants have arguably made him even more unpopular with Republican leaders than before. Indeed, his alleged overreaching in immigration and environmental matters without Congressional backing is perceived by some more conservative Republicans as reason not to give him fast track authority under TPA legislation. Some Republicans may be reluctant to align themselves with any legislation supported by President Obama, especially since many more Republican than Democratic seats in the Senate will be up for election in 2016. Some members of the president's party, concerned about maintaining U.S. jobs, are less than enthusiastic about the trade agenda. And of course the year 2016, corresponding with the second session of the 114th Congress, is a presidential election year, when attention may turn away from trade and focus on the candidates. It is entirely possible, in this political environment, that none of the agenda items will get attention until sometime after the inauguration of the country's next president in 2017.

January/February 2015

Vietnam's apparel sector is set to receive a major boost from the signing of a Trans-Pacific Partnership (TPP) trade deal, although the extent and immediacy of any benefits will depend on the fine print of the agreement. But the negative effects on other apparel manufacturing countries could reverberate well beyond Asia.

TPP has yet to be passed, but its impact could be far-reaching

In its "Trans-Pacific Partnership (TPP) – Winners and Losers" report, Standard Chartered Bank charts the impact of any future TPP deal on the apparel industries of Vietnam (a TPP signatory), plus Bangladesh and Sri Lanka (non-TPP participants).

The multilateral TPP trade pact, led by the US and involving 12 Pacific Rim countries accounting for 40% of global GDP, is currently being negotiated, and is likely to come into effect in 2015.

"The TPP agreement on apparel has the potential to reshape the industry, as it involves the US – the single largest consumer of apparel globally – and Vietnam, the third largest emerging market apparel supplier after China and Bangladesh," the report notes.

"Preferential access to the US apparel market will give Vietnam an advantage over other Asian manufacturers."

But the report says that the extent of this advantage will depend on the detail of the deal: specifically, how tightly the Rules Of Origin (ROO) requirements currently being negotiated between the US and Vietnam are drawn.

Crucially, much will depend on how much of the production process must take place in a TPP country to qualify for preferential access to the US market.

Flexible ROO requirements – for instance, a deal with "single transformation" requirements requiring only assembly of the final product to be done in a TPP country to qualify for preferential access to the US – would have an "immediate benefit" for Vietnam, the report says.

In particular, it would allow Vietnam's apparel manufacturers the flexibility to purchase raw materials from a variety of sources and at the lowest cost.

In this scenario, Standard Chartered predicts, Vietnam could overtake Bangladesh in terms of global apparel export market share by the year 2024, bringing its market share up to 11% from the current figure of 4%.

Meanwhile, Bangladesh's market share would move up only slightly, by two percentage points, to around 7% – while Sri Lanka's would decline from the current figure of 1%.

The negative effects on other apparel manufacturing countries would reverberate well beyond Asia, however: the report says such a deal would also impact Central American apparel manufacturers which are currently subject to the "triple transformation" rules under the NAFTA and CAFTA-DR agreements in order to gain access to the US.

Should the TPP agreement include more stringent ROO requirements, however, then the benefits to Vietnam would take longer to manifest themselves, since it would first require further development of the country's textile industry.

The foundations for this development are already being laid, the report notes, with a wave of foreign investment in Vietnam's textile industry already beginning, ahead of any TPP deal.

In the third possible scenario – where no TPP deal at all is finalised – the report predicts that Bangladesh and Vietnam would stand neck-and-neck by 2024, each with an approximate 7% share of global apparel exports, while Sri Lanka's share would remain stable.

"To prepare for a potential loss of competitiveness relative to Vietnam, Bangladesh and Sri Lanka will need to take pre-emptive action," the report recommends, suggesting a number of steps which the countries could take.

For Bangladesh, it should in the short term focus on capturing more of China's current market share with European Union (EU) customers.

Compliance with global safety and labour norms would help Bangladesh to achieve this, the report suggests, since it would help to ensure continued access to EU GSP (Generalised System of Preferences) benefits, even after graduating from LDC (Least Developed Country) status.

The report adds that Bangladesh should also work to regain GSP privileges with the US.

In the longer term, the country should work to improve the skills of its labour force, allowing Bangladesh to move up the value chain into higher-margin segments of the apparel industry.

Sri Lanka's major advantage, the report suggests, is its well-qualified labour force, which should allow the country to move up the value chain more swiftly than Bangladesh.

Standard Chartered notes that the "provision of unique design services and products, further mechanisation and effective branding" could help Sri Lanka to retain market share.

