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UNHCR goodwill ambassador Angelina Jolie and Myanmar opposition leader Aung San Suu Kyi arrive at a Yangon slum. Nyein Chan Naing/EPA

## Angelina Jolie and Aung San Suu Kyi visit Myanmar garment workers

August 1, 2015 Updated: August 1, 2015 11:10 PM

YANGONG // Hollywood actress Angelina Jolie met women garment workers in Myanmar on Saturday with opposition leader Aung San Suu Kyi to learn more about their working conditions, as part of her first visit to the country.

The Oscar-winning star, who is also a special envoy for the United Nations' refugee agency, arrived in Myanmar on Wednesday, meeting president Thein Sein in the capital Naypyidaw and survivors of sexual violence in the war-torn northern state of Kachin.

On Saturday she met Ms Suu Kyi at her residence in Yangon after which the pair visited women from Myanmar's largely female textile industry workforce at their living quarters in Hlaing Tha Yar, a town on the western outskirts of the city.

Dozens of people gathered to catch a glimpse of the Hollywood star and Myanmar democracy icon together as they arrived at the workers' hostel, each welcomed with a bouquet of flowers.

Ms Jolie and Ms Suu Kyi spoke to workers about their living and working conditions as well as their aspirations for further education, according to a statement on Facebook posted by the opposition National League for Democracy party.

The garment industry has been in the spotlight across Asia in recent years because of concerns over labour rights and safety.

Myanmar textile workers have protested for better pay and conditions after decades of junta rule ended in 2011, with a wave of political and economic reforms opening up new industries in the former pariah state.

The star's visit to the country followed an invitation from Ms Suu Kyi, according to the British Embassy, which is working with Ms Jolie as part of the Preventing Sexual Violence Initiative that promotes prosecutions of sexual violence perpetrators.

On Friday the actress urged Myanmar to ensure that those who commit sexual violence are brought to justice after "moving and humbling" meetings with victims in Kachin.

Ms Jolie arrived in Myanmar after a brief visit to Cambodia where she plans to direct a film for Netflix about Cambodia's Khmer Rouge regime as seen through the eyes of a war-scarred child.

She was accompanied for that portion of the trip by her 14-year-old son Maddox, who was adopted from Cambodia.

Myanmar is still beset by the legacy of dozens of long-raging civil wars in its border areas and the government is trying to broker a nationwide ceasefire with rebels before general elections in November.

In Kachin some 100,000 people have been displaced since civil war erupted in 2011.

\* Agence France-Presse

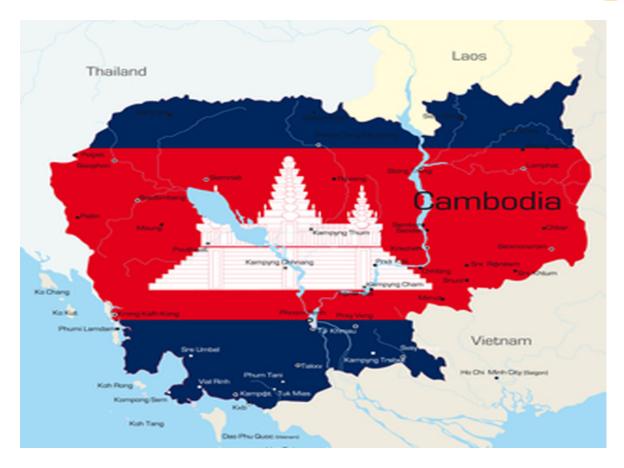




Published on Tuesday, 28 July 2015

# Steep rise in garment factories in Cambodia

Written by Brett Mathews



PHNOM PENH – The number of garment and footwear factories in Cambodia increased from 528 in late 2013 to 640 in March 2015 – a 21 per cent rise – while exports are up by more than 10 per cent in the past 16 months. These are two findings of a recent International Labour Organisation (ILO) report, which claims the burgeoning state of the industry has confounded those who suggested that increased minimum wages for workers would lead to a decline of the sector and the exit of inward investors. The buoyant state of the textile industry in Cambodia also offers a pointer for Myanmar where Korean investors are threatening to leave if new minimum wage legislation is implemented.



