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Sécurité au travail : Washington maintient ses sanctions contre le Bangladesh

Les Etats-Unis ont annoncé le maintien des sanctions prises contre le Bangladesh après la mort en avril 2013 de plus de 1.100 employés du textile dans l'effondrement d'un immeuble.

« Des progrès supplémentaires sont nécessaires, notamment pour s'attaquer à de graves problèmes concernant la sécurité des travailleurs » dans le secteur du textile, a justifié la représentation spéciale au Commerce extérieur américain (USTR).

L'effondrement du Rana Plaza, un immeuble de neuf étages dans la banlieue de Dacca qui abritait des ateliers de confection, avait créé un choc mondial et conduit, en juin 2013, les Etats-Unis à suspendre un accord douanier préférentiel avec le pays en guise de représailles.

« Nous exhortons le gouvernement à achever l'inspection des usines (de textile) restantes aussi vite que possible pour éviter de nouvelles tragédies sur des lieux de travail », a précisé le patron de l'USTR, Michael Froman, cité dans un communiqué.

Les Etats-Unis, qui viennent d'achever une mission d'évaluation au Bangladesh, estiment également que le pays doit agir pour empêcher « le harcèlement et les violences » contre les syndicalistes.
Dans son communiqué, l'USTR ne fait en revanche pas mention des entreprises occidentales de prêt-à-porter qui se sont implantées en masse au Bangladesh en quête de main d'œuvre bon marché.
Plus de 200 ateliers ont été fermés au Bangladesh depuis l'effondrement du Rana Plaza, assurait les patrons locaux du textile en septembre dernier.

Ces fermetures ont entraîné la disparition de dizaines de milliers d'emplois et un ralentissement des exportations qui inquiètent le Bangladesh, largement dépendant d'une industrie qui représente plus de 24 milliards de dollars de chiffre d'affaires.

Bangladesh Still Not Ready for GSP Reinstatement, USTR Says

Thursday, January 22, 2015
Sandler, Travis & Rosenberg Trade Report

The Office of the U.S. Trade Representative announced Jan. 16 that it is still not ready to reinstate Bangladesh to eligibility for the Generalized System of Preferences. Bangladesh was suspended from GSP in June 2013 based on its failure to meet statutory eligibility requirements related to worker rights, and the two sides subsequently developed a GSP Action Plan setting forth the measures Bangladesh needs to take to merit reinstatement. The GSP itself expired July 31, 2013, though there is speculation that Congress may renew it sometime this year.

According to USTR, a recent interagency review concluded that there has been some progress in meeting the terms of the Action Plan but that further progress is needed before reinstatement can be considered. On the positive side, more than 2,000 initial safety inspections of factories have been completed in the ready-made garment sector over the last year, most by teams organized by private-sector initiatives led by North American and European brands and retailers. USTR states that these inspections resulted in the closure of at least 31 factories, the partial closure of 17 additional factories and the identification of needed remedial measures in hundreds more. In addition, the government is responsible for the inspection of several hundred more factories and has hired additional inspection teams to carry out and sustain the inspection effort.

On the other hand, USTR adds, the review also found that further progress is needed in several key areas. In particular, "urgent progress is needed to fairly and systematically address reports of unfair labor practices and to advance and implement needed legal reforms." For example, the U.S. is concerned about continuing reports of harassment and violence against union activists seeking to establish new unions or exercise their legal rights. USTR notes that there has also been little progress in advancing the labor law reforms called for in the Action Plan, including changes to ensure that workers are afforded the same rights and protections in export processing zones as in the rest of the country.

USTR notes that in 2012 U.S. imports from Bangladesh under GSP totaled $34.7 million and were led by tobacco, sports equipment, porcelain china and plastic products. However, 96 percent of Bangladesh's exports to the U.S. are apparel goods that are statutorily excluded from GSP.

EVAlliance organising trade mission to Cambodia

By Stuart Todd | 20 January 2015

The France-led Europe-Vietnam Alliance (EVAlliance), which was set up to strengthen partnerships and collaboration between EU and Far East states in the textile, garment, leather and footwear sectors, will undertake a trade mission to Cambodia in May to foster closer cooperation with local counterparts.

It will build on the draft agreement signed last year with the Garment Manufacturers Association in Cambodia (GMAC) and the Cambodian government aimed at making the country's textile and garment industry more competitive.

EVAlliance's president, Jean-François Limantour, told just-style the six-day trip from 23-28 May will focus on developing B2B contacts, organising conferences to debate the economic issues facing the industry, visits to local firms and discussions with state officials.

"Cambodia is not only a preferred source of supply for the competitive sourcing of garments but also a very promising market for European suppliers of textile products and CAD technological solutions," Limantour underlined.

In the first ten months of last year, imports of Cambodian garments into the EU increased 24% year-on-year, and rose more than 52% between October 2012 and October 2014.

Last Updated: 2015-01-16 17:51 | CE.cn

By Ji Leilei

In recent years, with the changes in external economic conditions, the volume growth of China's textile industry has continued to slow down. From 2011 to the first eight months of this year, the year-on-year growth of the industrial added value of textile companies above designed scale, at constant prices, was 10.7 percent, 10.8 percent, 8.3 percent, and 7.4 percent respectively; in the first eight months of this year particularly, main indexes of textile companies above designated scale have all seen single-digit growth, with main operation revenue growth of 8.2 percent and export growth of 5.7 percent.

"The slowdown of industrial growth provides the time and space for the textile industry to further optimize textile product mix, accelerate raw material supply structure improvement, and steadily promote adjustment of industrial layout structure". During the 2014 International Textile Manufacturers Federation held recently, Wang Tiankai, chair of China National Textile and Apparel Council (CNTAC), said that currently the development of China's textile industry has entered a new norm of extensive reform and upgrading, into a phase from rapid growth to medium-speed growth and starting a new historic period of extensive structural adjustment and accelerated reform and upgrading.

According to Wang Tiankai, although China's textile industry is in a slowdown trend, it has managed to seize the opportunity of technological revolution and industrial upgrading, and structural adjustment is becoming more extensive. Statistics show that in 2013 output of textile products for industrial use in 2013 totaled at 11.3 million tons, up 37.5 percent compared with 2010. The ratio of fiber processing of the three major types of end products of apparel, domestic use, and industrial use changed from 51:29:20 in 2010 to 48:29:23 in 2013, and the industrial layout structure had been further optimized. Besides, the steady and improving operation quality and efficiency of the industry enables China's textile industry to maintain desirable profit level. From 2011 to 2013, total profit of textile companies above designated scale grew at an average annual rate of 16.1 percent; average sales profit in 2013 was 5.5 percent, up 0.6 percentage point from 2010. Among them, 12,000 companies, about one third of all companies above designated scale, saw average profit of 10.2 percent, their total profit accounting for 81.7 percent of total of the industry.

It is of note that despite the progress that China's textile industry has achieved in structural adjustment and operation quality and efficiency, the industry still faces prominent external pressures, among which rising cost and challenges brought forth by increasingly intensified resources and environmental restraints are particularly severe.

"Now, the cost advantage of China's textile industry in international competition no longer exists". Wang Tiankai said that in recent years, the cost of production factors of China's textile industry has gone up continuously, with average salary growing at an annual rate of over 10 percent. China's average salary level is now far higher than neighboring developing nations, and cotton price has stayed more than 30 percent higher than international price for 3 years now.

In the meantime, with prominent resource and environmental problems, the Chinese government is posing more stringent requirements on regulation standard and mission in such aspect as low carbon and environmental protection.

"Accelerating industrial reform and upgrade, improving total factor productivity, effectively breaking the resource and environmental bottleneck, and playing a more important role in global market completion and global industrial division, these are urgent missions that the development of China's textile industry needs to accomplish". Wang Tiankai said that CNTAC will make greater effort to help Chinese companies to go abroad, make investment to construct textile material bases, process bases, and R&D centers abroad, and build an industrial layout pattern that are mutually complementary with the same industry at home. Meanwhile, we should uphold an open attitude and call for international textile industry capital to take part in the reform and upgrade of China's textile industry in a win-win manner.

Textile companies seizing global opportunities

Last Updated: 2015-01-30 11:02 | CE.cn

By Zhu Junbi

During the first half of 2014, the development of China's textile industry has been stable and trending positively, which is largely due to the transformation and upgrading of apparel fabric industry as well as improved apparel fabric innovations. At the China International Trade Fair for (Autumn & Winter) Apparel Fabrics and Accessories 2014, over 3,800 exhibiting companies from 30 countries brought along their latest products, leading the fashion in apparel fabric industry and broadening the channel for development of textile companies.

Internationalized promotion

As the world factory, China also bears vast market opportunities for overseas apparel fabric enterprises.

Woolen sweaters of the same brand, style, label of "Made in China" and material of 100 percent merino woolen fabrics in China are sold at EUR 49.9 in Lafayette of Paris, France, while at around RMB 800 yuan in Lafayette of Beijing. Why?

"Currently, acceptability of domestic customers for pure cashmere and wool products is not as high as that among overseas counterparts. For the former, dresses made of pure wool may not be that necessary, while for the latter, such clothes are just common commodities of greater demand, thus being of lower price." said Huang Shuyuan, chairwoman of China Wool Textile Association.

Despite the relatively lower acceptability and less market demand of domestic customers, as well as the high cost of wool products, China is still a key market for Australian merino wool. "In recent years, consumption of Australian merino wool has been under steady increase among Chinese wool manufacturers and costumers." said Huang Shuyuan.

Innovative products

Functional fabrics and accessories and jean fabrics with innovative technology are becoming increasingly popular with the growth of Chinese groups with medium and high income as well as the popularity of western fashion.

"Purchasers for jean fabrics reached 15 percent of the total during the exhibition last year. With this great success, the newly designed Enlivening Jeans Pavilion in 2014 has been expanded by 25 percent in area compared with that of last year." stated Xu Yingxin, vice president of the Sub-council of Textile Industry, CCPIT.

This profiting market has brought unlimited business opportunities for overseas companies. According to the principal of exhibition, most local mainstream fabrics and international jean fabric manufacturers, designers as well as marketing companies have gathered in the expanded Enlivening Jeans Pavilion. "We are fully confident in sales of our high-end Spain jean fabric products on Chinese market." said a Spain exhibitor.

Besides jean fabrics, accessories and functional fabrics are also welcomed by customers; various styles of zippers, buttons, laces, embroideries, labels, hang tags, beads and other fashionable accessories can be found in this autumn& winter accessory exhibition.

Functional fabrics and products, reflecting development trend of apparel fabric industry, are becoming increasingly popular. Various functional fabrics, including heat-regulatory, moisture-absorptive, endurable, elastic and wind-proof fabrics are available in this exhibition. "As for domestic market, the demand for functional fabrics is higher in industries of sportswear, women's wear and men's wear. The functional fabrics in this exhibition are also of brand-new functions, especially self-cleaning and safety, which cater for customer demand." said the exhibition principal.

Discovering consumer potential

The slight growth of amount of exports, quantity and average unit price is attributed to the enhancement of innovation capacity and steady transformation and upgrading of Chinese fabric enterprises. The brand-new on-line & off-line integrating development mode is becoming a new transformation trend in fabric industry.

The reform era of fabric has come into being under the broad environment of full involvement of internet and new media in people's life. The brand-new on-line & off-line integrating development mode is becoming a new transformation trend in fabric industry.

"Xinshen products are now seen in both Taobao and Tmall," said Li Jianfeng, general manager of Flax Department of Xinshen Group, "as a flax fabric manufacturer, Xinshen has been engaged in on-line terminal sales since two years ago. The terminal products are lower in price and favorable in originality, thus being welcomed by customers." Despite this, Li also stated that further exploration and creation are needed for on-line & off-line integration, to make up the weakness of Xinshen in finished product design. "Previously, 80 percent of Xinshen products were targeted at overseas customers, while the scale of domestic sale is expanding currently."

Many foreign trade enterprises are almost blind to domestic marketing, such as mall entry, exclusive store setting and market expansion through E-business platforms. "Some foreign trade enterprises, which have been engaged in domestic market development through E-business and physical stores, found that domestic market is not so mature and regulated that brings great obstruction thereby." a principal of Zibo Lanyan Group Co., Ltd. stated.

In this sense, the domestic market is not as large as expected. For export enterprises, their own experience and channel, besides the maturity and regulation of the whole domestic market, are keys to success in the transformation phase.

UBM Asia acquires digital textile printing fair CSTPF

January 30, 2015 (Hong Kong)

Asian trade fair organiser, UBM Asia said it has entered the digital textile printing trade fair market through acquisition of China (Shanghai) International Printing Industry Expo (CSTPF) from Sunexpo.

Since its launch six years ago, CSTPF has evolved into an important gathering for the digital textile printing sector and related industry professionals.

"With the rapid growth in the scale of the exhibition and the growing transaction volume, CSTPF owns the leading market position in this niche in China," UBM said.
"The demand for revolutionary printing technology from various industries and continuous innovation in digital printing technology has made digital textile printing industry in China the next development target.

According to the fair organiser, UBM Asia is already the region's largest trade show organiser and the biggest commercial organiser in China, India and Malaysia.

"The acquisition of CSTPF launches UBM Asia into yet another new sector of immense potential and will also accelerate CSTPF's internationalization," it added.
"UBM Asia and CSTPF teams will work in close collaboration with each other and the industry to build the most influential and authoritative international exhibition in the field of digital textile printing," it noted.

Jime Essink, CEO of UBM Asia, said, "The development of digital printing has accelerated with the drive for innovation and technological transformation in China to upgrade this industry."
"We are very pleased to welcome the CSTPF team to the UBM family and look forward to working closely with this experienced and professional team to grow the expo with UBM's strong international network," he added.

Gong Changming, general manager at CSTPF will continue to lead the CSTPF staff and the team will move into the UBM China Shanghai office.
The next CSTPF will be held at the Shanghai New International Expo Center, China from April 14-16, 2015.