But the country would also benefit from strengthening its trading position with so-called "non-traditional" markets, including the Middle East, India and China.

An Introduction to Vietnam's Import & Export Industries

Posted on February 3, 2015 by **Vietnam Briefing**

By Dam Thi Phuong Mai and **Edward Barbour-Lacey**

HCMC – With its rising costs, China is no longer the go to destination for many businesses, and Vietnam has arisen as a serious competitor. Recent trends show that the number of orders shifting from China to Vietnam has seen a significant increase. For example, China's Pearl River Delta, long known as one of the key factory centers for the world's manufacturers (particularly those from Hong Kong) has now become too costly for many companies to stay in the region.

In the past three years alone, a growing number of businesses have relocated their operations from China to Vietnam in an attempt to escape rising costs and an increasingly complex regulatory environment. Located in a strategic position for foreign companies with operations throughout Southeast Asia, Vietnam is an ideal export hub to reach other ASEAN markets.

Compared with other developing markets in the region, Vietnam is emerging as the clear leader in low-cost manufacturing and sourcing, with the country's manufacturing sector now accounting for 25 percent of Vietnam's total GDP. Currently, labor costs in Vietnam are 50 percent of those in China and around 40 percent of those reported in Thailand and the Philippines. With the country's workforce growing annually by around 1.5 million, Vietnamese workers are inexpensive, young, and, increasingly, highly skilled.

Another driving force behind Vietnam's growing popularity is the country's collection of free trade agreements (FTAs)—most notably, the soon-to-be-signed Trans-Pacific Partnership (TPP) and EU-Vietnam FTA. Additional FTAs currently under negotiation include the Regional Comprehensive Economic Partnership (RCEP) and the ASEAN Economic Community (AEC). When these trade agreements come into force, Vietnamese exports will be freely accessible to many of the world's largest markets with few tariffs or restrictions.

In terms of regulatory and financial incentives, Vietnam has become increasingly investor-friendly in recent years –the government has taken such actions as reforming its financial sector, streamlining business regulations, and improving the quality of its workforce. Since the mid-2000s, the Vietnamese government has offered extremely competitive financial incentives to businesses seeking to set up operations in the country, in addition to a zero percent withholding tax on dividends remitted overseas and a low corporate income tax (CIT) rate of only 22 percent (set to drop to 20 percent in 2016). These advantages have enabled Vietnam to become a premier "sourcing economy" in the eyes of many companies.

For a consultation on Vietnam's Export and Import Procedures on specific products, please contact Dezan Shira & Associates at vietnam@dezshira.com