# Beyond Denim at Intertextile to cover entire supply chain

July 28, 2015 (China)



The organisers of Intertextile Shanghai, Messe Frankfurt have expanded Beyond Denim zone to cover entire denim supply chain and will house denim yarns, fabrics, garments, accessories and machinery.

Intertextile Shanghai is the industry's largest apparel fabrics and accessories event, and takes place at the brand-new National Exhibition and Convention Center (Shanghai) from October 13–15, 2015.

According to Messe Frankfurt (HK) Ltd's senior general manager, Wendy Wen, this re-designed and significantly larger area will be a major drawcard for buyers.

"We believe with the changes we have made to the Beyond Denim concept, will elevate this area to the same reputation in the industry as others concepts have," she added.

"In addition, exhibitors from across the supply chain will be able to conduct business amongst themselves, further increasing the fair's effectiveness for participants," Wen noted.

Beyond Denim expands in size this year by over 70 per cent as a wider range of exhibitors participate and includes a large number of ready-to-wear denim suppliers from CHIC, the concurrent fashion garment fair.

Doneger Creative Services has also created a Denim Forum which will showcase different denim products, trends and technology, and features five **trend** themes like Dwell, Western, Cyber, Artisan and Wanderer.

SEI S.p.A from Italy will show its unique 'Flexi Denim' laser system which includes technology that allows for production speeds of up to three times faster than other machines with the same laser capacity.

Lucky Textiles Group from Hong Kong will feature products with features such as nanotech, iron-free including high & low temperatures, water & oil repellence, anti-pollution protection and more.

Another Hong Kong company, H.W. Textiles will feature their Kuga, Rogi, Flexi, Vintage and Boy Friend Denim collections at the fair.

Many of China's leading fabric and garment suppliers will also feature at the fair, including Advance Denim, Benjie**Textile**, Black Peony Group, Foshan Huafeng Textile, Foshan Lisheng Textile, etc.

Other Chinese exhibitors include Foshan Seazon Textile and Garment, Freedom Denim, Panther Textiles Holding, Prosperity Textiles, Shan Dong Dai Yin Textile Group and Zibo Lanyan Group. (AR)



# Chine : le yuan au plus bas depuis 4 ans après une nouvelle dévaluation

**CLAUDE FOUQUET / JOURNALISTE I LE 12/08** 



Pékin a abaissé pour le deuxième jour consécutif le taux de référence du yuan face au dollar, accentuant ainsi la dévaluation de 2 % décidée la veille. Au plus bas depuis août 2011, le yuan entraîne dans sa chute les autres devises de la région.

<u>Au lendemain de sa dévaluation de près de 2 %</u>, le yuan a de nouveau chuté et atteint ce mercredi, son plus bas niveau depuis près de quatre ans. Et a perdu en deux jours près de 3,5 % de sa valeur sur le marché chinois et près de 5 % sur les marchés mondiaux. Une baisse liée au fait que la banque centrale chinoise a, pour le deuxième jour consécutif, abaissé le taux-pivot autour duquel le yuan est autorisé à fluctuer, au sein d'une fourchette quotidienne de 2% de part et d'autre : il est désormais fixé à 6,3306 yuans pour un dollar, contre 6,2298 yuans mardi.

Face à cette situation qui a fait chuter le yuan à 6,43 dollars, son plus bas niveau depuis août 2011, la Banque centrale chinoise a fait son possible pour rassurer. « Eu égard à la situation

économique internationale et intérieure, rien ne justifie actuellement une dépréciation soutenue du yuan », a déclaré la Banque populaire de Chine dans un communiqué. Mais les opérateurs restent dubitatifs et craignent que la décision de Pékin ne soit le signe avant-coureur d'une nouvelle guerre des devises. De fait, la monnaie chinoise a entraîné dans son sillage d'autres devises.

#### Roupie et ringgit très affectés

La roupie indonésienne et le ringgit malaisien ont touché des plus bas depuis près de deux ans tandis que les dollars australien et néo-zélandais des plus bas de six ans. La banque centrale d'Indonésie a imputé cette baisse de la roupie à la dévaluation du yuan et annoncé qu'elle interviendrait sur les marchés des devises et des obligations pour prévenir toute volatilité.