UBM Asia is the largest trade show organiser in Asia and the largest commercial organiser in China, India and Malaysia.
With headquarters in Hong Kong and subsidiary companies across Asia and in the US, UBM Asia has a strong global presence in 24 major cities with 30 offices and 1,300 staff.

UBM Asia has extensive office networks in China, Southeast Asia and India, three of the world's fastest growing B2B events markets.
UBM China has 11 offices in the major cities in mainland China, including Beijing, Shanghai, Guangzhou, Hangzhou, Guzhen and Shenzhen, where it organises 90 exhibitions and conferences.
In ASEAN, UBM Asia operates from its offices in Malaysia, Thailand, Indonesia, Singapore, Vietnam and the Philippines with over 40 events in this region.

UBM India teams in Mumbai,New Delhi, Bengaluru and Chennai organise 40 exhibitions and conferences every year across the country. (AR)

Chine. Le prêt-à-porter aux prix de 134 heures mensuelles supplémentaires, et 12 heures par jour!

Publié par Alencontre1 le 17 - janvier - 2015

Des étudiants, à Hong Kong, occupe un magasin Uniqlo

Par Nicole Vulser

Les conditions de travail en vigueur chez certains sous-traitants asiatiques des géants mondiaux de l'habillement (H&M, Inditex/Zara, Gap, Fast Retailing) sont à nouveau montrées du doigt. Cette fois-ci, le japonais Fast Retailing, la maison mère d'Uniqlo, est accusé par une ONG de Hongkong de recourir à deux usines, dans le sud de la Chine, dans lequel les conditions de travail sont jugées indignes et dangereuses pour la santé des salariés. L'Association des étudiants et universitaires contre les agissements répréhensibles en entreprise (Sacom) a publié, mardi 13 janvier 2015, les résultats d'une enquête au sein de Pacific Textiles et de Luenthai Garment, situées à Panyu, dans la province de Guangdong. Elle assure que les salariés y sont *«sous-payés, travaillent trop et dans des conditions dangereuses»*. Sacom est connue pour avoir dénoncé les méthodes utilisées par le taïwanais Foxconn (qui travaille, entre autres, pour Apple) ou certains fournisseurs de Disney. Son rapport intervient alors que Fast Retailing a annoncé son intention d'ouvrir une centaine de magasins Uniqlo en Chine chaque année dans les dix ans à venir. Le groupe japonais fait aujourd'hui fabriquer 70% de ses collections en Chine, le reste provient du Vietnam, du Bangladesh et d'Indonésie.

«134 heures supplémentaires par mois»

Les deux usines paient leurs employés *«environ un tiers du salaire moyen pratiqué dans cette province»*, assure l'ONG, qui avait appelé, lundi 12 janvier, à une manifestation devant le principal magasin d'Uniqlo de Hongkong. Les salariés sont obligés d'effectuer en moyenne 134 heures supplémentaires par mois chez Pacific Textiles et 122 heures mensuelles chez Luen Thai (Dongguan Tomwell Garment Co.). Sacom donne l'exemple d'une salariée qui repasse entre 600 et 700 chemises par jour, travaillant jusqu'à 14 heures, pour 0,29 yuan (0,05 dollar) l'unité. L'association, qui dénonce *« un management très autoritaire »*, affirme que ces usines ont négligé la sécurité, mettant les salariés en danger».

Le rapport cite également *«des températures extrêmement élevées, jusqu'à 42 degrés l'été; des eaux usées inondant le sol, des installations dangereuses, une aération défectueuse avec un air ambiant chargé de poussières de coton, des odeurs irritantes et de hauts risques de voir se produire des problèmes électriques»*. Un employé est décédé en juin 2014 à la suite d'une électrocution, liée à une machine à coudre posée sur un sol mouillé. Ce que dément Fast Retailing. Les enquêteurs de Sacom *ont vu des salarié•e•s tomber de leur chaise en manipulant les machines à tricoter»*.

L'enquête a été menée entre juillet et novembre 2014 par des membres de Sacom cachés et infiltrés dans ces usines dont Uniqlo est le principal client. Une première investigation a été menée entre juillet et août 2014. Elle a permis de découvrir des dysfonctionnements qui ont ensuite été validés quand Sacom et l'ONG japonaise Human Rights Now y sont retournés fin septembre. Le quotidien *South China Morning Post* de lundi 12 janvier précise que ces deux sites de confection (filiales de groupes cotés à Hongkong) sont des fournisseurs importants d'Uniqlo.

Introduire une «journée de repos» par semaine

La direction de Fast Retailing a reconnu une partie des faits mardi 13 janvier et a annoncé jeudi 15 janvier des mesures immédiates pour y remédier. *«Nous avons conduit sur-le-champ une enquête interne»* a indiqué le groupe. Ce dernier a demandé à Dongguan Tomwell Garment *«l'enregistrement intégral des heures effectuées par les salariés, une réduction du temps de travail et un ajustement des capacités de production dès février»*. Le commanditaire lui demande aussi d'améliorer les conditions de sécurité au travail, d'interdire les punitions et de mettre en place des élections syndicales en mars.

Chez Pacific Textiles, le groupe japonais présidé par le milliardaire Tadashi Yania exige une journée de repos par semaine, une amélioration des conditions de travail (température, humidité), le port de vêtements de protection et des contrôles sur la pollution de l'air. Le commanditaire assurait dès mardi 13 janvier être prêt à arrêter de travailler avec ces usines si aucun progrès n'était réalisé dans de très brefs délais. C'est peu dire que la maison-mère d'Uniqlo doit réagir fermement pour éviter de voir son image ternie. Il est pourtant difficile de lui donner un réel crédit. Selon le site Quartz, un représentant d'Uniqlo venait visiter l'usine de Luenthai. (*Le Monde*, 16 janvier 2015, p.5)

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[1] Uniqlo a commencé l'externalisation de la fabrication de vêtements en Chine dans les années 1990 et sa réputation était en grande partie intacte. Uniqlo dispose à Hong Kong, de 23 magasins. Les 134 heures supplémentaires par mois dans la firme Pacific Textiles s'ajoutaient aux 12 heures journalières. Les salarié•e•s Luen Thai devaient effectuer jusqu'à 112 heures supplémentaires par mois. Pacific et Luen Thai ont refusé de commenter le rapport de Sacom. (Rédaction *A l'Encontre*, source *South China Morning Post*, 16 janvier 2015, article de Danny Lee)

Coton: les prix remontent, aidés par une bonne demande

30.01.2015 19h40)

New York (awp/afp) - Les cours du coton terminaient la semaine en nette hausse à New York vendredi, portés par une forte demande en coton américain, en dépit d'un contexte macroéconomique peu encourageant qui continuait à peser sur la tendance.

"La demande en coton américain est particulièrement vigoureuse à ce niveau de prix", a relevé Sharon Johnson, agent de courtage chez KCG Futures.

Les ventes hebdomadaires à l'exportation, dont les chiffres pour la semaine achevée le 22 janvier ont été publiés jeudi, ont nettement dépassé les attentes.

Quelque 550'000 balles ont été vendues cette semaine-là, selon le ministère américain de l'Agriculture, un nouveau record pour cette campagne et 16% de plus que la semaine précédente. La Chine et le Vietnam étaient les premiers acheteurs.

"C'est largement plus que toutes les attentes du marché", ont insisté les experts de la maison de courtage britannique Plexus Cotton.

A un tel rythme, "l'USDA devra sans aucun doute relever ses prévisions d'exportations totales pour cette saison, actuellement établies à 10 mio de balles, potentiellement d'un million de balles supplémentaires", ont-ils estimé.

La progression des prix a toutefois été limitée par la multiplication de facteurs baissiers, pour les prix des matières premières en particulier.

"Sans ce climat macroéconomique très négatif, les prix seraient allés encore plus haut", a noté Mme Johnson, citant notamment la chute des cours du brut, la force du dollar et un environnement économique mondial maussade.

La livre de coton pour livraison en mars, le contrat actuellement le plus échangé sur l'IntercontinentalExchange (ICE), évoluait à 59,57 cents contre 57,30 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 67,30 dollars les 100 livres contre 66,00 dollars vendredi dernier.


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Egypt's Mahalla textile factory workers end four-day strike after deal reached

Some strike leaders claim the deal does not commit government to fulfilling promises on cotton supplies and tackling corruption

Textile workers take part in a sitdown at the factory (Daily News Egypt)

Last update:
Saturday 17 January 2015 18:57 GMT

Workers at a textile factory in the Egyptian town of Mahalla ended a four-day strike on Saturday after working out an agreement with management to be paid a previously promised profit share and discuss other issues.

Mohamed Assad, a leader of the 10,000-strong strike at the Holding Company for Cotton Spinning and Weaving, told Daily News Egypt that the strike and sit-in were called off after negotiations between workers' representatives and the employers on Saturday.

He emphasised that financial demands were not the primary focus and that their main concern was their call for a restructuring of the company’s leadership and the restoration of government subsidies, which been promised by Prime Minister Ibrahim Mehleb.

At a meeting in December between the Minister of Industry Mounir Fakhry Abdel Nour, cotton and textile industry leaders and chairman of the General Union of Textile Workers, the Prime Minister promised to make the textile industry a “national project” and continue subsidies in the face of heavy losses in the sector.

However, last week, Minister of Agriculture and Land Reclamation Adel El-Beltagy announced that the state would not be offering any form of subsidies for cotton farmers or spinners during the next season.

Striking workers saw this as betrayal.

“The lack of raw materials is one of the problems facing the company,” Assad added. “Although Prime Minister Ibrahim Mehleb promised the workers in previous meetings that the government will provide enough supply cotton, the promises were not met.”

The Centre for Trade Unions and Workers Services announced the strike on Tuesday, which involved around 10,000 male and female workers, and saw many involved in an open-ended sit-in at the company's headquarters.

A union statement said the strike was called “to claim the rest of the (annual bonus) for two months of the financial year 2013/2014, to start swiftly the company's development plans as the government promised, and to investigate corruption claims and prosecute corrupt (officials)."

"Conspiracy"

Some involved with the strike, however, were critical of the decision to call it off and expressed concern about the actions of the union's leadership.

Kamal El-Fayoumi, one of the strike leaders, stated that there was "a conspiracy between the chair of the factory's board and the union" that eventually lead to the decision to go back to work.

"The strike started last Tuesday as the government didn’t implement any promises after the original visit of Prime Minister Mehlab to the factory," he told MEE.

"Mehlab came to the factory last year when there was a strike that lasted for 13 days and he promised to achieve workers' demands within three months, like providing cotton to help the factory work with full capacity, end corruption inside the factory and make sure bonuses were distributed by 31 December each year.

"Nothing happened from these promises," he said, adding that losses at the company were 432 million Egyptian pounds last year and 700 million Egyptian pounds this year.

RNN, a pro-Muslim Brotherhood news website, reported on Saturday that workers at Mahalla were threatened with dismissal, by police and factory security guards, if they did not end the strike.

Fayoumi corroborated the claim, saying the workers were now in "rage mode" as a result of suggestions they could now be arrested for having taken part, as well as at suggestions that the days lost to the strike would taken off the workers' annual holiday, something which had not happened in previous strikes.

"Over the last 18 months Sisi's government hindered the workers because some of them are ex-NPD policy committee [the party of former president Hosni Mubarak] and Muslim Brotherhood," he said.

"Those people don't work according to the revolutions of Jan 25 and June 30, as they don't want stability, so they create unemployment which can be bombs in front of the regime."

Wael Habib, a worker in the factory, also blamed a lack of support from the government.

"Workers are locked in a never-ending cycle of protests, negotiations and lost promises," he told MEE. "After each strike and promise, they broke their promise. The administration claims that workers don't want to work. Yes, they are right, but this is a result of there being no cotton for work. When the PM came to the factory he said that he will provide our factory with cotton for 3 months. Our factory Consumes cotton with the cost of 1 Million EGP."

"The cotton the PM provided lasted only for one month and they said they can't provide us with more".

He also slammed the main Egyptian Trade Union Federation (ETUF) as corrupt and as having too cosy a relationship with the government.

"Sisi doesn't know anything about labourers," he said. "He only meets Gebaly Maraghi, head of the federation. Can ETUF gather the 6 million workers in square? No they can't."

"They are not in touch with workers and doesn't know about them".

The Marxist Revolutionary Socialists (RevSoc) on Saturday claimed workers had received threatening text messages on their mobile phones during their sit-in at the company. Habib cited one security officer blaming "foreign agendas" among the striking workers.

"The workers are not represented in the Egyptian society. They don't get their rights," added Habib.

The Centre for Trade Unions and Workers Services announced the strike in a statement on Tuesday.

"More than 10000 male and female workers in the Mahalla textile company began a strike this morning and an open-ended sit-in at the company's headquarters," read the statement, "in order to claim the rest of the (annual profits) for two months of the financial year 2103/2014, to start swiftly the company's development plans as the government promised, to investigate corruption claims and prosecute corrupt (officials)."

- See more at: http://www.middleeasteye.net/news/strike-mahalla-textile-factory-enters-...

A history of militancy

The Mahalla textile complex has frequently been a focal point of trade union activity and worker militancy.

Strikes by workers in the complex, starting with a walkout in 2006, have been highlighted by many as the spark of the movement that eventually led to the 2011 revolution that overthrew aging autocrat Mubarak.

The Mahalla workers were also the prime movers behind the 2008 Egyptian general strike, also referred to as the "Egyptian Intifada", which also gave birth to the 6 April Youth Movement.

“6 April 2008 wasn’t an uprising, it was the real revolution,” asserted Karim El-Beheiry, a labour activist and former Mahalla employee.

“People refer to the events of 2008 as a rehearsal, and say 25 January 2011 was the first wave of the revolution,” he told Al-Monitor “This isn’t true, 6 April was a genuine revolution against the regime and it wasn’t hijacked by the Muslim Brotherhood, as was 25 January - 25 January was the second wave of the revolution.”