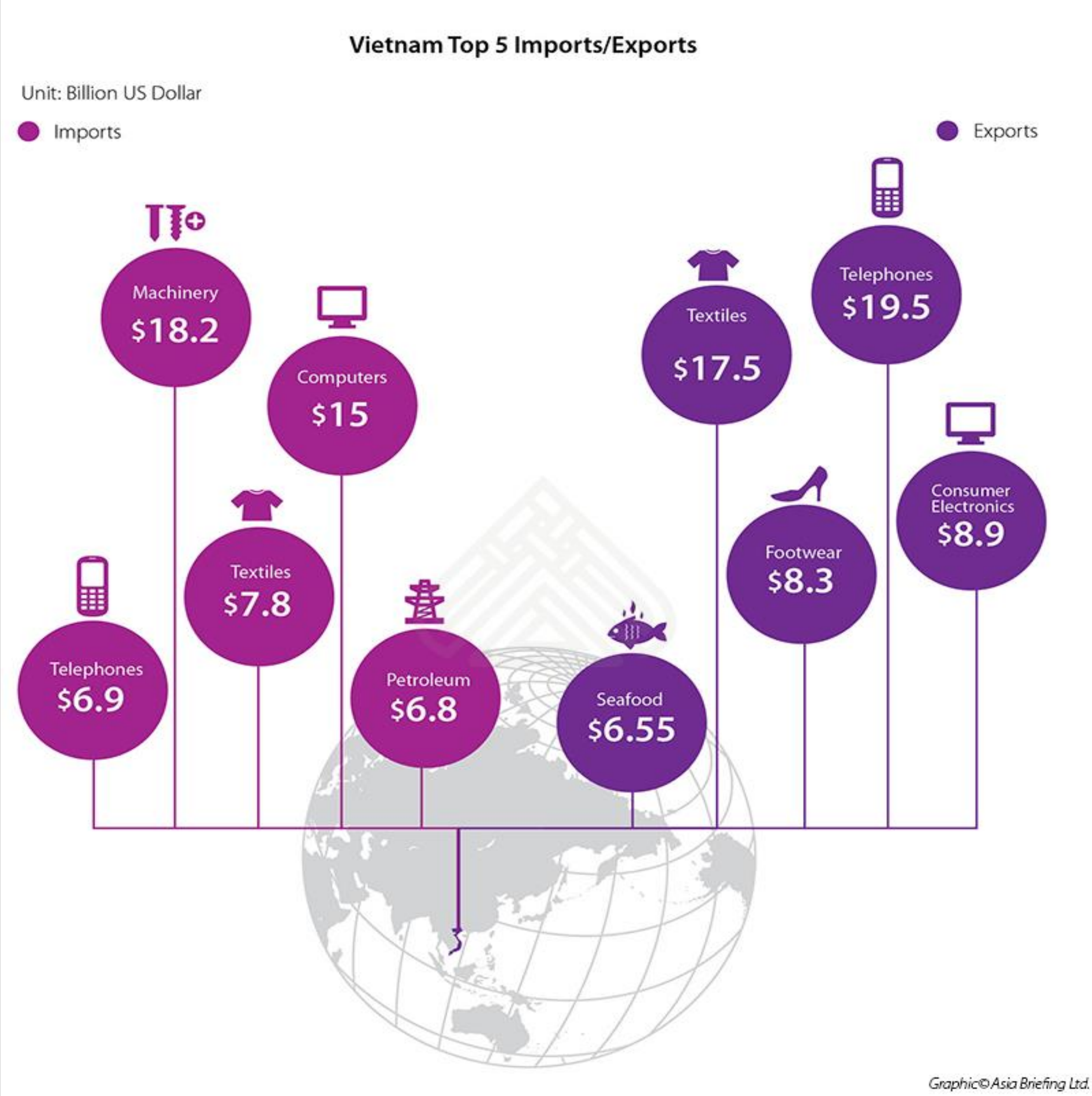
The current state of Vietnam's economy

Vietnam is seeing strong growth on multiple fronts. Of particular interest to investors has been the continuing growth of Vietnam's domestic consumer market, which has been developing by leaps and bounds. This growth is expected to continue for some time to come – domestic consumption is predicted to increase at a rate of 20 percent per year. With a population of over 90 million and Southeast Asia's fastest growing middle class, Vietnam clearly represents an important market for foreign goods. Following along with this trend, in November, consumer confidence levels in Vietnam exceeded 100 points for the first time since 2012.

Industry Snapshots

While Vietnam is widely known for being a prime location for investors operating in the textile industry, there are many other business areas that are seeing significant growth in the country. Interestingly, Vietnam is well on its way to becoming a key location for high-technology manufacturing, with companies like Samsung, LG Electronics, Nokia, and Intel making multi-billion dollar investments into the country. Other business areas include information and communications technology, automotive, and medical devices.

The American Chamber of Commerce predicts that Vietnam will become the largest ASEAN supplier to the U.S. by the end of 2014 – with a net export value of around US$29.4 billion. In fact, Vietnam is likely to become the wealthiest Southeast Asian country in terms of trade. Additional statistics indicate that bilateral trade with the U.S. will surge to US$57 billion by 2020, cementing Vietnam's prominence as a valuable hub for foreign investment.



Textiles and Garments

Textiles consistently rank among Vietnam's leading export industries, employing upwards of 1.3 million workers in directly related jobs and more than two million with auxiliary work included. The growth of the garment industry has been impressive. AmCham states that Vietnamese garment exports rose by 14.85 percent in October alone. China is the only nation that surpasses Vietnam in terms of net garment exports to the U.S.. However, manufacturers and investors are pivoting towards Vietnam; the conditions for setting up shop are economical and more convenient than doing so in China.

Within ASEAN, Vietnam is the strongest competitor for inheriting low value-added textiles and apparel manufacturing from China. In contrast to other leading textile exporters in the region (Indonesia, Thailand, Malaysia), the share of Vietnam's textile exports against its total exports has grown in recent years.

In terms of revenue, footwear is Vietnam's third most productive export industry, generating US$8.5 billion in 2013. The country produces 800 million pairs of shoes per year.

Electronics

Vietnam has emerged as an important electronics exporter, with electrical and electronic products overtaking coffee, textiles, and rice to become the country's top export item. Samsung is Vietnam's largest exporter and has helped the country achieve a trade surplus for the first time in many years. Exports of smartphones and computer parts now account for more in export earnings than oil and garments. Samsung is attempting to turn Vietnam into a global manufacturing base for its products and has invested over US$10 billion into the country.