#### Une décision saluée par Séoul et le FMI

La Corée du sud semble être le seul pays de la région à se satisfaire en partie de cette décision de Pékin. Le ministre sud-coréen des Finances Choi Kyung-hwan s'est en effet félicité d'une décision positive pour les exportations coréennes vers la Chine, dont les produits ne sont pas en concurrence avec les biens chinois.

De même, le FMI a salué cette décision de la Banque centrale chinoise en la qualifiant « d'étape bienvenue ».

29th July 2015, Czech Republic

# Japan's Toray expands textile output in Czech Republic, eyes investments

0 comment

#### By Jaroslaw Adamowski

Japan's Toray Industries group is strengthening its position in Central-Eastern Europe's textile market with the record sales of its Czech subsidiary, Toray Textiles Central Europe (TTCE). In 2014, TTCE boosted its sales by 72% to some CZK 1.37 billion (€51 million), which resulted from a higher demand for its products, and the relatively weak Czech krona. In line with its increased sales for last year, the Japanese firm expanded its net profit to about CZK 158 million (€5.8 million), a robust improvement compared with CZK 27 million (€1 million) posted a year earlier.



Toray Industries operates a production facility in Prostejov, in the Czech Republic's south-eastern part. Due to the plant's increasing sales, the group has established itself as the largest foreign investor in the country's Olomouc region, reported local daily Hospodarske Noviny. The Japanese producer is eyeing to further expand its output capacity this year, and plans to create 30 new jobs at the Czech plant.

Toray Industries says its products are 100% polyester filament fabrics, plain taffeta, textured taffeta and pongee. TTCE was the first Czech-based firm to start making textiles for automotive air bags, and its portfolio also includes lining cloth, sportswear, furnishing materials, outer wear, and base fabric for industrial use.

"The year 2014 was the most successful one in the company's history. Despite the increasingly competitive environment in all segments [of the textile market], our company managed to almost double its revenues," said Shozo Sugaya, the chief executive of TTCE.

Sugaya said that the improved financial results of the firm were enabled by various factors, including the increased share of higher added value products in its sales.

In 2014, TTCE increased its sales of polyester lining fabric by 27%, and sales of fabrics used in the manufacturing of airbags were up 22% compared with a year earlier.

"This was mainly due to the increased sales to automotive parts maker Autolive, the largest supplier of airbag components in the world," according to the firm's chief executive.



Toray Industries says it is a leading manufacturer of synthetic fibres and textiles with 199 offshoots and affiliated companies in 17 countries worldwide. The Japanese group's diversified businesses include fibres and textiles, plastics and chemicals, as well as other sectors, including carbon fibre. In Europe the group's subsidiaries, which are active in the fibres and textiles sectors include the Czech offshoot, as well as subsidiaries in the UK and Italy, according to data released by Toray Industries.

Construction works on the Czech production facility were launched in 1998, and production at the factory was commenced in July 1999. In the first phase of the plant's development, the Japanese group invested some US\$48 million (€44 million) at Prostejov.

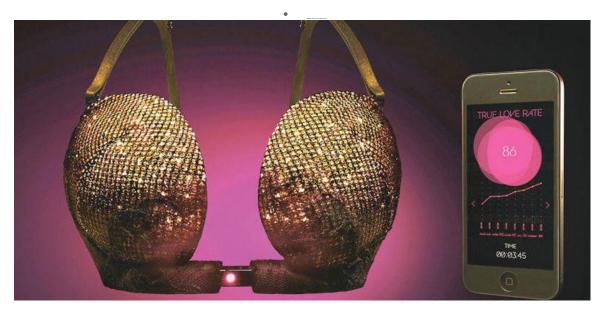
According to Toray Industries, a significant share of the production facility's output is intended for export sales to a wide range of foreign markets. Among the EU member states, these include neighbouring Germany, Poland, Austria, Slovakia and Hungary, as well as the UE, France, Spain, Italy and others. Outside of the EU, the Prostejov-based plant exports its products to the US and Canada.