"Mahalla is important for two main reasons,” said Anne Alexander, co-author of *Bread, Freedom, Social Justice: Workers & the Egyptian Revolution.*

“Firstly because of the sheer size of Ghazl al-Mahalla (Misr Spinning) as a workplace. If a large part of the 20,000 or so workers join a strike this can create a very powerful impression on journalists, politicians and other activists.

“A turning point in the growth of opposition to Mubarak was the success of the strike in Mahalla in December 2006. This strike encouraged workers across the textile sector to raise similar demands, helping to open a ‘second front’ in the struggle against the regime at a time when democratic activists were reeling from repression,” she told Middle East Eye.

“Success for the Mahalla workers is important for similar reasons, even though the context is different. Even though strikes like these are ostensibly just about bread and butter economic demands they do challenge the regime's attempts to criminalise all forms of protest and every expression of democratic rights."

Some observers argued that significant strikes in Mahalla, Cairo’s Public Transportation Authority and other key sectors contributed to the downfall of former Prime Minister Hazem El-Beblawy’s cabinet - hurriedly announced at a 24 February press conference last year.

"It is time we all sacrificed for the good of the country," Beblawy said during his resignation speech. ”Rather than asking what has Egypt given us, we should instead be asking what we have done for Egypt."

His successor, current Prime Minister Ibrahim Mehleb, then also tried to quell workers’ unrest with cautious appeals for calm.

"We’re betting on the patriotism of the Egyptian workers,” Mehleb said, shortly after taking office.

However, since then, occasional workers’ protests have been met with repression by the security forces.

In September, several workers at the Alexandria Textiles Company were shot with cartouche (birdshot) rounds by police, Mada Masr reported.

Mahmoud El-Sobky contributed to reporting
- See more at: http://www.middleeasteye.net/news/egypts-mahalla-textile-factory-workers-end-four-day-strike-after-management-agreement-260129749#sthash.bVKx9TSn.dpuf

Workers: Over 6,500 textile jobs in jeopardy due to cheap Chinese imports

Mon, 19/01/2015 - 14:30

More than 6,500 laborers at 650 factories for textile industries in Monufiya are vulnerable to loosing their jobs due to dependence on imported textiles and textile products from overseas.

Waheed, owner of a textile factory in the village of Kafr Hilal in Monufiya, says the cause of the crisis is flooding the market with Chinese fabrics at lower prices than local fabrics.

"We are suffering from a process of extermination of the Egyptian product," said Waheed.
We tried to develop the machinery over the years, but the government does not consider our situation despite our appeal for help more than once to save the spinning industry, he added.

On the ground floor of a small house in Kafr Hilal that is Waheed's factory lie four machines for spinning that have all stopped working. On the second floor lives Waheed and his family.

Ramadan, a 60-year-old worker at another factory in Kafr Hilal, said said he inherited the profession from his ancestors. "We used to be a stronghold of the textile industry in Egypt and the Arab World. Now I keep walking all day daily in search of an open factory for few hours to earn a living," he complained.

"Kafr Hilal workers used to struggle for a half-day break when machinery in factories used to operate over three shifts daily and did not stop except for maintenance," Ramadan added.
"We have been asking officials to support the spinning industry in Kafr Hilal over four years and no one cares. Protest has become the only way officials can hear us," he mentioned.

Ramadan has not received a full salary over the past four years as he used to get 20 percent of his monthly salary every 12 days, prompting him to shift from a master craftsman in the spinning industry to a hired worker on farms daily.

"My family eats one meal and starves the next," he said. "I look for any farmer I can help in harvesting potatoes and clovers, which is not my profession."

On the way to his small factory, Mounir Abdel Moneim, says: "The village turned from a castle for spinning industry into a cemetery. Factories closed doors with locks, and some have not opened for years."

"The government encourages the Chinese product at the expense of the Egyptian product, although we know Chinese products are of very low quality," Abdel Moneim said.

Abdel Moneim established his factory on the first floor of his house like most small factory owners in the village who could not afford for buying a factory in the industrial area.

"Those who [had their factories] at the industrial area received subsidized electricity and energy," he added.

The problem, Abdel Moneim explains, is in an agreement with the Industry Ministry that allows companies to import Chinese textiles without paying high taxes or customs with the pretext that they are being used for production materials, when in fact, they are merely imported to be sold at the expense of Egyptian textiles.

These merchants were a means for China to seize the fabrics market in Egypt and hurl consecutive blows to our industry without making any effort, he said. "The biggest crisis is that those products harm the Egyptian people. We examined them and found out that the texture of the yarn was a layer of [fiber] sprayed with chemicals."
"Therefore it is of lower quality and can pose a risk to the health of the Egyptians," he added.

The textile industry is not in need of any loans. All the workers want is a visit from President Abdel Fattah al-Sisi to the village, saying factory owners addressed the prime minister, the minister of industry, the governor and officials of the Supply Ministry, without response on their part, he said.

The government sacrifices millions of workers in the yarn and spinning field, he added.

Ayman Mohamed Sobhy has owned a factory inside his house since 1994.
"The Chinese whale began attacking us two years ago, slowly, and we discovered that the Chinese fabrics, which flooded the market are imported as production requirements."
"Ninety percent of those products are contraband as importers do not pay taxes on them, which allows selling them on market for very low prices," according to Sobhy.

Traders bought with our money Chinese goods because the consumer only cares for the price, he added. "I had 12 workers at my factory, today they are only three and they do not get their full salary."

"We have no choice but to lay off workers and stop factories," Sobhy said. "We paid for 12-month tax, although we suspended work for 11 months, under the pretext that we stopped temporarily... The laws do not leave us a space to move and act to remedy the problem caused by the government's decisions."

"The crisis is not only in Monufiya," said small factory owner Hany Ahmed Shabrawy. "Imported fabrics completely ruined the profession. We have no chance to compete with the Chinese fabrics. The gap in price cannot be covered."

Factory owner Hosni Mahmoud said: "I inherited the factory and the profession from my father and ancestors. The crisis started since the 25 January revolution."

"My factory operates for one shift nowadays if we receive an order... We had 20 workers, now I have only three...We cannot sell now 1 percent of our products after we used to produce 94 percent of the textile and curtains Egyptians used. Machines have been suspended for eight months," according to Mahmoud.
"The industry has been facing a crisis for more than four years, and the profession is being killed," said factory owner Walid al-Sabagh. "Other related occupations are suffering as well because manufacturing has stopped, and the market is stagnant because of imported and smuggled fabrics."

Egypte: la production du coton à fibres longues mise en péril par l’arrêt des subventions

samedi, 17 janvier 2015 22:52

(Agence Ecofin) - Selon *Al Haram*, l’Egypte pourrait interrompre la production de son coton à fibres longues mondialement reconnu pour sa qualité. En effet, la décision du gouvernement de ne plus subventionner cette culture en raison de son coût pourrait sceller son sort. Aussi, différents acteur du secteur cotonnier sont-ils intervenus pour aller contre cette décision annoncée il y a quelques jours par le ministre de l’Agriculture, Adel El-Beltagy (photo).

D’après les observateurs, la combinaison de la hausse de 33% du prix des intrants agricoles enregistrée il y a quelques mois, et du retrait des subventions gouvernementales au coton devrait précipiter le déclin de cette filière dans le pays. Au sein du ministère de l’agriculture, ces décisions sèment la discorde, même au sommet de la hiérarchie.

Ainsi, pour le vice-ministre de l’Agriculture, Hamdi Assem, l’arrêt des subventions est une erreur, et l’officiel estime que l’exécutif reviendra certainement sur sa décision. « *Le gouvernement a un rôle à jouer pour maintenir l’agriculture du coton. D’abord, il doit aider au marketing du coton égyptien à fibre longue. En outre, il doit œuvrer à raffiner sa qualité, à le protéger de l’hybridation et à instruire les paysans pour une culture optimale* » a-t-il déclaré.

Notons que le coton à fibres longues souffre essentiellement de son coût de production plus élevé que celui des variétés à fibre courtes que les filateurs préfèrent importer.

En Egypte la superficie consacrée à la culture de la fibre est passée de 2,5 millions de *feddans* à moins de 400 000 *feddans (1 feddan = 40,0083 ares)* en une trentaine d’années.

Aaron Akinocho

German Textile Machinery Sector Shows Great Interest In Asean

By Manik Mehta

FRANKFURT, Jan 18 (Bernama) -- Germany's textile machinery industry is interested in tapping the huge Asean market besides focusing on China and India, says Elgar Straub, Managing Director German Machinery Manufacturers' Association.

He said the German textile industry had in the past concentrated a great deal on China and India because of the sheer size of these two markets.

"But, we are also interested in Asean markets which are attractive because of the huge business potential inherent in the region," Straub told Bernama.

Germany's sewing and garment technology exports worldwide in 2013 amounted to 466.26 million euro and was the third largest supplier of sewing and garment technology, trailing behind China with 1.679 billion euro and Japan at 537 million euro.

The biggest markets for German sewing and garment technology worldwide in 2013 were the United States, India, Turkey, Italy, France, China,Russia, Poland and Hong Kong.

Messe Frankfurt, which organises the Heimtextil Show, the world's largest home-textile show in Frankfurt, also made a strong pitch for the forthcoming Techtextil fair to be held in Frankfurt from May 4 to 7, 2015.

Messe Frankfurt's Michael Jaenecke, the Brand Management Director for technical textiles and textile processing, claimed that there had been very strong demand for space from exhibitors.

Parallel to the Techtextil, Messe Frankfurt is also organising the twin sister fair called Texprocess, a dedicated show for textile and flexible materials processing.

Jaenecke maintained that while the Techtextil had existed for many years, the Texprocess event, which was launched in 2011, had grown exponentially and that the fair organiser was holding the two shows for four days instead of the regular three-day run, as in the past.

Messe Frankfurt Vice-President for Textiles and Textile Technology Olaf Schmidt told Bernama that 95 per cent of the exhibition space was already sold out although there were still four months to go before the start of the show.

Techtextil is expected to attract a good turnout of exhibitors from Asia, including Asean.

Indeed, a number of Asian countries are planning to set up national pavilions at the Techtextil Fair to provide a common roof to exhibitors and buyers interested in sealing up deals at the event.

The ongoing Heimtextil show has attracted a large turnout of Asian exhibitors, led by China with 513 exhibitors followed by India (390), Pakistan (219), Turkey (159),Taiwan (60), Hong Kong (31) and Bangladesh (20).

For the first time in many years, Malaysia had a single debutant with the participation of a Selangor-based Fennex Sdn Bhd which was doing good business at the show with a steady stream of buyers visiting its stand.

Also conspicuous by their presence were the three exhibitors from Iran who participates in very few, if any, German trade fairs.

Both China and India had far larger presence than any other exhibiting nation, even surpassing the 342 exhibitors from the host nation Germany.

GTTES closes its doors with 282 participating exhibitors

January 24, 2015 (India)

Mr. Seleshi Lemma speaking at the event

Textile engineering expo, GTTES-2015 which was held in Mumbai from January 20-22 on an area of 11,500 sq metres, saw over 282 Indian and foreign exhibitors, with a majority of foreign ones coming from China.

Ambassadors and consul generals from 17 countries visited the exhibition, proving the importance of India's role in the textile sector & the keen interest GTTES generated internationally especially in potential new markets.

Over three days, the trade show also saw visits from high level government officials including from the Ministry of Heavy Industry, Govt. of India and delegates from Sri Lanka, Ethiopia and Korea.

The second day began with a seminar on the Textile Industry Development of Ethiopia conducted by Seleshi Lemma from the Federal Democratic Republic of Ethiopia and was attended by various exhibitors.

During the seminar, Seleshi Lemma shared business & textile trade opportunities with Indian textile manufacturers and also proved to be a networking platform for Indian exhibitors to interact with Ethiopian delegates.

According to Lemma, Ethiopia has the second largest population in Africa with 8.5 million people & fourth largest growing economy and that there is an immense growth opportunity for Indian textile industry in Ethiopia.

He added, "After the diversification into new manufacturing commodities, the average annual export growth has reached 27.4 per cent over the last seven consecutive years and is expected to reach close to $4 billion by the end of 2014-2015 fiscal year."

Extensive marketing has now opened up the African market and machines were purchased by buyers from African countries.

Day 3 began with the visit of Sanjay Porwal, additional chief secretary (Textile) Govt of Maharashtra, who visited each of the exhibition booths. He said that he was happy to see that exhibitors representing all segments of the manufacturing chain from India & China had converged at GTTES 2015.

Updeep Singh, MD at ITEMA India said, “GTTES is an excellent platform for textile manufacturers across India and Indian textile manufacturers have to take the advantage of the Chinese economy slowdown & double their growth in the textile sector.”

GV Aras, Director, Textile Engineering Group at A.T.E said, “A.T.E. has gained several unexpected business proposals from tier II & III city based manufacturers and we are happy to be here at the right time and right place.”

Fritz Legler, VP (Marketing) at Staubli also expressed his views by saying that though the economic slowdown has affected India’s textile industry, he was surprised to see very encouraging footfalls at GTTES & the participation of Chinese exhibitors. (AR)

Textile machinery market to double to Rs 45,000 crore in 7 years: Expert
By PTI | 15 Jan, 2015, 08.51PM IST

MUMBAI: The size of India's textile machinery industry is poised to double to Rs 45,000 crore in the next 7 years from the present Rs 22,000 crore on the back of new projects and emphasis on setting up textile parks, an industry expert has said.

"The growth in the sector and upcoming new projects along with government's initiative to set up textile parks may boost the textile machinery industry. The market size of the sector is set to double to Rs 45,000 crore in the next 7 years from the present Rs 22,000 crore on the back of new projects and emphasis on setting up textile parks, an industry expert has said.

"The growth in the sector and upcoming new projects along with government's initiative to set up textile parks may boost the textile machinery industry. The market size of the sector is set to double to Rs 45,000 crore in the next 7 years from the present Rs 22,000 crore," India ITME Society Chairman Sanjiv Lathia told PTI here.