Samsung has also agreed to cooperate with the Vietnamese government in order to help develop the country's domestic support industries. This represents a key business opportunity for foreign technology companies to set up operations in Vietnam and sell their components to companies like Samsung.

On July 29, 2014, Intel announced that it had produced its first made-in-Vietnam CPU. By the end of this year, Intel expects to manufacture 80 percent of their CPUs for the world market in Vietnam.

Pharmaceuticals

The future looks to be very interesting for the pharmaceutical industry in Vietnam. Recent economic forecasts have predicted a US$5 billion increase in value over the next six years, reaching a net worth of US$8 billion by 2020 – a compound annual growth rate (CAGR) of 15.4 percent. Driving this market growth is the Vietnamese government's goal of achieving universal health coverage by 2015. Thirty percent of the country's population still has no form of public health insurance.

Automotive

Vietnam is becoming an important market for auto sales – August was the 17th consecutive month of sales growth, with a 59 percent year on year increase and total sales of 12,562 units. Overall sales for 2014 are now forecast to be 130,000 units, representing an 18 percent growth year on year. Sales for the eight-month period saw a 32 percent increase compared with 2013. Interestingly, despite the country's recent economic struggles, the luxury car market has continued to see healthy growth.

Despite an increasingly competitive auto market throughout the ASEAN region, Vietnam has stated that it intends to work aggressively to build up its own domestic auto industry. Among the key reasons for this goal is that the auto industry has the potential to create thousands of jobs for locals and create a strong system of supporting industries.

Coffee

Vietnam is poised to become the world's largest producer and exporter of coffee. Currently, the country is the world's second largest coffee exporter, behind only Brazil. However, many experts believe that Vietnam has the potential to overtake Brazil thanks to such factors as favorable climate conditions and lower cost production. In recent years, coffee has become one of Vietnam's key agricultural export products – with 95 percent of output being shipped abroad.

E-commerce

Vietnam is quickly becoming a prime market for foreign investment in e-commerce activities. The country's rapidly growing economy and middle class are, in turn, spawning a strong consumer culture and increasing levels of disposable income. Electronic retail is fast becoming the preferred method of shopping—particularly among the country's youth. It is predicted that in 2015 Vietnam will see more than US$4 billion in B2C e-commerce sales – current sales are estimated at around US$2.2 billion, with an average spending of US$120 per capita.

By 2016, internet penetration in Vietnam will reach 43 million people – 40-45 percent of the total population. This percentage is thought to be the "golden proportion" at which investors will pour into the e-commerce market.

Vietnam's Vinatex plans $441m investment after IPO

Posted February 13th, 2015

The Vietnam National Textile and Garment Group (Vinatex) will pour some VND9.4 trillion ($441.3 million) in developing almost 60 garment and textile projects during the 2015-17 period, as it struggles to operate as a joint stock company from January 1.

The country's leading apparel producer raised VND1.2 trillion ($56.3 million) through offloading 90 per cent of the 122 million shares, offered at one of the stock market's most remarkable IPOs, last year.

The IPO was one of the most successful in terms of value and attractiveness to foreign investors. It attracted a total of 30 foreign individuals and organisations who purchased 45 per cent of the offered shares, or 11 per cent of Vinatex.

However, the biggest change, or challenge, as a joint stock company, according to Vinatex general director Le Tien Truong, is the role of directly implementing investment activities, which was previously the task of its member units.

"Stepping forward on this new model is difficult for us, because the parent company, Vinatex, used to handle only financial management and investment procedures, but now we are switching to really doing business," Truong said.

Vinatex has not been directly manufacturing its products until now. The group performed the state capital management in its subsidiaries and affiliates. For those that had been equitised, Vinatex manages the remaining state ownership.

The Vinatex leader admitted that being a public company was a “great pressure”, but added that the group would do all that is possible to achieve its targets.

Vinatex is looking at a revenue of VND900 billion ($42.3 million) and a net profit of VND288.4 billion ($13.5 million) for the parent company this year. About VND2.4 trillion ($112.7 million) of the aforementioned investment capital will be disbursed during this year.

After its IPO in September 2014, the Vietnamese government will continue to hold 51 per cent in Vinatex. Meanwhile, two domestic strategic partners, property giant **Vingroup** – a blue chip on the local stock exchange – and the **Vietnam Investment Development Group**, hold a combined stake of 24 per cent.