Located in the country's Olomouc region, about 203 km from the Czech Republic's capital Prague, Prostejov has served as the centre of the Czech textile industry. In addition to this, the Czech city is also home to AMF Reece CR, the country's leading manufacturer of specialty industrial sewing machines mechanical and electronic eyelet buttonhole machines, chainstitch machines, decorative handstitching machines, button stitching and wrapping machines, autojig machines and trouser sewing units.



Publié le 28/07/2015

# Quels sont les vêtements connectés de demain ?



VIDÉO - Gadgets ou enjeu du futur? Les objets connectés n'en finissent plus de se faire attendre. Pour patienter, voici une sélection de pièces d'habillement, du plus rocambolesque au plus prometteur.

Les objets connectés ont mauvaise presse. Les Français les juges majoritairement «absurdes», ou «anecdotiques», selon une étude **du baromètre Orange/ Terrafemina**. Critiques, devant ces couches qui twittent les parents lorsqu'elles doivent être changées, devant le prix de l'Iwatch, ou encore par crainte d'une utilisation commerciale de toutes les données récoltées, cette peur des objets 2.0 prend parfois des relents de technophobie. Voici une sélection insolite de vêtements connectés, du plus farfelu au plus prometteur:

- Le «True Love Tester» est un projet de la marque de lingerie fine japonaise Ravijour. Le concept veut que le soutien-gorge, verrouillé par une barre de métal, ne s'ouvre que grâce à l'amour, le vrai. Ou du moins grâce à ses effets psychosomatiques. Les deux bonnets, dotés de capteurs, mesurent le rythme cardiaque de la détentrice. Capable de différencier les battements de cœur produit par un jogging de ceux de l'excitation, le soutien-gorge «intelligent» est relié à une application pour smartphone. Les cendrillons modernes ont trouvé leur nouveau soulier.
- . Le TieFi, la cravate wi-fi des papas. À mal moderne, solution moderne. Cette cravate a pour but de recréer du lien familial.. en limitant le wi-fi à l'entourage immédiat du père. Au-delà de 4 mètres, le wi-fi se coupe, et les enfants ne peuvent plus utiliser Internet. Pour lutter contre l'éclatement de la cellule familiale, où chaque enfant reste dans sa chambre, la TieFi s'impose comme la solution du futur.

- Le foulard anti-pollution: Ce foulard protège de la pollution (ou même du pollen), mais a également l'avantage de transmettre les données sur la qualité de l'air enregistrées au moyen d'un capteur amovible. Tous les utilisateurs peuvent donc profiter des informations récoltées, et reçoivent une alerte sur smartphone lorsqu'ils entrent dans une zone trop polluée. La start-up Wair a reçu le prix du défi Cisco pour cette innovation française qui devrait plaire aux Japonais, très soucieux de l'air qu'ils respirent.
- La chaussure qui produit de l'électricité. L'idée est de se servir de la pression des pieds sur la semelle pour générer de l'électricité. Plusieurs équipes travaillent à la réalisation de ce concept, mais c'est Angelo Casimiro qui retient l'attention. Ce jeune prodige de 15 ans, déjà multi-récipiendaire de prix technologiques, d'invention et de robotique, a inventé un modèle qui fonctionne. Il était la sensation du Google Science Fair en 2014, et ses chaussures sont déjà capable de recharger son Iphone en dix petites minutes:



• Le Project Jacquard: le textile conductif. Il s'agit d'un projet de Google ATAP (Advanced Technology and Project) et Bart Sights, le directeur de l'innovation pour Levi Strauss: transformer des objets du quotidien en système d'interaction! En clair, toute pièce d'habillement textile peut devenir le support par lequel vous commandez téléphones et autres tablettes. Par un glissement de doigt, votre téléphone peut appeler un contact prédéfini. Avec l'essor de la domotique, ce même glissement de doigt pourrait changer la climatisation, baisser les stores... le champ d'application n'a de limites que celles fixées par la technologie.



Thursday, 30 July 2015 12:02

## Secteur textile : La compétition tue les PME



a trop de foires internationales, dit Maxime Koon, de l'association de producteurs textiles.

Les problèmes sont nombreux, mais les opportunités beaucoup moins. C'est ce qu'affirme Maxime Koon, président de l'Association of Textile and Apparel Manufacturers, soulignant les obstacles que rencontre le secteur.