Textile machines are used in fabrication and processing of fabrics, textiles, and other woven and non-woven materials. The industry witnessed a growth of 8-10 per cent to Rs 22,000 crore in 2014 from Rs 20,000 crore in 2013.

The Modi government's Make in India programme is also expected to help the textile sector by way of increase in demand for modern machineries, Lathia said.

India imports 30 per cent of second hand textile machineries from major global producers namely Italy, Germany, Japan and Switzerland, he said.

ITME Society is a body of textile industry which is organising a textile engineering expo here from January 20. Global Textile Technology & Engineering Show-2015 (GTTES-2015) aims to bring modern technology to India and be a catalyst to growth of textile engineering industry, the organisers said.

The three-day event, being supported by Union Heavy Industry Ministry and Textile Department of Maharashtra Government, will see participation from companies from China, USA, Korea, Japan, Germany and UK besides India

India-Vietnam textile cooperation: A win-win situation

January 28, 2015 (India)

The textile and clothing industries of India and Vietnam are more complementary than competing in nature. Both can end up in a win-win situation by cooperating with each other, says **Rajesh Kumar Shah**

With annual exports of around US$ 40 billion, India is currently the second-largest textile and clothing exporter in the world, next only to China. However, nearly $25 billion of this amount is earned by exporting textiles like yarn and fabric, with China being a leading destination, especially for yarn. On the other hand, Vietnam's annual textile and garment exports currently stand at around $23 billion, with apparel accounting for a major share. However, being raw material-dependent, the country imported $12.5 billion worth of textiles for its garment industry in 2014.

While India is raw material-sufficient, Vietnam is dependent on other countries, mostly China, for its textile inputs. Given this, an India-Vietnam textile cooperation could be a win-win situation for both countries—helping Indian textiles industry get a new market, and Vietnam an extra source of supply. Further, India also provides a huge market for Vietnamese garments.

India as raw material supplier to Vietnamese garment industry

Vietnam has a high demand for textile raw material imports while India offers these materials at highly competitive prices globally, said Manikam Ramaswami, chairman of the Cotton Textiles Export Promotion Council of India (Texprocil), while leading a trade delegation to Vietnam last August.

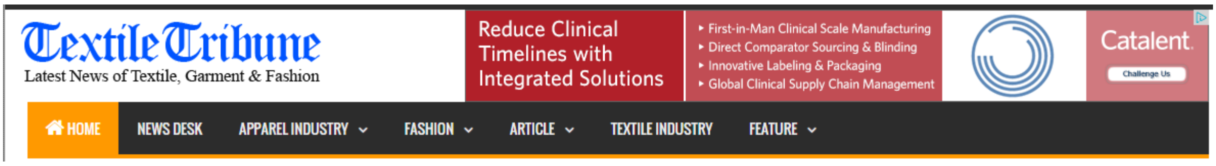
In 2014, Vietnam's cotton imports from India were valued at $266.170 million, accounting for 18.5 per cent of $1.443 billion worth of cotton imported by the Southeast Asian nation, according to data from the customs IT & statistics department, general department of customs, Vietnam's ministry of finance. Similarly, Vietnam imported $76.783 million and $56.491 million worth of yarn and fabric from India last year, representing 4.9 per cent and 0.6 per cent of Vietnam's total imports of $1.558 billion and

$9.427 billion, respectively. This shows that there is huge opportunity for substantial growth in Indian yarn and fabric export to Vietnam.

On the other hand, China was the main fabric supplier, accounting for $4.663 billion or nearly half of all fabric imported by Vietnam in 2014. For Vietnam, finding material suppliers from countries is necessary to reduce its dependence on China and also to prepare itself for the 12-nation Trans-Pacific Partnership (TPP) agreement, which is currently in the final phase of negotiations. The TPP agreement is likely to apply the yarn-forward principle, wherein fabric and garments made from yarn imported from China, which is not a part of TPP, would not enjoy duty-free benefit for exporting to other TPP-member countries.

'Make in India' presents opportunity for Vietnamese garment industry

The Indian government recently launched the 'Make in India' initiative to attract foreign investors in its manufacturing industry, including the textile and apparel sector. This is being backed up with emphasis on skill development. The Apparel Training and Design Centre (ATDC) has already taken a lead in offering certificate, diploma and advanced diploma courses in seven textile/apparel clusters across the country.



Indian Fashion Industry: At a Glance

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Indian Fashion Industry is at its primary at the moment and has great capacity to make the mark on the world stage. Fashion in India has more than thousands of years of tradition behind it. India has a rich as well as the varied textile heritage where each region of India has its own place of native dress and traditional costumes.

Fashion Industry is still growing at a rapid way with international developments, such as the India Fashion Week is still gaining popularity and annual shows by fashion designers held in major cities of India. In Indian culture, the body is invested with various meanings and reflected in its expensive sculptural tradition decorating the body is yet another way of conveying meaning and their personality aspects.

Indian celebrity fashion show

In Indian history, the types of costumes and accessories worn can be seen to fulfill mainly in to two criteria namely:

1. Simplicity and
2. Opulence.

After the independence, Indian Fashion industry witnessed the effects of globalization. Due to this, changes occurred in the dressing style of Indians, which even led to the fusion of Indian and western dresses. Wearing kurtis on jeans, spaghetti with sarees are the examples showing the effect of western culture on Indian. The work of Indian designers is highly appreciated all over the place of world. Western popular brands are also coming here recently to participate in Indian fashion weeks, as they see a lot of high potential in our fashion market.

Fashion in India is a rapidly growing industry with many international events such as the India Fashion Week and annual shows by fashion designers in the major cities of the country There are victories of a number of Indian beauty queens in International events such as Miss World and Miss Universe contests which have made Indian models recognized worldwide.

Fashion designers from India in recent times such as Ritu Kumar, Ritu Beri, Rina Dhaka, Rohit Bal, Muzaffar Ali, Satya Paul, Abraham and Thakore, Tarun Tahiliani, JJ Valaya and Manish Malhotra are some of the well-known fashion designers in India.

India Fashion Industry covers a whole range of clothing from ornate clothes designed for wedding ceremonies to prêt lines(ready made), sports and casual wear. It even includes the traditional Indian techniques of embroidery like chi khan, crewel and zardosi. These traditional weaves and fabrics are used by Indian fashion designers to create Indo-western clothing in a fusion of the best of East and West. Saree' s are woven in silk, cotton ,synthetic, chiffon and artificial fibers. Kanchipuram, Mysore, Paithani, Pochampalli, Jamdhani, Balucheri, Banarasi, Sambalpuri, Bandhini are some varieties of beautiful sarees from different regions of India. In Rajasthan and Gujarat men wrap and twist a length of cloth in the form of a dhoti around their lower limbs and a shirt-like kurta. Colorful turbans complete the picture of the Indian people.

In urban India, the women commonly used to wear salwar kameez and the churidar kameez, is worn by women who go to work and the saree is worn on formal and festival occasions. Men wear kurtas and pajamas, or asherwani for formal wear. Western wear such as shirts and trousers are commonly worn by men across India. Jeans, T-shirts, capris, Bermuda's, knitted casual garments are the kind of their casual clothing worn by the teen ager of men and women who are considered to be the trendsetters of fashion in India in these days.

Since the last decade the Indian fashion industry has moved from the primary stage to a blossoming take-off. Fashion designers have been contributed continuously to the scatter of fashion as a driving force, both among Indian consumers and select segments of Western markets. India can now is having of more than twodozens of **leading fashion designers**, who can match any European fashion designer in their concepts, styles and designs. Namely,1. Ritu Beri, 2. Rohit Bal, 3. Ritu Kumar, 4. Abraham, 5. Thakore,6. Deepika Govind, 7. Gitanjali Kashyap, 8. Indira Broker, 9. J.J.Valaya, 10. Lina Tipnis, 11. Manoviraj Khosla, 12. Pavan Aswani, 13. Payal Jain,14.Ravi Bajaj, 15. Rina Dhaka, 16. Sharon Leong 17.Chandrajit Adhikari, 18. Shaina NC, 19. Sonali 20. Himanshu, 21. Wendell Rodricks, 22. Anna Singh, 23.

Ashish Soni, 24. Jatin Kochar, 25. Madhu Jain, 26. Manish Malhotra, 27. Ravi Bajaj, 28. Salim Asgarally, 29. Tarun Tahlliani top the growing list of reputed and notable fashion designers in India at present time.

A report on Indian Fashion Industry recently mentioned that the fashion Industry can steadily increase from its net worth of Rupees 200 crore to Rupees 1,000 crore in the next 5 to 10 years of period., the worldwide market for designer wear is amounted at $35 billion, with a 9% growth rate, with the Indian fashion industry creating hardly 0.1% of the international industry's net worth.

According to a rough estimation, the total market in India is calculated to be about Rs 20,000 crore. The branded Fashion market's size is nearly one fourth of this or Rs 5,000 crore. Designer wear, in turn, covers nearly about 0.2 % of the branded apparel market. Today the largest sales turnover within the designer wear segment is about Rs 25 crore, with other well-known names having less turnovers of Rs10-15 crore.

India Fashion Industry is a very huge exporter of Fabrics and accessories for the global and International fashion industry. Indian ethnic and traditional designs are considered as the most important facet for the fashion houses and garment manufacturers all over the world. India also plays a vital role as one of the biggest players in the international fashion arena for fabrics, while sourcing for fashion wear. India's strengths are due to its tradition, but even its availability of the abundant raw materials. India is the third largest producer of cotton, the second largest producer of silk, first largest producer of jute and the fifth largest producer of man-made fibers all over the world.

Employment opportunities in fashion industry

There has been growing consciousness among the Indian men and women towards the fashion, styles and designs of the dresses since 1985. There are several institutes like National Institute of Fashion Technology (NIFT), Indian Institute of Fashion Technology (IIFT) and other fashion academies which have been established where the students are taught to translate their creativity into dresses and fabric designs. The media has also played an important role in the fashion boom by providing good coverage to the fashion world and even several fashion magazines are specifically devoted only to the fashion focus.

The proliferation of fashion-based programmers on the satellite television channels has increased the consciousness of the average Indian masses about the changing trends in the global fashion. This industry is also generating a lot of business and becoming a booming industry for generating a lot of jobs for the present people. More fashion training institutes are developing up. Many national and international brands are establishing themselves in Indian market. The mall culture has immensely helped in the growth of our fashion industry. Thus, globalization has completely changed the face of our Indian fashion industry and more employment opportunities are available to the present generation.

Recent developments of the fashion industry

- Well organized market for fashion designer apparel is about Rs 250 crore and designer wear calculates to less than 1 % of the apparel market.
- The global market for designer wear is 5 % of total apparel market and the global market for designer wear industry is largely dependent on the small-scale sector.
- Consumers for designer wear have a yearly household income of Rs 10 lakh-plus. There are 3 lakh such households developing at 40-45 %.
- Designer wear industry is projected to increase to Rs 1,000 crore by 2015. More than 81 % of the population below 45 years of the age is fashion conscious.
- Today the fashion designers and management experts foresee an average growth of about 10-12 % for the Indian fashion industry in the coming years.
- Though, the growth rate could be more than 15%, if infrastructural and other logistical bottlenecks and drawbacks are over come, Indian fashion design industry is expected to grow much faster than projected (Rs. 500 cr.) and likely to touch Rs.750 cr. by 2012 from the current level of Rs.270 cr.
- Because Indian companies are heavily investing big CAPITAL in the industry, consumers are increasingly shifting focus towards designer wear,
- Exposure to western media and readily available of designer wear in the shopping malls, according to The Associated Chambers of Commerce and Industry (ASSOCHAM).
- The Indian Fashion industry is booming like never before in India in recent time. The domestic Indian Textile market is worth $25 billion and is growing at an annual rate of 15-20%.
- Mega Malls are mushrooming all over the country.
- MNC Fashion and Lifestyle goods brands like Louis Vuitton, Christian Dior, Swarovski, Cartier, Tiffany, Omega, Mont Blanc have already set shop in India.
- More like, Ferragano, Versace, Gucci, Valentino, Prada and Fendi are coming.
- The Retail sector is witnessing a massive makeover with the Tatas, Birlas and Ambanis roping in.

Jakel Group builds up strong business presence

Saturday, 17 January 2015

Mohamed Faroz says Jakel is the first textile company in Malaysia to open 16 textile franchise stores under Perbadanan Usahawan Bumiputera.

WHEN Mohamed Jakel Ahmad founded Jakel Trading in Muar, Johor, in 1983 as a carpet wholesale supplier to small traders around the vicinity of Muar, little did he know he had build the foundation for a multi-million ringgit business group based on hard work, strong business ethics, reputation and quality products for his 12 children.

Mohamed Jakel had always emphasised the importance of strong family bond among his children and taught them the innate skills to do well in business.

From its humble beginnings of starting out with just a few thousand ringgit of capital, the group is today a renowned textile retailer of a broad variety of textiles that meet the needs of the lower income, medium and premium customers. It also offers a broad range of ready made fashion apparels making it one of the leading traditional wear fashion house with its 30 strong R&D team.

It has set its sight to make further headway in property investment with quite a sizeable assets in its portfolio, and will soon venture into property development.

As an indication of its business prowess, Jakel has seen its sale volume ballooned over the years from a mere few thousand ringgit in the 1980s to RM648mil in 2013 and RM700mil in 2014. Sales revenue may well touch RM800mil this year and hit the RM1bil mark by 2017. Since its first retail branch was opened in Segamat in 1985, it went on to build up a strong market presence nationwide by venturing into textile retail trading and supplying textiles to both the government and private sectors. Its first store in the Klang Valley was opened in 2007 in Jalan Masjid India, Kuala Lumpur that involved a capital outlay of RM30mil.

Datuk Mohamed Faroz Mohamed Jakel, the eldest son of 12 siblings, was only in Form 1 when his father moved the family to Segamat to open up Jakel retail store “as Muar was too quiet then, being the pension town of Johor”.