According to Truong, the shares will be listed within at least three years, investors might have to wait only 12 months, as Vietnam has launched a new law urging equitised companies to list within one year after the IPOs.

Last update 06:00 | 04/02/2015

BUSINESS IN BRIEF 4/2

Vinatex and Itochu embark on ambitious project

Vinatex and the Itochu Group, two leading textile and garment makers of Vietnam and Japan, have just inked a framework cooperative agreement on implementing a string of new projects on finished textiles-dyeing products and raw materials in Vietnam.

The string of projects aims to help Vinatex increase its self-reliance on material sources and expand its portfolio of finished textile, dyeing and raw material projects.

The initial stages of the project items are designed to primarily serve Vinatex's member units.

In last October Itochu spent more than $9 million on buying a 3 per cent stake in its local partner Vinatex when the latter hosted its initial public offering (IPO).

According to Itochu Textile Prominent Asia CEO Shimizu Motonari, Vietnam is an important market in Asia for textile and garment investment, especially appreciating in light of Vietnam's ongoing negotiations over diverse free trade agreements (FTAs).

Motonari stressed in particular the Trans-Pacific Partnership Agreement (TPP), negotiations over which will soon reach conclusion, then approaching the signing stage.

"More cooperative projects will be placed underway in the upcoming time between members of the two sides as Itochu is both a stakeholder and a long-time business partner of Vinatex," said Motonari.

The string of projects is expected to generate $60 million in total revenue in the course of the next five years, and create thousands of jobs at project sites such as Nghe An and Quang Binh provinces.

Though the total investment capital of these projects is still withheld, it is expected to amount to several million US dollars since textile and dyeing tends to be a capital intensive investment.

Vinatex general director Le Tien Truong said, "Through having Itochu as a stakeholder and partner, Vinatex expects to expand its markets, access state-of-the art technology, and more importantly, tackle the bottleneck of costly textile-dyeing investment, striving to build up a comprehensive supply chain in textile and garment for Vinatex, as well as Vietnam's textile clothing industry."

As Japan's third largest multi-sector group behind Mitsubishi Corporation and Mitsui &Co, with core businesses in textile clothing, metals/minerals, food, equipment and machinery, energy and IT, Itochu is in a strong position to support Vinatex when the two sides embark on a long-term cooperation.

Until present, Itochu is the first non-credit institution from Japan that invests in a Vietnamese state-owned enterprise, such as Vinatex.

To date, Itochu has developed trading relations with about 100 Vietnamese companies in the textile and garment fields.

According to Motonari, growing Japanese investment into the raw materials sector provides the opportunity for the Vietnamese textile garment industry to take advantage of the yard forward principle and gradually meet the technical and environmental standards to become a major exporter to Japan.

This year, Vietnam's total export value of textiles and garments to Japan is expected to hit $2.9 billion, a 9 per cent jump from 2014.

Vietnam's achievements highlighted at dialogue in France

Vietnam has made remarkable achievements in its socio-economic development, elevating the country's position in the international arena after
30 years of "Doi Moi" (Reform) buoyed by the Party's judicious policies.

Vietnamese Ambassador to France Nguyen Ngoc Son made the statement during a dialogue to discuss Vietnam's achievements after adopting an open-door policy, held in Paris on January 29.

Son underscored that Vietnam has established diplomatic ties with over 180 countries and strategic partnerships with 13 countries, while joining almost all major regional and international organisations. Bilateral ties between

Vietnam and numerous countries in the world have deepened across politics, defence, security, culture and society.
However, he also noted that Vietnam is facing a number of challenges, such as poor infrastructure and the low competitive capacity of enterprises and the economy as a whole.
A number of French scholars took the occasion to express their view on Vietnam's development, including former French Ambassador to Vietnam Antoine Pouillieute who recommended that Vietnam should avoid the middle-income trap by increasing purchasing power as well as promoting education and efficient investments.
Christian J.P. Weets, an international financial consultant at W.I Finance Company, said apart from developing industrial sector, Vietnam should focus on agricultural investments to enlarge its market share because agriculture is the country's strength.
Director of the observatory on dialogue and social intelligence Jean- Francois Chantaraud emphasised that Vietnam is drawing global attention thanks to its achievements in renovation.