Maxime Koon, président de l'Association of Textile and Apparel Manufacturers (ATAM), est d'avis que le gouvernement doit impérativement contrôler le nombre de vêtements importés sur le marché, qui nuisent grandement aux Petites et moyennes entreprises (PME). « C'est inacceptable de voir régulièrement des foires internationales à Maurice, où les entreprises étrangères viennent exposer leurs produits textiles. Ce genre de compétition tue les manufacturiers mauriciens, prend une part du marché, mais agit comme obstacle à l'émancipation des PME », souligne-t-il.

Ajay Beedassee, membre exécutif de l'ATAM, fait ressortir pour sa part que malgré le fait que les PME sont de gros générateurs d'emplois à Maurice, l'Etat ne juge pas prioritaire de les protéger. « Plusieurs mesures ont été annoncées dans le budget par le ministre des Finances mais elles n'ont toujours pas été mises à exécution. Or, les PME se retrouvent au bord du précipice, surtout avec la montée des coûts de production, comme la main-d'œuvre, les matières premières », déplore notre intervenant. Quant à Maxime Koon, il affirme que le manque de financement pour les PME reste un problème majeur qui est souvent sujet de discussions lors des réunions de l'ATAM.

« Plusieurs banques offrent des prêts intéressants adaptés aux besoins des PME, mais lorsque nous nous y

présentons, nous ne sommes pas des candidats admissibles par manque de garantie. Nous attendons la mise sur pied de la SME Bank avec impatience, mais il faut que l'organisme fonctionne comme il se doit », lance Maxime Koon. Le président de l'ATAM fait référence au cas de la Development Bank of Mauritius, mais explique qu'il prépare déjà les recommandations que son association soumettra bientôt au ministère des Finances. Ajay Beedassee indique d'autre part que l'exemption de la taxe doit s'étendre à toutes les PME, nouvelles ou existantes. Cela leur donnera alors un nouveau souffle.

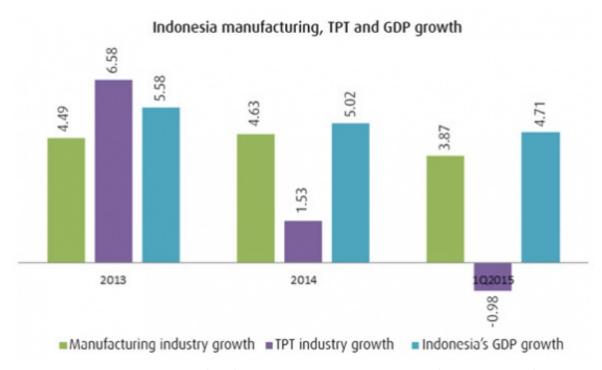
Un manque de main-d'œuvre cruel est aussi déploré par notre interlocuteur, qui affirme que les commandes sont bien présentes, mais pas la quantité de travailleurs. Cependant, Maurice a toujours l'image d'un fournisseur de produits textiles fiables et de qualité, ce qui est une opportunité à exploiter, selon Ajay Beedassee. Maxime Koon met, quant à lui, les points sur les i sur l'émancipation des PME du secteur textile à Maurice. « Il faut tout simplement limiter les produits importés, faciliter le financement des PME et améliorer leur visibilité à l'échelle nationale et internationale à travers des séances de marketing», conclut-il.





# Analysis: Indonesian textile industry faces formidable challenges

Araminta Setyawati, Mandiri, Jakarta | Business | Wed, July 29 2015, 4:04 PM



The textiles and textile products (TPT) industry in Indonesia is currently facing pressure from both inside and outside the country.

In the domestic market, slowing economic growth, which is expected to continue throughout the year, has led to a decline in the people's purchasing power causing lower demand for textile products.

The declining demand in the local market, accompanied by increased production costs and more intense competition, has caused manufacturers to reduce their production capacities. Meanwhile, the export market is weak nowadays due to low economic growth also being experienced in Indonesia's export destinations.