He was roped in to help his father managed the family business after completing his Form 5 education. Through the experience he gained he has contributed significantly to the growth and expansion of Jakel group’s business.

He was convinced that more people would buy textiles than carpets and managed to convince his father to switch into the textile business. That advice had helped to change the course of Jakel’s business direction and the many opportunities that came its way.

When the patriarch of the Jakel group passed away in 2009, Mohamed Faroz, who was 37 years old then, took over the helm as the group managing director and chief executive officer and went on to build Jakel as one of the most recognised brands in textile retailing.

In 2010 Jakel invested RM50mil to open an outlet in Section 7, Shah Alam. The 80,000 sq ft store set the stage for Jakel to make it into the Malaysia Book of

Records in 2010 as the Largest Textile Retail Outlet in Malaysia. By then it has 20 outlets nationwide, 16 of which are franchise outlets.

Mohamed Faroz says Jakel is the first textile company in Malaysia to have successfully opened 16 textile franchise stores under Perbadanan Usahawan Bumiputera since the opening of its first such outlet in 2004.

By the end of this month Jakel will be able to up its ante by many notches when the 330,000 sq ft Jakel Mall opens for business at Cap Square in Jalan Munshi Abdullah, Kuala Lumpur, which according to Mohamed Faroz will be the largest textile retail mall in the world.

In 2012, Jakel bought the Cap Square north and south towers which together with the two retail podiums came up to a total net lettable area (NLA) of 830,000 sq ft for for a total sum of more than RM300mil.

This prime freehold integrated commercial asset will comprise a textile mall, a hypermarket, a 4-star hotel of more than 300 rooms, and 2,543 car parking bays.

Artist's impression of Jakel Square comprising Jakel Mall (left building) and a four-star hotel.
Mohamed Faroz says the Lulu Group that operates a big grocery, IT and electronics supermarket chain in Abu Dhabi will be occupying 300,000 sq ft of space in Jakel Square. Scheduled for opening around the second quarter this year, the Lulu supermarket is set to be another crowd puller. Jakel will also rent out a food court and small shops of about 200 sq ft for rental income.

This is not the first time Jakel is involved in the real estate sector. It has over the years built up a comfortable nest of property assets that can be traced to the company’s early days in Johor.

Strong family lineage

Besides teaching his children the virtues of hard work, strong business ethics and good quality products, the elder Jakel patriarch had always stressed to his children the importance of owning the group’s own retail property.

To succeed as a textile retailer and wholesaler, he believed Jakel needed to own the property so as to have control over its business plans and growth direction.

Mohamed Faroz says his father also wanted to ensure the company would not be subjected to sudden rental hikes or eviction notices once its business started to expand.

“Jakel started out occupying just 300 sq ft of space as we were sharing a 1,200 sq ft shop with three other tenants. We only managed to expand our business after moving into a bigger place .

Since then, we have been looking around for property to buy to accommodate the company’s business growth,” he tells StarBizWeek.

When many companies succumbed to the Asian financial crisis in 1997 and had to sell their property in exchange for cash, Jakel took the opportunity to snap up some of the fire sale property and build up a tidy nest of property assets.

In 1997, it paid RM1.6mil to buy the 6,000 sq ft Rex Theatre in1997. The building was demolished and in its place were five units of three-storey shop lots with basement that came to a total net lettable area of 32,000 sq ft.

Today, Jakel’s property portfolio comprises shop lots in the vicinity of Masjid India, Kuala Lumpur; Bangi; Cheras; and also in Johor Baru that contributes quite a tidy sum of recurring rental income to the group.

Having built up a sizeable portfolio of investment property that provides a tidy sum of recurring rental income, Mohamed Faroz and his siblings have set their sights to venture into property development in the Klang Valley under Jakel Development.

The property development arm was founded by the Jakel siblings that also include Mohd Nizam, Abdul Shiraz, Mohd Izani and Lokman. Its maiden residential project to be located in Jalan Loke Yew will be launched this year.

Faroz says going forward Jakel Development will be actively moving into land acquisition and real estate development of both residential and commercial projects. It has in the pipeline a number of integrated residential and commercial developments for launch in the next few years.

Mohamed Faroz says his humble beginnings has made him grateful with what the Jakel group has achieved today and he believes in contributing back to society.

“Jakel is involved in various corporate social responsibility (CSR) activities through material and monetary contributions to foundations and orphanages, disaster relief funds, education funds, and sporting activities among others. We also donate to the underprivileged members of the society – orphans, single mothers as well as the elderly.”

For his contribution to society and the business world, Mohamed Faroz was awarded the Pingat Jaksa Negara title which carries the title “Datuk” In conjunction with the Yang Di Pertuan Agong XIV’s birthday on June 1, 2013.

And in recognition of his entrepreneurship, he was awarded the Business Icon Of The Year award at the Selangor Excellence Business Awards by Dewan Perniagaan Melayu Malaysia on Dec 8, 2014.

His success has inspired many young entrepreneurs and one of his favourite advice to them is that everyone must have a dream and that the dream can only be realized with good planning, passion and willingness to work hard, determination, perseverance and commitment. “While some people choose to chase after certificates, I go for my dream,” he says, adding that Jakel’s success is due to the relentless hard work of the Jakel siblings.

Mohamed Faroz believes the key to the group’s success is also its aggressive promotion campaign and excellent customer services. Its main strategy and approach is to undertake procedures to ensure that every single customer remains with the company for the long term.

“Jakel has always believe in the principals of building and maintaining excellent retail experiences and customer satisfaction at our stores. We have clear plans to expand in the fashion business and will launch our online business next month,” he says.

With the strong leadership and hands on management style of the Jakel siblings, the group is bound to achieve even greater success going forward as seen in the number of accolades it received including Best Textiles Shop in Asia by Asean Retail Chains & Franchise Federation in 2013 and Best Company To Work For in Asia by HR Asia.

L'EXPRESSION dz.com Le Quotidien
Recherche avancée
Dimanche 25 Janvier 2015

La Coface inquiète pour les pays méditerranéens

Par **Ali TIRICHINE -** Samedi 24 Janvier 2015

Dans une analyse sur la conjoncture dans la zone Mena, la Coface constate que les pays de cette zone ont accompli des progrès qui seront fragilisés par la baisse du prix du pétrole.

La Coface estime que l'activité économique devrait accélérer quelque peu dans la région du Moyen-Orient et Afrique du Nord en 2015 et que la croissance de 2,6% en 2014 va progresser rapidement pour atteindre 3,2% en 2015. Mais les chiffres de croissance continueront à se maintenir sous la barre des 5,4%, moyenne affichée durant la période 2000-2010, selon ce rapport en anglais et dont une partie a été traduite par des médias étrangers.

Le rapport considère que la forte baisse des cours mondiaux du pétrole constitue un risque pour les pays exportateurs, mais une opportunité pour les importateurs.

Les pays exportateurs de pétrole ont commencé à diversifier leurs économies respectives, mais ils restent fortement tributaires du secteur des hydrocarbures en termes de recettes budgétaires et de recettes d'exportation.

Les pays importateurs de pétrole sont confrontés à des risques accrus de tensions géopolitiques, est-il indiqué. Dans des pays importateurs de pétrole comme l'Égypte, la Jordanie, le Liban, le Maroc et la Tunisie profiteront de la reprise du tourisme, du regain de confiance des investisseurs et de la relance des exportations et cela devrait contribuer à la croissance.

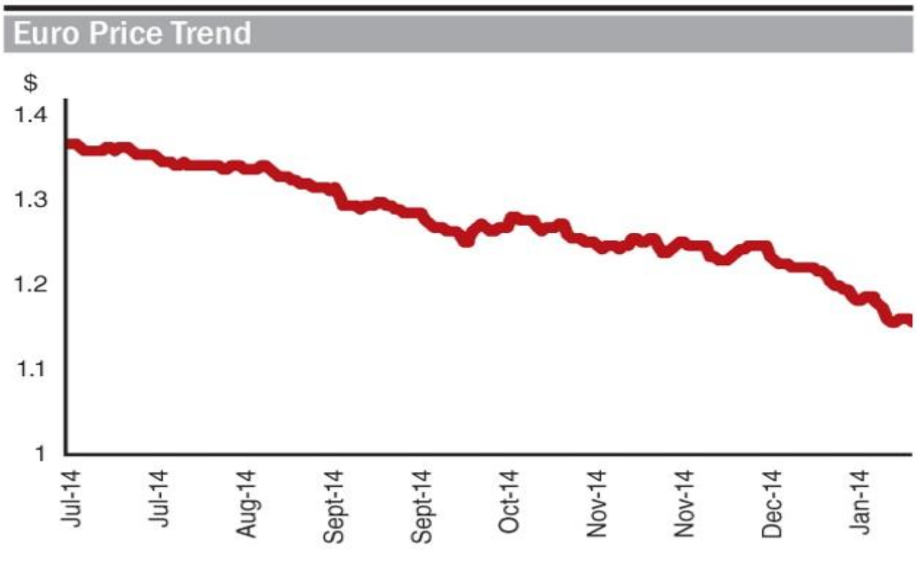
La croissance des pays importateurs de pétrole est attendue autour de 3,4% en 2015 même si ces pays connaissent des taux de chômage, des déficits budgétaires et des déficits courants élevés.

La situation devrait néanmoins s'améliorer à la faveur de la reprise de l'activité économique et des réformes incitatives, est-il indiqué. Les voisins de l'Algérie, la Tunisie et le Maroc, devraient afficher de meilleures performances économiques en raison de la reprise économique en Europe, estime la Coface. Contrairement à l'Algérie, les pays analysés par la Coface entretiennent d'autres industries. Il est estimé que le secteur textile et l'habillement font partie des secteurs d'activité traditionnels des pays nord-africains et occupent une place importante en termes d'emploi et de production industrielle. Au Maroc, le secteur textile est le plus gros employeur de main-d'oeuvre industrielle (40% du total). Il représente 10% du PIB et 20% des exportations.

En Tunisie, le secteur du textile et de l'habillement est le deuxième secteur exportateur parmi les

industries manufacturières, avec 19% des exportations totales du pays. Sa part de l'emploi total s'élevait à 7% au premier trimestre 2014. La concentration des exportations de produits textiles dans les pays européens, le pouvoir de négociation des clients sur les producteurs, l'accès limité au financement et l'instabilité politique constituent les principaux risques pesant sur ce secteur.
En Algérie, il est admis que la croissance est affectée par une baisse de la production d'hydrocarbures. Cela a débuté en 2013, en raison notamment de l'impact négatif de l'attaque terroriste contre une importante installation gazière. Elle devait rebondir dès 2014, grâce à une augmentation modérée de la production d'hydrocarbures et au programme d'investissements publics couvrant la période 2010-2014 dont la construction de logements, de routes et de voies ferrées. Il est considéré que grâce au soutien par les hausses des salaires du secteur public ainsi que par le subventionnement des produits de base, la consommation privée pourrait également être dopée par un éventuel assouplissement des conditions de crédit, de même que l'investissement privé.

Depreciating euro to hurt textile exports



Source: OANDA

EUROPE'S single currency, which has been facing continued pressure due to multiple regional factors, sank to its lowest level since September 2003 at $1.13 after the launch of quantitative easing by the European Central Bank last Thursday.

The planned 1.1trn-euro asset purchase programme and an open-ended commitment to print money would bring inflationary pressures in the EU region, leading to further currency depreciation.

Since the start of the fiscal year, the euro has depreciated by 15.4pc, making Pakistan's commodities bound for Europe more expensive, despite their unchanged dollar-based prices. Furthermore, the expected fall in consumer purchasing power in Europe would affect the demand of exports from Pakistan (and other Asian nations) to the EU.

The textile sector, especially composites, would bear the brunt of this, while food (rice etc) and medical instrument exports to Europe are also going to get hurt. In CY14, Pakistan's total exports to the EU stood at $7bn, against imports of $4.2bn.

Around 28pc of Pakistan's total exports go to Europe, as per SBP data. However, based on an analysis of 10 major listed textile composites, euro sales of textile composites could be 25pc of total sales. This would expose these firms to exchange losses and declining margins.

While exchange losses may remain contained due to hedging, volumes and margins may erode in the coming months due to worsening exchange parity.

— Zeeshan Afzal, Taurus Securities

Published in Dawn, Economic & Business, January 26th , 2015

Textile-specific subsidies in India make Pakistan industry uncompetitive: APTMA

January 28, 2015

Group Leader APTMA Gohar Ejaz has cautioned the government that overloaded textile-specific subsidies in India has made Pakistan's textile industry uncompetitive. According to him, the weaving industry of Pakistan has come to halt by fifty percent due to the flooding of imported as well as smuggled cloth from regional countries.

He has also sought apology from the people of Pakistan for not creating jobs during last five years due to circumstances beyond industry control. "The textile industry cannot fight with the government policies in the region," he said and urged the government of Pakistan to enable the industry to compete regionally. Earlier, central chairman APTMA S M Tanveer said the Textile Policy 2014-19 has not seen daylight despite eight months of current fiscal, reflecting lack of interest of the federal government in promoting and protecting textile industry.

Both of them were holding a joint press conference at the APTMA Punjab office. Chairman APTMA said delay in announcement of textile policy 2014-19 further suggests that the present government is not different from the previous one, which had allocated Rs 180 billion in Textile Policy 2009-14 whereas it disbursed only Rs 28 billion which is 15% lower of the allocation' he added.

He said both India and Bangladesh announced their Textile Policies and registered 2008-2013 a growth of 94% and 160% respectively in exports against merely 22% of Pakistan during 2009-14. The World textile exports also grew by 45% on an average during the same period, he said. While dubbing the federal textile ministry as "toothless" and "failed" ministry, he said an undue delay in announcement of textile policy 2014-19 has already left Pakistan far behind against the region counterparts, he added. According to him, the proposed textile policy for 2014-19 speaks about allocation of Rs 60 billion, which is a drop in the ocean and government should enhance it to Rs 200 billion at least.