EU promotes exports and investments to Vietnam
14 companies from eight countries in Europe paid a visit to Vietnam recently to map the country's export and investment opportunities.
The trip was financed by the European Union under the EU-Vietnam Business Network (EVBN) project with an objective of increasing EU exports and investments to Vietnam in particular by small and medium enterprises (SMEs).
EVBN had organised the Agrofood Trade Mission to offer European companies a unique opportunity to discover the Vietnamese market and meet potential business partners. The trade mission took place in both of the largest Vietnamese cities, Hanoi and Ho Chi Minh City from January 19-23.
The companies had customised B2B meetings with Vietnamese importers, distributors and buyers. A total number of around 175 meetings were organised between 14 European companies and Vietnamese partners within the framework the trade mission.
The European businessmen had attended an informative seminar organised in Hanoi officially opened by Ambassador Franz Jessen, head of the EU Delegation to Vietnam.
EVBN also organised points-of-sales visits for the 14 European companies at BIG C stores and Annam Gourmet shops to demonstrate a real site to EU companies.
As a part of the trade mission, some companies also participated in the food and beverages exhibition called "Le Bon Marche" in Ho Chi Minh City.
2015 will mark an important year of bilateral cooperation between Vietnam and the EU over the past 25 years.

Last update 06:00 | 14/02/2015

BUSINESS IN BRIEF 14/2

Textile firms face high turnover

Lunar New Year (Tet) celebrations may again prove disruptive to the textile industry as companies have previously found it difficult to get employees back to work after the holiday.

While having no problem securing contracts from customers, some companies couldn't muster enough manpower to deliver.

Some had gone so far as to hold onto part of workers' year bonus to force them to return. Textile industry unions have since put an end to the practice, however, saying that companies must pay workers full year bonus before Tet.

Tet season also brings with it a surge in demand for temporary workers to meet demanding end-of-year orders. The pay for such temporary jobs can be significantly higher, tempting quite a few workers to leave their regular jobs to make quick money.

After Tet is also a time when workers look for new beginnings and better jobs elsewhere. In recent years, competition amongst textile companies to attract and keep more of their labour force has increased.

Director General of the Viet Nam Textile Group, Le Tien Truong, said in 2015 the textile industry will require more than 3 million workers. Without a sound strategy to maintain a low turn-over rate, Vietnamese textile companies will have a hard time finding enough labour to fulfill their contracts.

Companies must pay more attention to establishing labour policies that improve workers' benefits such as better compensation practices, better working environments and supporting a robust social life outside of work, said the Truong.

Bui Thi Thu, deputy general director of the Phong Phu Corporation, a company that had 100 per cent of their workers return after previous Tet holidays, said the company hosted sports and cultural events on a regular basis as part of a strategy to retain its labour force.

Phong Phu Corporation even started a housing project for their workers. Workers can either purchase apartments for a discounted price or may rent one from the company at a reduced rate.

Months before this year's Tet, the Thang Loi Textile Corporation started planning how to transport the company's 1,200 workers to their distant hometowns and back for the holiday.

For workers who chose not to go home for Tet, the company has planned new-year events and activities to keep the holiday spirit.

Garment 10 Corporation, one of the largest textile companies in Viet Nam with more 10,000 workers in the industry, has started looking for new solutions to the industry's poor turn-over rate.

Deputy Director General of Garment 10, Than Duc Viet, said that besides improving workers' income and living conditions, the company is accepting that turnover is inevitable and looking to reduce the required training time for new employees.

Viet said with new training methods, it can take as little at one to three months to produce a skilled textile worker. Such measures were taken, he said, to insulate the company's production capacity from major shifts in the labour market.

Hyosung Vietnam to expand business

Fibre producer Hyosung Vietnam Limited Company will spend another US$ 600 million to expand its business in the southern province of Dong Nai.

The company's CEO Sun Hyung Yoo told Dong Nai newspaper on Wednesday that in preparation for the expansion, the firm has signed a lease agreement with the Viet Nam Urban and Industrial Zone Development Investment Corporation (IDICO) to rent another 22.6ha in the Nhon Trach 5 industrial zone, increasing the total area of the company's operations to 90.6ha in the province.

Hyosung Vietnam is a subsidiary of the Korean firm Hyosung Corp.