As a result, the performance of the TPT industry over the first quarter of 2015 was relatively poor,

suffering a contraction with negative growth of 0.98 percent year-on-year, making it a worse performer than the manufacturing industry, which saw growth of 3.87 percent, and Indonesia's Gross Domestic Product (GDP), which saw growth of 4.71 percent.

The decline in TPT exports was already seen in the first quarter of 2015 and is predicted to stagnate for the remainder of year. In the first quarter of 2015, TPT exports were worth just US\$2.3 billion, lower year-on-year by \$2.5 billion. According to the chairman of the Indonesian Textile Association (API), Ade Sudrajat, the TPT export target this year has been set at the same figure that was realized last year, \$12.6 billion. TPT exports as of the first quarter of 2015 had only reached 18.3 percent of this target.

The value of total sales in Indonesia's TPT industry has averaged around \$20 billion over the last three years. Exports account for roughly 63 percent of this figure. Given the large share being contributed by exports, the performance of the TPT industry is sure to be greatly influenced by global economic conditions, particularly in the US and Europe, which represent Indonesia's largest TPT export markets.

In 2015, the US economy is expected to improve. However, its impact on the recovery of Indonesian TPT exports will not be immediately significant and perhaps won't be felt this year.

In addition, Indonesian TPT exports are also facing various domestic constraints such as, the length of the loading and unloading process at ports, known as dwelling time. Another constraint is the paucity of free trade agreements in place with key export destinations, such as the US and the EU, with whom Indonesia's major textiles competitors, such as Vietnam and Malaysia, already have free trade agreements.

Furthermore, almost 60 percent of the total value of TPT exports comes from garments. These products use the Harmonized System (HS) for product classification and fall into chapter 61 (knitted and crocheted apparel and accessories), 62 (other apparel and accessories) and 63 (other textile articles, sets and used clothing). By country/region of destination, the largest market for Indonesian TPT exports is the US, which accounts for 31.08 percent, followed by the EU with 16.02 percent, Japan on 9.60 percent, Turkey on 5.10 percent and ASEAN on 6.90 percent. The majority of Indonesian TPT exports to the United States in 2014 fell within HS chapters 61 and 62, which accounted for 47.07 percent and 46.65 percent respectively. Indonesian TPT exports to the EU in the same period were overall less focused on these two chapters, and also more weighted toward chapter 62 goods, which formed 41.67 percent of exports to the EU, with chapter 61 forming 31.84 percent.

In the domestic market, an obstacle facing the Indonesian TPT industry comes from the influx of imported products into the country, particularly those from China and Korea. Over the last five years, the average value of Indonesian TPT imports has grown by 12.45 percent. Another obstacle is that rising energy prices early this year, affecting fuel and electricity, have caused soaring costs in the TPT industry. This increasingly reduces the competitiveness of Indonesian TPT products in the domestic market where imported products could be up to 20 percent cheaper.

In the first quarter of 2015, the value of TPT imports reached \$2 billion, nearly a half of this year's import target of \$5 billion. In 2014, the greatest portion of Indonesia's TPT imports, 32.88 percent, came from China, followed by Korea, accounting for 17.81 percent and ASEAN, accounting for 10.41 percent. Most of Indonesia's TPT imports — about 94.24 percent — comprised goods in HS chapters 50 to 60.

HS chapters 60 to 63, which refer to garments and form most of Indonesia's TPT exports, accounted for only 5.76 percent of imports. The issuance by the minister of finance of Regulation No. 132/PMK.010/2015 constitutes one of the government's efforts to reduce the influx of imports, including by raising import tariffs for some TPT products. Most of the TPT products affected by such increases are garments under HS chapter 61, specifically men's and boys' overcoats, the tariff for which rose from 15 percent to 25 percent.

Fluctuation in the prices of raw materials such as cotton due to the rupiah depreciation against the US dollar is also still prevalent.

To date, most cotton — approximately 95 percent of which is used in the TPT industry — still has to be imported as the quality of domestic cotton is far below standard and there are no guarantees of its supply to the TPT industry.