28.01.2015

H&M affiche un résultat solide grâce à son expansion

La chaîne de prêt-à-porter suédoise Hennes et Mauritz a fait état mercredi d'une hausse de 17% de son bénéfice net en 2014 et des ventes en hausse de 18%.

Après la France, l'Espagne, l'Italie et la Chine, H&M ouvrira des boutiques en ligne dans huit autres marchés en Europe: la Belgique, la Suisse et six pays d'Europe centrale et de l'Est. Image: AFP

H&M s'est félicité dans un communiqué d'un «résultat solide» qui doit lui permettre en 2015 de monter de nouvelles boutiques en ligne en Europe et implanter l'enseigne dans des marchés émergents.

Sur l'ensemble de l'exercice (décembre-novembre), le bénéfice net a grimpé à 19,98 milliards de couronnes (2,20 milliards de francs), tandis que les ventes atteignaient

176,62 milliards de couronnes. H&M a été moins légèrement rentable: la marge brute (58,8%) et la marge opérationnelle (16,9%) ont toutes deux reculé de 0,3 point.

Mais la marque profite de sa mondialisation, avec 379 magasins supplémentaires durant l'année, en priorité aux États-Unis et en Chine, portant le total à plus de 3500 points de vente dans 55 marchés.

Nombreuses ouvertures
En 2015 H&M compte accélérer, avec 400 ouvertures, dont les premières en Inde, en Afrique du Sud, à Taïwan et au Pérou.

Notant le succès des boutiques en ligne ouvertes en 2014 en France, Espagne, Italie et Chine, H&M s'implantera cette année de la même manière dans huit autres marchés en Europe: la Belgique, la Suisse et six pays d'Europe centrale et de l'Est.

Le groupe va aussi lancer sa marque sur un nouveau terrain, celui des cosmétiques, avec 900 boutiques appelées H&M Beauty, dont la plupart appartiennent déjà au groupe sous une autre enseigne. Au quatrième trimestre, le bénéfice net a progressé de 12% à 7,80 milliards de couronnes (839 millions d'euros) et les ventes de 17%.

Seule ombre au tableau, «le renchérissement du dollar va accroître nos coûts d'approvisionnement», a admis le directeur général Karl-Johann Persson. (ats/Newsnet)

Textile-Habillement: TFCE et Maille Club tissent leur toile

15 **janvier 2015**

Les groupes tunisiens TFCE et Maille Club conjuguent leurs talents et savoir-faire pour donner naissance à un opérateur régional majeur de la distribution du textile-habillement.

Les groupes TFCE, un des leaders de l'industrie textile, et Maille Club, acteur de premier ordre dans la distribution de la mode, ont signé, le jeudi 8 janvier dernier, sous l'égide d'AfricInvest, un partenariat qui officialise une association proactive dans le domaine de la distribution.

Ce nouveau partenariat s'appuie sur de très fortes complémentarités métiers et capitalise sur des valeurs et des cultures d'entreprises partagées par les deux équipes dirigeantes, ainsi qu'une vision stratégique commune en phase avec les évolutions du marché.

«Il s'agit d'un projet structurant qui a pour objectif de projeter nos deux groupes dans un avenir prometteur et ambitieux, en consolidant notre leadership sur l'ensemble du secteur», a indiqué Mehdi Abdelmoula, DG du groupe Maille Club. Et d'ajouter: *«La complémentarité de nos expertises nous permettra de développer nos marques, notre réseau de distribution ainsi que notre offre produits, et de consolider nos positions en Tunisie et en Algérie, puis d'aller conquérir de nouveaux marchés à l'international.»*

Nafaa Ennaifer, DG du groupe TFCE se réjouit lui aussi de ce rapprochement mûrement réfléchi: *«En nous associant avec un des acteurs les plus importants du marché, nous offrons à nos équipes une formidable opportunité de conjuguer leurs expertises et leur savoir-faire. Ce partenariat marque l'aboutissement d'une réflexion entamée depuis quelques mois, et reflète une démarche centrée sur la création de valeurs à travers la satisfaction des clients, la maitrise des process et l'amélioration des performances.»*

Le groupe TFCE possède une expertise industrielle dans le développement de collections, la fabrication et l'exportation de prêt-à-porter féminin. Sa créativité et son savoir-faire en maille rectiligne, en maille circulaire et en chaine et trame sont reconnus sur le marché européen où il écoule plus de 4 millions de

pièces par an auprès des enseignes et marques d’habillement les plus connues (Lacoste, Kookaï, Promod, Camaïeu, Jaqueline Riu, Cache Cache, Bonprix, Morgan, Go Sport, Orsay...).
Riche de son expérience dans la distribution, notamment avec Dixit, sa marque de mode féminine, etAshkan, concept stores valorisant l’artisanat de qualité et marque citoyenne 100 % tunisienne, le groupe est présent en Tunisie, en Algérie ainsi que dans plusieurs pays du bassin méditerranéen.
Le groupe Maille Club, qui opère dans l'industrie textile et la distribution de la mode, s'est spécialisé dans le travail à façon de petites séries sur cycle court pour le compte de marques européennes de luxe avant de se lancer en 1982 dans la distribution avec le lancement de la marque enseigne Mabrouk et se développer par la suite dans les segments du luxe et de l’esthétique (Max Mara, Paul&Shark, Hugo Boss, Square 5, Eden Park, Jacques Dessange...) et Mass Market (Jules, André, Du Pareil au Même…). Le groupe est présent en Tunisie et en Algérie.
AfricInvest, gestionnaire de fonds d’investissement en capital risque/capital développement, est le partenaire financier du groupe Maille Club.
Source : Communiqué.

TUNISIE

POPULATION
10,998 MILLIONS
PIB
49,122 MILLIARDS $US

B — EVALUATION PAYS
B — ENVIRONNEMENT DES AFFAIRES

CHANGER DE PAYS
COMPARER LES PAYS
SYNTHÈSE

PRINCIPAUX INDICATEURS ÉCONOMIQUES

	2012	2013	2014(e)	2015(p)
Croissance PIB (%)	-1,9	3,6	2,8	3,9
Inflation (moyenne annuelle)	5,5	6,1	5,6	5,0
Solde budgétaire / PIB (%)	-5,1	-5,8	-4,3	-3,4
Solde courant / PIB (%)	-8,2	-8,4	-7,1	-5,7
Dette publique / PIB (%)	44,5	44,8	50,4	54,0

(e) Estimation (p) Prévision

POINTS FORTS

- Ressources naturelles (gaz, phosphates), agricoles, touristiques
- Transition politique progressive
- Economie en cours de diversification et main d'œuvre assez qualifiée
- Proximité du marché européen et accord d'association avec l'UE

POINTS FAIBLES

- Fortes inégalités sociales et géographiques
- Taux de chômage élevé, principalement chez les jeunes
- Poids économique important de l'agriculture
- Secteur touristique confronté aux problèmes politico-sécuritaires et à une concurrence accrue

APPRÉCIATION DU RISQUE

Transition politique achevée

Après la tenue d'élections législatives et présidentielles fin 2014 la coalition Nida Tounis menée par l'ex-ministre de Bourguiba, Béji Caïd Essebsi a remporté les élections parlementaires au détriment du parti islamiste Ennahda. Ces élections qui se sont tenues une année après le vote de la nouvelle constitution tunisienne permettent d'instaurer le nouveau régime semi parlementaire tunisien. Il semble que la Tunisie soit entrée dans une phase de plus grande stabilité politique qui permettra une relance de l'économie à long terme.

Le nouveau gouvernement devra cependant faire face à de multiples défis sociaux et économiques, ainsi qu'aux attentes de la population. Les enjeux majeurs demeurent la création d'emplois et une meilleure répartition sociale et géographique de la croissance, l'intérieur du pays restant défavorisé par rapport aux régions côtières.

La Tunisie demeure exposée au risque de débordement du conflit libyen sur son propre territoire et de l'entrée de certains djihadistes sur son sol. A cela s'ajoute l'afflux massif de réfugiés libyens à la frontière qui risque de peser sur l'activité.

Faible progression de la croissance attendue en 2015

En 2015, l'activité tunisienne devrait légèrement accélérer L'économie devrait être soutenue par la croissance des services marchands et en particulier les télécommunications, mais également par une augmentation plus vigoureuse de la production agricole et de l'industrie oléicole. Cependant, le ralentissement observé dans les secteurs d'extraction affaibli par les tensions sociales risque de se prolonger en 2015 et de limiter la reprise. La consommation et l'investissement devraient augmenter de 5%. Cette reprise devrait être également portée par un léger accroissement des exportations qui resteront néanmoins limitées par la faible reprise en zone euro.

Léger tassement des importants déficits jumeaux, financés par les aides financières internationales

En raison de coupes dans les dépenses courantes et les subventions, le déficit budgétaire pourrait légèrement se tasser en 2015. La dette publique - déjà supérieure, en part du PIB, à la moyenne des pays émergents comparables - augmente graduellement, mais elle est en partie interne et pour le solde contractée à des conditions concessionnelles.

Les comptes extérieurs vont rester sous pression mais le déficit courant devrait quelque peu se réduire en 2015. La baisse du cours du pétrole conjugué à l'entrée en production de certains champs pétroliers découverts en 2013 devrait permettre de réduire le déficit énergétique. Par ailleurs, la légère progression des exportations devrait juguler l'accélération attendue des importations soutenue par une demande intérieure forte.

Les ratios d'endettement extérieur vont passablement s'améliorer en 2015. Le Tunisie est sous accord depuis 2013 avec le Fond monétaire international. Cet accord de confirmation de 1,75 Md$ étalé sur deux ans a permis de limiter la dégradation du risque souverain que traverse le pays grâce à un programme d'assainissement des finances publiques. De ce fait, le déficit budgétaire se réduit progressivement.

Léger tassement des importants déficits jumeaux, atténués par des aides financières internationales

En raison de coupes dans les dépenses courantes et les subventions, le déficit budgétaire pourrait légèrement se tasser en 2014, mais une discontinuité de la politique fiscale est possible du fait d'une succession de différents gouvernements au cours de l'année. La dette publique - déjà supérieure, en part du PIB, à la moyenne des pays émergents comparables - augmente graduellement, mais elle est en partie interne et pour le solde contractée à des conditions concessionnelles.

Les comptes extérieurs vont rester sous pression. Les exportations progresseront modestement, en raison de l'instabilité politique et sociale et de la situation économique morose du principal partenaire commercial du pays, l'UE, tandis que les importations pâtiront encore du coût élevé de celles d'énergie (constituant 15% du total). Par ailleurs, les transferts des expatriés seront résilients, mais le rebond du tourisme dépend de l'amélioration de la situation politique et sécuritaire et, au total, le déficit courant restera élevé, malgré une légère réduction.

2014 sera marqué par une détérioration supplémentaire des ratios d'endettement extérieurs. Toutefois, la Tunisie a obtenu, depuis le G8 de 2011, un soutien financier d'institutions bi et multilatérales pour couvrir ses déficits publics et extérieurs. A cet effet des prêts de la Banque mondiale et de la Banque africaine de développement doivent être reconduits, auxquels s'ajoutent ceux de la BEI et de l'AFD. En outre, le FMI a accordé en juin 2013 un prêt de 1,75 Md$ sur deux ans. Ces organismes demandent, cependant, en contrepartie, une accélération des réformes économiques, peu probable à ce stade. Les autorités souhaitent également recourir aux fonds islamiques. Ces appuis permettront une légère progression des réserves de change, dont le niveau (de l'ordre de quatre mois d'importations) restera cependant très inférieur à la moyenne des pays émergents.

Fragilités du secteur bancaire et de l'environnement des affaires

La solvabilité, la qualité des actifs et la rentabilité du système bancaire, déjà faible avant 2011, se sont dégradées. Avec l'appui du FMI, le pays a engagé un ensemble de mesures visant à répondre aux vulnérabilités de ce secteur. Il a entre autres, initié un programme de restructuration du système en recapitalisant certaines banques détenues par l'Etat.

En raison de la chute de l'ancien régime et de l'instabilité politique et économique qui a suivi, l'environnement des affaires reste problématique. La loi sur les faillites et une refonte du code des investissements de 2014 devraient permettre une amélioration du climat des affaires. Néanmoins, ce dernier reste marqué par un manque de compétitivité, une lourde bureaucratie et une persistance de la corruption et de l'insécurité.

Par ailleurs, Coface constate une hausse des incidents de paiement et un allongement des délais de recouvrement des créances.

◆

Tunisie :

Les députés et opérateurs économiques à Sfax examinent les difficultés du secteur de l’habillement

Par : Di avec TAP | 17 jan 2015

A l’initiative de l’Union régionale de l’industrie, du commerce et de l’artisanat de Sfax (URICA), la coordination des députés et des acteurs économiques dans la région a tenu, samedi, sa première réunion, pour l’examen des difficultés du secteur de l’habillement et des chaussures.

Selon un communiqué de l’URICA, cette réunion a permis de recenser les nombreux problèmes, rencontrés par les professionnels du secteur de la fabrication et la vente du cuir, des chaussures et de l’habillement.

les intervenants ont souligné que ces difficultés paralysent les activités dans ces secteurs, ajoutant que les professionnels sont menacés de faillite, à la suite de l’arrêt de la production et l’insuffisance de la formation professionnelle.

Ils ont indiqué que plusieurs facteurs ont contribué à l’aggravation de cette situation, notamment, les procédures douanières et fiscales excessives, la non application de la loi sur le commerce parallèle et l’importation illégale, l’émergence de réseaux de contrebande et de distribution en dehors du cadre légal.

Les participants ont accusé l’autorité de tutelle et les structures administratives de la responsabilité de la détérioration de la situation de ce secteur et de laxisme dans le traitement de ce dossier.

De leur côté, les députés de Sfax à l’ARP se sont engagés à trouver des solutions, au niveau législatif, pour le secteur du cuir, des chaussures et de l’habillement qui emploie des dizaines de milliers de travailleurs.