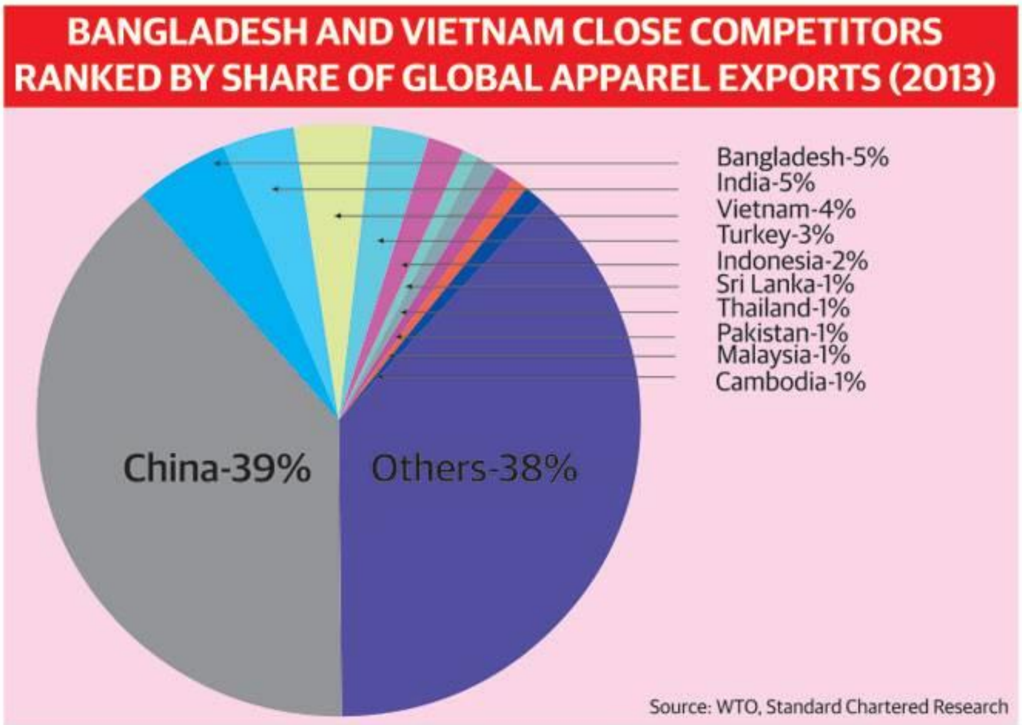
It produces fibres of all kinds, and has been operating in Dong Nai for more than seven years, with a total registered investment of $995 million, according to the province's People's Committee.

The company says that 90 per cent of its products are exported. In 2014, the firm earned more than $1 billion in revenue, and became an important stronghold of the Hyosung Corporation in the South Korea.

Vietnam likely to overtake Bangladesh in apparel exports

Kayes Sohel february 10, 2015 >> updated : 17:22 february 10, 2015 - See more at:

Political unrest might help the forecast be achieved faster than expected



Vietnam is likely to overtake Bangladesh in the global apparel export market share in next 10 years once the Trans Pacific Partnership (TPP) takes shape, according to a new study.

The TPP is a proposed freed trade agreement, US-led trade pact involving 12 countries – Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the US and Vietnam that collectively account for 40% of the world GDP. It is currently under negotiation and is likely to take effect in 2015.

According to a research report by Standard Chartered Bank released last month, the agreement is likely to benefit Vietnam's apparel industry, while hurting South Asian competitors like Bangladesh and Sri Lanka.

“Vietnam could overtake Bangladesh in global apparel export market share by 2024, raising its share to 11% from 4% currently. Bangladesh's market share would increase only marginally in this scenario to 7% from current 5%, while Sri Lanka's would decline from the current 1%.”

On this basis, Vietnam would beat Bangladesh to become the second-biggest apparel supplier after China when its apparel exports swells to US$115bn, it said.

“If no TPP deal is struck at all, Bangladesh and Vietnam are likely to stand neck-and-neck by 2024, each with an 8% apparel export market share.”

The news has added additional pain to the local manufacturers who have already been counting heavy losses every day due to the non-stop transport blockade and frequent strikes since January 5 that paralyses Bangladesh.

“It will bring disaster for the country’s apparel industry, the mainstay of the economy, once the TPP is done,” President of Bangladesh Garment Manufacturers and Exporters Association Atiqul Islam told the Dhaka Tribune yesterday.

“To save the industry, we have to deal with the issue very smartly and diplomatically. We have no time to wait … we need to act right at this moment,” he said.

The BGMEA president sees that the current political unrest may lead the American buyers earlier than expected to divert orders in Vietnam for taking advantage of TPP.

“The US buyers might start to build relationship with Vietnam exporters right now due to the current political upheaval,” he said.

According to StanChart researcher Radhika Kak, the TPP trade pact, expected to be signed in 2015, will have wide-ranging consequences for the global apparel industry.

Irrespective of the fine print, the agreement is likely to benefit Vietnam’s apparel industry, while hurting South Asian competitors like Bangladesh and Sri Lanka, she said.