As such, the rupiah depreciation that is causing fluctuations in the price of raw materials has further contributed to industry problems, becoming a major concern. Aside from price fluctuations, supply channels for the procurement of cotton also represent a hindrance. The procurement of cotton is largely done through intermediaries. This means that TPT industry players have to buy cotton from brokers at high prices. According to the secretary general of API, cotton import procurement patterns in Indonesia show that about 60 percent comes from abroad, with 30 percent from warehouses in Malaysia and the other 10 percent from retailers who import the material only to sell it on again. The length of the cotton import chain means the price of this vital raw material for textiles is higher when it arrives at the end user. In light of this, API is urging that the relocation of cotton from warehouses in Malaysia to warehouses in Indonesia be carried out immediately so that logistical costs, especially transportation and warehousing costs, can be reduced. The API's wishes in this regard seem to be in line with the priority program of the Industry Ministry that aims to build a bufferstock for the TPT industry.

The Industry Ministry is encouraging the TPT and footwear industries to spur on export sales. To that end, the ministry is providing various stimuli and incentives. First, it is offering additional incentives including the easing of obtaining raw materials for textiles and textile products through the lowering of government-borne duties (BMDTP) for importing some industrial materials. Second, it is providing ease of access to financing as mandated by Act No. 3/2014 regarding industry. Third, it is developing a buffer stock for the cotton industry.

Fourth, it is undertaking inter-ministerial coordination in order to promote domestic trade. Fifth, it is carrying out efforts that directly promote exports. In this regard, the ministry plans to open up opportunities for cooperation in the form of free trade agreements (FTA) with countries that buy

Indonesian garments. With particular regard to FTAs, the Industry Ministry has confirmed the government's commitment to establishing partnerships that provide the maximum benefit to national industry.

The writer is an industry analyst with Bank Mandiri.

<sup>-</sup> See more at: http://www.thejakartapost.com/news/2015/07/29/analysis-indonesian-textile-industry-faces-formidable-challenges.html#sthash.yLGRjWzz.dpuf

#### Dull market stops textile units in Iran

1 AUGUST 2015, 16:04 (GMT+05:00)

TWITTER LINKEDIN 8

## FACEBOOK O

## Dull market stops textile units in Iran

1 AUGUST 2015, 16:04 (GMT+05:00)



Baku, Azerbaijan, Aug. 1

By Fatih Karimov – Trend: Some of textile units in Iran have stopped production due to recession and accumulation of products in the market, said Ahad Kermani, member of the Iranian textile association.

"Each year, textile units used to stop production for a week or two, but this year some factories have been shutting down for over one months," Iran's ISNA news agency quoted Kermani as saying on August 1.

Irregular imports of textile products from China, Turkey, and India, as well as low demands in the domestic market are the main reasons of the recession, he added.

A thread production unit, for example, needs around 80 billion rials (about\$2.5 million) in operating capital, he noted.

Mehdi Yekta, the secretary of the Iranian textile producers and exporters union, said in Jan. that importing textile products from Turkey based on preferential rates will harm the domestic textile industry.

Yekta went on to say that imports meet 80 percent of the Iranian market's textile needs. China and Turkey respectively account for about 60 percent and 40 percent of textiles exports to Iran, he added.



Publié le 10-08-2015 Modifié le 10-08-2015 à 11:07

Déjà des retombées positives après le retour de Madagascar dans l'Agoa



L'Africa growth and opportunity act est un accord de libre-échange entre les Etats-Unis et plusieurs pays africains.

Cela fait plus d'un an que l'Agoa — Africa growth and opportunity act — l'accord de libre-échange entre les Etats-Unis et certains pays africains, a été réintroduit à Madagascar.

Après le coup d'Etat de 2009, la Grande Île en avait été suspendue, ce qui avait entrainé la perte de plus de 35 000 emplois directs, surtout dans le secteur du textile. A l'époque, Madagascar exportait près de 300 millions de dollars chaque année sur ce marché vers les Etats-Unis. Les conséquences de ce retour dans l'Agoa se font déjà ressentir dans le pays.

En un an, environ 6 000 emplois ont été créés suite à la <u>réintégration</u> de Madagascar dans l'<u>Agoa</u>, et 10 millions de dollars exportés par le secteur textile. Cela reste timide, mais il y a un mois, l'extension de l'Agoa sur dix ans a été validée.