25-01-2015-17:28 : Tunis-Textile et Habillement : Une balance commerciale positive malgré des échanges en baisse

AfricanManager

Les industries du Textile et de l'Habillement, secteur clé pour l'économie tunisienne subissent, encore et de plein fouet la crise économique qui sévit en Tunisie depuis plusieurs années. Au cours du mois de novembre 2014, la valeur des échanges du secteur ont évolué à la baisse aussi bien pour les exportations que les importations, et ce, comparativement au mois de novembre 2013. La baisse ainsi enregistrée a été déjà constatée depuis le début de l'année dernière et persistait jusqu'à ce jour.

Selon le bilan du mois de novembre dernier publié récemment par le Centre technique du textile (CETTEX), les exportations du secteur ont enregistré une baisse de -1,22% pour un montant de 482,98 millions de dinars, de -2,77% en € et une hausse de +9,70% en poids. De même, les importations ont diminué de -4,28 % en TND, de -5,78 % en € et de -5,80% en poids, et ce par rapport au mois de novembre 2013. Cette baisse, en valeur et en volume, a touché la plupart des intrants, toutes provenances confondues.

Mais, en dépit de cette baisse, la balance commerciale reste positive et enregistre une hausse de 4 points comparativement au mois de novembre 2013 (127% contre 131% en novembre 2014).

Bien encore, au cours du mois de novembre 2014, les exportations de la filière habillement ont affiché une baisse de -2% en DT et de -11,85% en volume (nombre de pièces exportées). Celles de la filière textile signent une hausse de +3,32% en DT et +18,53% en poids (tonnes), et ce comparativement au mois de novembre 2013.

Durant les 11 mois 2014, les importations du secteur des principaux pays fournisseurs ont évolué globalement en valeur et en poids principalement depuis l'Italie, la Turquie, la Chine, l'Allemagne, le Portugal, alors que celles provenant du Royaume Uni, l'Espagne, la Belgique ont évolué à la baisse.

Au cours du mois de novembre 2014, les importations du secteur destinées au marché local ont enregistré une hausse de +1,6% en valeur et une baisse de -1,41% en poids, et ce comparativement au mois de novembre 2013.

Pour les principales branches, l'analyse fait ressortir que les importations de fibres enregistrent une décroissance en valeur de -23,36% en DT et une hausse de +6,27% en poids, mise à part la baisse importante des livraisons de Chine et l'émergence de nouveaux fournisseurs à l'instar de Bangladesh, Taiwan et la Grèce.

S’agissant des importations de fils, elles ont baissé de -1,87% en valeur et de -13,88% en poids. La chute de la valeur des importations a été enregistrée au niveau des principaux fournisseurs. Seules la Turquie, la Roumanie et la Belgique ont augmenté leurs approvisionnements respectivement de +108%, +8,33% et +150% en valeur.

Les importations de tissus ont, cependant, régressé de -6,87% en valeur et de -4,75% en poids et la Chine, la Turquie, l’Italie, le Pakistan et l’Inde ont renforcé leurs approvisionnements vers la Tunisie.

Les importations de vêtements affichent une progression de +12,28% en valeur et de +66,72% en nombre de pièces. Les importations en provenance de la Turquie, du Bangladesh, du Maroc, du Vietnam et du Bangladesh affichent d’importantes croissances en valeur et en volume.

Kh.T

Foreign firms expand Vietnam production in anticipation of Pacific trade pact chances

TUOI TRE NEWS
UPDATED : 01/17/2015 09:55 GMT + 7

PrevNext

Foreign investors have pumped dozens of billions of U.S. dollars to expand or start production in Vietnam in anticipation of business opportunities the Trans-Pacific Partnership will bring as the trade pact is due for completion in the near future.

In 2014 nearly 600 foreign direct investment (FDI) projects increased their registered capital by a total amount of $4.58 billion, whereas 1,588 new projects, with a total registered capital of $15.64 billion, were licensed, according to the Foreign Investment Agency.

The total FDI disbursement last year topped $12.35 billion, 2.9 percent higher than the country's target, data from the agency under the Ministry of Planning and Investment show.

For Nobland Vietnam Co. Ltd., an apparel company based in Ho Chi Minh City, the investment increase is intended not only to receive more orders, but to grab the chance when Vietnam joins the TPP, according to its executive.

The company is increasing its investment to $61 million from $43 million, general director Kim Chung Kuk told *Tuoi Tre* (Youth) newspaper.

Under the plan, 24 new production lines are being installed, which will help increase the company's capacity to 72 million of products a year from the current 64.2 million, Kim added.

Nobland Vietnam will also recruit 2,000 new employees to expand its workforce to 10,000, according to the general director.

Meanwhile, in the southern province of Binh Duong, Nam Phuong Textile Co. Ltd., a joint venture between Hong Kong's Haputex Development Limited and Vietnamese Viet Huong JSC, is building a new plant to embrace the TPP.

The company began construction on the $120 million fabric making facility only 20 days after receiving an investment license in November 2014.

The company director, Marcus Ip, is confident its products will be more advantageous and competitive when entering TPP-member countries.
Nam Phuong Textile is expected to export 90 percent of its products to the U.S., and the remainder to Japan during its first phase of operation, which will begin late this year, Ip said.
Also in Binh Duong, Japan’s Tomoku Group has inaugurated a $47.6 million plant at the My Phuoc 3 Industrial Park, only a year after its project was licensed.
The facility is ready to begin production by the end of this month, said general director Takashi Nara.
Tomoku has partners around the globe but the Binh Duong plant is its first-ever overseas facility, Nara added.
The Vietnam investment is the first step in the company’s plan to expand into the ASEAN market, according to the executive.
The TPP is a proposed regional free-trade agreement aimed at eliminating tariffs and reducing non-tariff barriers that is being negotiated by 12 countries throughout the Asia-Pacific region.
The countries include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam, which collectively contribute almost half of global output and over 40 percent of world trade, according to the Office of the United States Trade Representative.
One of the challenges facing the Vietnamese textile and garment businesses is the “yarn forward rule of origin,” which means that all items in a garment from the yarn stage onward must be made in one of the countries that is party to the TPP agreement, according to the American Chamber of Commerce in Vietnam.
“In simple terms, the ‘yarn forward’ rule means that the benefits of the agreement accrue to regional producers rather than outside players such as China,” the business association said on its website.

Textile-habillement : objectif de 3 milliards d'USD d'exportations en R. de Corée

25/01/2015 | 17:37:52

Le Vietnam ambitionne d'exporter cette année 3 milliards de dollars de produits de textile et d'habillement en République de Corée, le quatrième débouché pour ces produits.

Cet objectif a été fixé en regard de l'impressionnant chiffre d'affaires à l'export réalisé en 2014 avec ce pays, 2,4 milliards de dollars pour une croissance de 27% en variation annuelle. La République de Corée représente 16,4% des exportations nationales de ces produits.

Selon Tran Viet du Groupe du textile et de l'habillement du Vietnam, la République de Corée continue cette année d'être un grand débouché pour ces produits, avec les Etats-Unis, l'Union européenne et le Japon.

Le Tien Truong, vice-président de l'Association du textile et de l'habillement du Vietnam (Vitas), a estimé que ce secteur devra s'adapter rapidement afin de bien répondre aux évolutions du marché.

Selon le Département général des Douanes, le nombre d'entreprises vietnamiennes entretenant des relations commerciales avec la République de Corée a rapidement augmenté, passant de 10.900 en 2013 à 13.100 en 2014.

Le seul secteur du textile et de l'habillement compte plus de 500 entreprises à participation sud-coréenne comme la sarl Unico Global Vietnam, la sarl PS Vina et la sarl Eland Vietnam... –VNA

BUSINESS IN BRIEF Last update 06:00 | 26/01/2015

Vinatex prepares material sources for subsidiaries
Vietnam National Textile and Garment Group (Vinatex) has invested in many projects to produce materials for its apparel subsidiaries in preparation for capitalizing on the opportunities that will come when the Trans-Pacific Partnership (TPP) agreement is signed.
Vinatex general director Le Tien Truong told a media briefing over the weekend that the group is spending heavily on fiber and dyeing projects that will supply its subsidiaries.
The investments, funded by Vinatex and its partners, will enable the group to meet strict requirements for origins of products thanks to the localization of the whole production process from fiber to finished products.
“Fabrics produced by Vinatex will not be for sale on the market but for its affiliates. Therefore, we do not have any plan to sell it on the market,” Truong said.
Since last year, Vinatex has invested in 51 projects worth a combined VND8 trillion (US$375.7 million), including 14 fiber projects, 15 weaving projects, 15 garment projects and seven related projects for infrastructure development and staff training.
These projects will help improve the group’s fabric output to 300 million meters from the current 200 million meters, meeting 50-60% of the demand of the group’s subsidiaries for input material when they are commissioned.
Truong said the projects will not be completed until 2016. Viet Tien Garment Company alone will need some 100 million meters of cloth a year.
Vinatex’s export revenue stood at US$3.26 billion last year, rising 12% against 2013 while its import turnover rose 5% to VND1.28 billion.
Last year, exports of the local apparel industry exceeded US$24.4 billion, a year-on-year increase of 15.9%. The sector spent US$15.8 billion importing materials, up 16% over the previous year.
The materials included 743,000 tons of cotton worth US$1.4 billion, surging 28% year-on-year, 745,000 tons of fiber with US$1.6 million, rising 7% in volume and 3% in value respectively, US$9.5 billion worth of fabrics, up 14%, and other materials costing US$4.7 billion, soaring 25%.

Vinatex to make more materials to reduce use of imports
The Vietnam National Textile and Garment Group (Vinatex) will invest most of its capital in material production projects in a move to reduce dependence on imports.
Vinatex General Director Le Tien Truong has said that Vinatex is investing in 51 projects, 29 of which are of yarn and knitting production.
This year, Vinatex is set to produce more than 100 million metres of clothing, which is expected to increase to 300 million metres in 2016, when a number of new yarn and knitting production projects will become operational.
Earlier, Vinatex had to import roughly 37 percent of its materials required for production.
Truong said after equitisation, Vinatex will operate as a joint-stock company from February 1, and the firm will offer shares in 2017.
Vietnam's textile and garment industry witnessed good growth in exports last year, reaching 24.5 billion USD, up nearly 16 percent compared to 2013.
The textile and garment sector is expected to benefit from several free-trade agreements (FTAs) that are likely to take effect, and it aims to export goods worth 28 billion USD to 28.5 billion USD in 2015.
Owing to the advantages accruing from the FTAs, the textile industry could double production in 10 years.
However, textile enterprises need to be well-prepared to seize the opportunity, especially to increase the domestic material production.
In addition to the 12-nation Trans-Pacific Partnership (TPP) agreement, which includes the United States and Japan, Vietnam has either signed or in the final stages of negotiations for the FTA with the European Union, the Republic of Korea and the Customs Union of Belarus, Kazakhstan and Russia.

ECOTEXTILE NEWS

Published on Tuesday, 27 January 2015

Vietnam economist urges restrictions on textile projects

Written by Brett Mathews

HO CHI MINH - New figures suggest foreign-owned businesses are continuing to ramp up their investment in Vietnam's garment manufacturing sector in anticipation of the potential Trans-Pacific Partnership (TPP) – yet one of the country's leading economists has urged the Vietnam's authorities to consider restricting the number of textile and garment projects due to environmental concerns.

Latest figures from the Vietnamese Ministry of Planning and Investment's Foreign Investment Agency ranked South Korea as the largest inward investor into Vietnam for 2014 with investments totalling US$7.32 billion, ahead of Hong Kong's (US$3bn), Singapore (US$2.79bn) Japan (US$2.05bn). Total foreign direct investment in Vietnam reached US$20.23bn 2014, spread across 54 cities and provinces.

Les Etats-Unis, 1er importateur de textile-habillement du Vietnam

27/01/2015 | 16:18:49

L'an dernier, le secteur du textile – habillement du Vietnam a dégagé près de 21 milliards de dollars d'exportation, +16,73% en un an.

Les Etats – Unis demeurent en tête des débouchés avec 9,82 milliards de dollars, +14% en un an. La même année, les parts de marché de ces produits vietnamiens sur le marché américain ont atteint 9,31% contre 8,28% en 2013.

L'UE se classe au 2e rang avec 3,4 milliards de dollars (+17%), suivie du Japon (2,62 milliards, +10%), de la République de Corée (2,09 milliards, +27,5%). Une nette hausse en valeur a été notée sur la plupart des autres marchés.

2015 est considérée comme une bonne année pour ce secteur national dans le contexte où l'économie mondiale retrouve peu à peu des couleurs et où plusieurs accords commerciaux entre le Vietnam et d'autres partenaires seront signés. Sur cette base, ce secteur national vise un chiffre d'affaires à l'exportation de 28,36 milliards de dollars, dont 11 milliards de dollars aux Etats – Unis, 4 milliards dans l'UE, 2,9 milliards au Japon et 3 milliards en République de Corée. -CPV/VNA

Vietnam may import more Indian textile raw materials

January 16, 2015 (India)

The Vietnamese envoy to India, Ton Sinh Thanh thanked the Indian government for extending a US $300 million line of credit for strengthening of commercial ties between the two countries.

Addressing media on the sidelines of a meeting with members of the Exim Club Association in Vadodara, he hoped that it will enable Vietnam to import more of fabrics and yarns from India.

Vietnam is currently importing about half of its textile raw material requirements of yarn and fabrics from China.

“The Indian government’s offer to extend the line of credit may help India grab a larger share of textile raw material imports,” the ambassador said, who was in Gujarat to attend the Vibrant Gujarat Summit.

"Alongside cotton imports, Vietnam also seeks investment of India in the textile, chemical dyes and other related sectors," he said.

He explained that Vietnam allows 100 per cent investment in many sectors including joint ventures with Vietnamese companies.