The StanChart report, however, said a TPP agreement with stringent Rules of Origin (ROO) requirements would likely lead to limited immediate gains for Vietnam’s apparel manufacturers.

“Rather, the benefits would accrue gradually as the domestic textile industry develops. A wave of foreign investment in Vietnam’s textile industry has already begun, ahead of a potential TPP deal.”

The report suggested that Bangladesh and Sri Lanka need to take steps to protect their own apparel industries in the face of a potential TPP deal. In the near term, Bangladesh should focus on capturing more of China’s current market share in the EU.

Compliance with global safety and labour norms could help it to achieve this, as it would ensure continued access to EU Generalised System of Preferences (GSP) privileges, even after it graduates from Least-Developed Country status, it said.

“It should also work to regain US GSP privileges. In the long term, up-skilling of the labour force will be necessary for Bangladesh to move up the value chain.”

Kak said the push for strict ROO requirements reflects the US government’s desire to protect its domestic textile industry from increased competition from non-TPP textile manufacturing countries.

“While the agreement with stringent ROO would not provide immediate gains for Vietnam’s apparel manufacturers, benefits would gradually boost the domestic textile industry.”

The report said Vietnam’s apparel industry has called for maximum flexibility via the “cut and sew rule” which would give apparel manufacturers the flexibility to source yarn and fabric from lower-cost destinations (including non-TPP countries), requiring only assembly of the final product to be done in the TPP country.

Flexible ROO requirements would likely result in gains for Korea and Japan, the primary suppliers of textiles to Vietnam’s apparel industry while China and Hong Kong would likely see little impact, as they are big suppliers to all three countries (Vietnam, Bangladesh and Sri Lanka), it said.

Asian suppliers such as India, Pakistan and Thailand, as well as some European countries, would be likely losers, as they are preferred suppliers to Bangladesh and Sri Lanka, it said.

Textile : Vinatex et Itochu convolent

08/02/2015 | 17:51:13

Vinatex et Itochu, deux groupes du textile et de l'habillement du Vietnam et du Japon, viennent de conclure un accord-cadre de coopération dans l'investissement pour la réalisation d'un projet de tissage, de teinture, de finition et de matériaux au Vietnam.

Cet accord a été signé après la décision d'Itochu de consacrer plus de 9 millions de dollars à l'acquisition de 3 % des actions de Vinatex lors son introduction en Bourse (IPO) d'octobre dernier.

Selon M. Shimizou Motonari, directeur général d'Itochu Prominent pour l'Asie, le Vietnam a un rôle important en Asie en matière d'investissement dans le secteur du textile, notamment en vue des accords de libre-échange qui vont être convenus prochainement, notamment l'accord de partenariat trans-pacifique (TPP). Itochu, qui est à la fois actionnaire et partenaire de longue date de Vinatex, lancera de nouveaux projets dans les temps à venir qui devraient générer un chiffre d'affaires supplémentaire de 60 millions de dollars dans les 5 années à venir et créer plusieurs milliers d'emplois locaux, notamment à Nghe An et à Quang Binh...

M. Le Tien Truong, directeur général de Vinatex, a espéré que sa coopération étroite avec Itochu sera fructueuse pour Vinatex, en particulier en termes de prise de parts de marché, d'application de nouvelles technologies, d'investissement dans de nouveaux projets de tissage de teinture et de finition, en vue de la constitution d'une chaîne d'approvisionnement intégrée. Troisième groupe commercial multisectoriel du Japon après Mitsubishi Corporation et Mitsui & Co, et possédant de vastes capacités de financement et d'une expérience riche et diversifiée, Itochu occupe de nombreux marchés et entretient des relations de partenariat avec de nombreuses entreprises qui pourraient soutenir Vinatex dans la mise en œuvre de projets de grande envergure.

Itochu est le premier groupe hors du secteur japonais des institutions financières à participer au capital de Vinatex, le premier groupe public de textile du Vietnam. Itochu coopère actuellement avec 100 entreprises vietnamiennes de ce secteur.

Le Vietnam est partie aux négociations du TPP comme le Japon. L'augmentation de l'investissement japonais dans la production de matières premières destinée au textile ouvre l'opportunité au textile vietnamien de profiter des règles d'origine et répondre progressivement aux normes avant d'exporter vers le Japon. Selon les prévisions, les exportations de textiles du Vietnam vers le Japon devraient connaître une nette progression, certains avançant le chiffre de 2,9 milliards de dollars. - CPV/VNA