The envoy also expects that bilateral trade between India and Vietnam is likely to touch $20 billion by 2020. (AR)

Apparel Imports from Vietnam on Track for a Record Year

Posted on January 16, 2015 by Judith Russell

Apparel imports from Vietnam enjoyed the most rapid growth of any of the top U.S. trading partners in November, according to data released last week by the U.S. Department of Commerce's Office of Textiles and Apparel (OTEXA). So far this year, the country has gained the greatest share of U.S. apparel imports, mostly at the expense of China, which may see its share of U.S. apparel imports fall to under 36 percent for the first time in five years.

Apparel imports have not grown much this year. The value of total apparel imports for the first 11 months of 2014 increased by only 2.5% compared to the same period in 2013, to just over $75.8 billion. Total unit volume, measured on a square meter equivalent (SME) basis, increased by 3.1%, driving down the average cost per SME by 0.6%.

The shift away from China has been quite pronounced this year. Rapidly rising wage rates there have spurred many U.S. apparel brands to seek lower cost countries of origin. Vietnam has aggressively expanded its apparel and textile capabilities to attract more customers in the U.S. and Europe. Through November, U.S. apparel imports from Vietnam totaled a record $8.5 billion, up 14.6% over the first 11 months of 2013. In November, imports from Vietnam totaled $658 million. Vietnam is exporting more expensive garments to the U.S. than in the past, with its cost per SME up by 1.1% so far this year. Key categories for Vietnam are women's cotton knit tops, women's and men's cotton pants, women's manmade fiber knit tops and dresses, and cotton underwear.

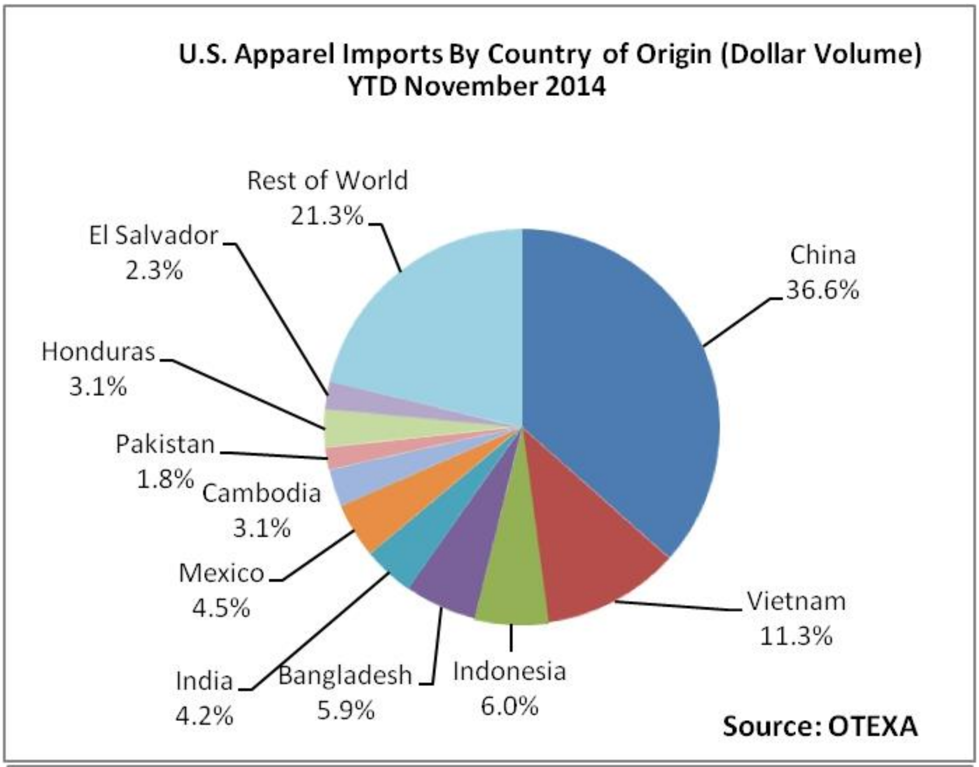
China has suffered the biggest share loss so far in 2014, dropping from 37.4% to 36.6% of total U.S. apparel imports. Imports from China fell 4.5% in November to $2.1 billion. November units from China (on an SME basis) were flat, however.

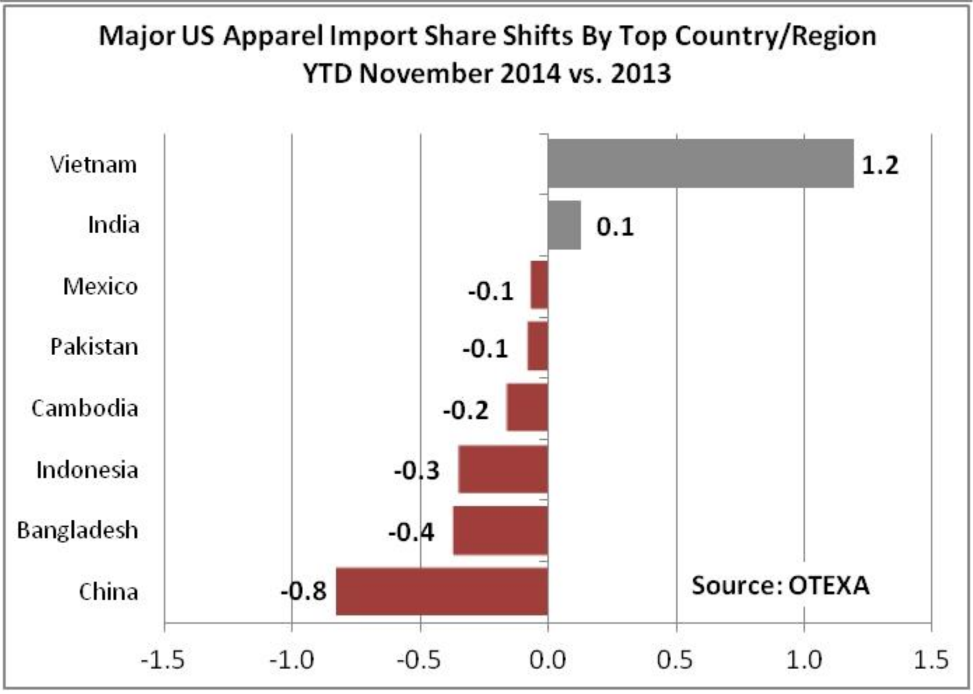
Key product categories from China include women's cotton knit tops, women's and men's cotton pants, women's manmade fiber knit tops and dresses, manmade fiber hosiery and manmade fiber bras.

Indonesia edged ahead of Bangladesh as the third largest source of apparel to the U.S. on both a dollar and unit basis. Both countries have lost share so far this year, however.

India has gained a small amount of U.S. apparel import share this year so far and through November represented 4.2% of total U.S. apparel imports. Key categories include men's and women's cotton and manmade fiber knit and woven tops.

Mexico, at one time a major source of imported apparel for the U.S., has declined to 4.5% of total dollar imports of apparel. A decade ago it was the second largest source, after China, with an almost 9 percent share.





Apparel Imports: YTD November 2014					
MM Dollars and Units					
APPAREL	**Dollars**	**SME**	**% Chg**	**% Chg**	**% Chg**
	Millions	**Millions**	**Dollars**	**SME**	**$/SME**
World	**75,857**	**23,730**	**2.5**	**3.1**	**-0.6**
China	27,760	10,007	0.2	4.2	-3.8
Vietnam	8,591	2,537	14.6	13.3	1.1
Indonesia	4,517	1,160	-3.2	-1.9	-1.3
Bangladesh	4,489	1,488	-3.5	-6.5	3.2
India	3,166	891	5.7	7.9	-2.0
Mexico	3,446	849	1.0	0.5	0.6
Cambodia	2,318	951	-2.6	-4.0	1.5
Pakistan	1,356	541	-1.8	-0.7	-1.1
Honduras	2,355	993	3.2	0.9	2.2
El Salvador	1,738	723	2.4	-0.7	3.1
rest of world	16,121	3,590	5.0	3.3	1.6

SOURCING JOURNAL

Vietnam: Vinatex to Invest $71 Million in Fiber-Weaving-Dying Complex

Posted on January 15, 2015 by Shara Beitch

The Vietnam textile group, Vinatex, is set to build a fiber-weaving-dying and garment complex in Vietnam's Que Son District this year, at a cost of 1.5 trillion Vietnamese dong ($71 million).

Tran Van Pho, deputy general director of Vinatex, said the new complex was part of the Memorandum of Understanding (MoU) that Vinatex and the province signed two years ago, according to the Vietnam Investment Review (VIR).

Pho explained, "The complex is an intensive investment project in the central region, in preparation for the Trans-Pacific Partnership Agreement (TPP). It is built to provide material for boosting the textile and garment industry in Quang Nam, Da Nang and other neighboring coastal central provinces," VIR reported.

The complex is expected to bring in 1.7 trillion dong ($81 million) in revenue per year during the first phase of construction. This would contribute to the provincial budgets as well as add jobs. It was designed to produce 4,600 tons of spindles and a production line of textile, knitwear and dye manufacturing of 5,000 tons of products. Pho explained that the garment plant in the complex would produce 25 million products. A waste water treatment plant will also be built with a 5,000 cubic meter capacity per day and night.

Dinh Van Thu, vice chairman of the provincial people's committee, said 91 textile and garment companies in the province produced 2.9 trillion dong ($138 million) last year; 6.6% of the province's total industrial production value. VIR also added that the industry produces 55 million meters of cloth, creating jobs for a near 3,000 people.

Vinatex will also begin construction of a fiber production plant in Thang Binh District and a garment plant in Nui Thanh District. Additionally, it plans to develop a cotton farm in Dai Loc District within the next several years.

'Zombies' haunt Vietnam's trade bonanza bid

BY LIEN HOANG AND MAI NGUYEN

HO CHI MINH CITY/HANOI Wed Jan 28, 2015 12:53am EST

(Reuters) - Nguyen Nam owns an engineering services firm in Ho Chi Minh City that pays no taxes nor any salaries. The flip side is it earns no revenue either.

Nam calls it a "zombie", a familiar term in communist Vietnam, where the government's priority of luring foreign multinationals and resuscitating its own inefficient firms has left small and medium-sized enterprises (SMEs) in dire straits.

Small enterprises are a vital link in Vietnam's aspirations to become a global manufacturing dynamo as the country gears up to sign a slew of international trade deals, but many of these firms are uncompetitive, poorly managed and sunken by debt.

A record 67,800 companies were shut last year - 60,737 in 2013 and 54,277 in 2012 - in an astonishing run of closures.

"It's really a waste," said Nam, 34, who laid off staff as margins shrank. "It hurt, because it's like...your own child and if you find it dying, you'll feel very sad about that. That's exactly what I felt."

SMEs make up nine-tenths of local companies, but firms such as Nam's, survive only in name, accounting for millions of dollars in unpaid loans and taxes.

It's a headache for the state, which injected stimulus of $9 billion to rescue firms in 2009, with limited success. Prime Minister Nguyen Tan Dung has said Vietnam's half-million companies are too few and too weak to compete, even at home.

GLOBAL CHALLENGE LOOMS

Vietnam is climbing out of a half-decade slowdown but manufacturing and exports of the $184 billion economy are largely driven by multinationals and state-owned energy and textile firms.

Supportive industries are woefully weak and few firms have the capital or expertise to join a supply chain for resident giants such as Samsung Electronics Co Ltd (005930.KS), LG Electronics Inc (066570.KS) Microsoft Corp (MSFT.O) and Intel Corp (INTC.O).

Such weaknesses could expose Vietnam as it braces for an influx of investment once a Trans-Pacific Partnership (TPP) is agreed that will slash tariffs among 12 countries worth 40 percent of global GDP, including Japan and the United States.

A European Union trade deal and an integrated Southeast Asian market coming soon are also putting Vietnam on the radar of investors drawn by tariff perks, infrastructure improvements, cheap labour, tax breaks and political stability.

However, the government has a lot more to do to win over foreign firms, which have invested an average $11.3 billion a year since 2010.

Most still import raw materials and can't find good local suppliers, such as Samsung, which has $11.2 billion of pledged investment in Vietnam but uses its firms only for packaging.

"SMEs' limited knowledge of the market become even more limited amid deeper integration," said former central bank governor Cao Si Kiem, now chairman of Vietnam'sSME association.

That strain is showing in the $138 billion retail market, where weak spending has hurt local shops, compounded by expansion of operators keen to exploit the fast-swelling middleclass, among them Aeon Co Ltd (8267.T), Robinson Department Store (ROBINS.BK) and Lotte Shopping Co Ltd (023530.KS).

BRIBES FOR BORROWING

Shunned by banks, saddled themselves with bad debt ratios that are among Asia's highest from careless lending, many SMEs are stuck in a credit trap.

What irks business owners is that SOEs, notorious for graft and wastefulness, account for half of Vietnam's credit and many non-performing loans but still get preferential treatment.

Nguyen Son has a publishing firm in Ho Chi Minh City that has published nothing since 2011. He says he paid a bribe to get a loan - with interest at more than 20 percent.

"For ordinary people like me, it's very difficult, but for big businessmen with support from authorities, from politicians, it's easy," he said.

To be sure, a government paper last month outlined plans to improve domestic competitiveness, "with a socialist orientation". It said bad loans would be settled, local goods promoted, procedures simplified and SMEs given better credit access. However, it did not say how the aims would be achieved.

There are scattered signs of hope though. Vietnam's textile factories are punching above their weight and could eclipse China in TPP markets. Last year, it shipped $31 billion of garments and footwear, including a tenth of the world's shoes.

And as firms close in their droves, new ones are also setting up - 74,842 last year and 76,955 in 2013.

Key to their survival, according to former government adviser Le Dang Doanh, is a shift in the state's priorities to building a domestic business bedrock.

"We're excessively chasing after foreign firms...we can't industrialize on the basis of foreign firms. We cannot say our brand is Samsung," Doanh said.

"Vietnamese firms will have to reform and change direction very strongly."

(Writing by Martin Petty; Editing by Jacqueline Wong)