Pour Charles Giblain, président du Groupement des entreprises franches de Madagascar (GEFM), c'est un signal fort pour les investisseurs. « C'est un signal un peu historique parce que jusqu'à maintenant, les extensions de l'Agoa se faisaient par tranches de deux ans ou quatre ans, ce qui ne laissait pas assez de temps aux investisseurs de s'intéresser à de nouvelles plateformes à Madagascar. Le fait d'avoir maintenant dix ans devant nous, ça va probablement motiver beaucoup d'investisseurs asiatiques et autres de venir s'installer à Madagascar. »

Charles Giblain fixe le cap de 200 000 nouveaux emplois créés en cinq ans, surtout dans le secteur textile déjà bien développé dans le pays. « Sous cinq ans, on pouvait même arriver à un milliard de dollars d'exportation. C'est à peu près trois fois plus que ce que l'on a fait par le passé, mais dans un environnement totalement différent où la plateforme à Madagascar offre de nombreux avantages par rapport aux plateformes historiques asiatiques qui deviennent un tout petit peu moins compétitives. Il y a donc une opportunité vraiment historique pour que ce secteur se développe. »

Mais Madagascar ne pourra réaliser ce pari que si la stabilité politique et économique est garantie. Aujourd'hui, les zones franches représentent 100 000 emplois, dont près de 80 % dans le textile.

# Ce que les fédérations sectorielles attendent de la Loi de finances 2016

Elles viennent de soumettre leurs copies à la DGI qui leur fera part de ses remarques dans deux semaines. Immobilier, transport, BTP, mines, agroalimentaire, textile et tourisme : des secteurs ressuscitent de vieilles doléances, d'autres introduisent de nouvelles demandes.



Alors que le gouvernement est en pleine préparation du projet de Loi de finances 2016, les fédérations sectorielles rempilent pour un nouveau round de négociations et de lobbying pour faire entendre leurs doléances. Rassemblés sous la houlette de la CGEM, les représentants des fédérations des principaux secteurs de l'économie ont tenu leur réunion, jeudi 9 juillet, avec le nouveau patron de la Direction générale des impôts (DGI), dans sa première sortie officielle. Les propositions discutées ont été reprises dans un document d'une quarantaine de pages qui a été soumis à l'Administration fiscale jeudi 16 juillet. D'après le patronat, le retour de la DGI est attendu dans deux semaines. A la lumière de ce feed-back, l'Administration ira ensuite affiner les discussions avec les fédérations prises séparément et trancher des questions plus spécifiques à chacune d'elles. Le gros des doléances émane des fédérations de l'immobilier, du transport, du BTP, des mines, de l'agroalimentaire, du textile et du tourisme. Le reste des demandes est d'ordre transversal. Passage en revue des propositions les plus emblématiques.

#### **Textile**

Les industriels de ce secteur partent du constat selon lequel la TVA constitue l'un des principaux avantages concurrentiels de l'informel vis-à-vis des acteurs transparents. Souffrant d'un gap de compétitivité par rapport à l'informel de 20% au minimum, ces derniers n'ont d'autres alternatives que de se positionner à l'exportation ou dans les marchés de niches. Pour l'Association marocaine des

industries du textile et de l'habillement (Amith), le développement de la filière textile marocaine est ainsi tributaire de son positionnement sur le marché domestique et du développement équilibré de l'ensemble de sa chaîne de valeur en amont (fils et tissus) et en aval (distribution).

La fédération appelle donc à la mise en place d'un scénario identique à celui du modèle turc, notamment :

- La réduction à 10% du taux de TVA au lieu de 20 actuellement.
- L'exonération de la TVA sur les biens d'équipement
- L'extension des avantages de l'exportateur final aux prestataires ayant participé à la production du produit exporté lorsque les règlements sont en devises.
- L'assujettissement à la TVA de certaines prestations de services effectuées à l'étranger par les agents commissionnaires en faveur d'entreprises exportatrices.

Naoufel Darif. La vie éco www.lavieeco.com

2015-07-28

#### 30 July 2015

#### Pakistan: The textile story



Pakistan's textiles industry, one of the biggest employers in that country, is at cross-roads. On one hand, it has the chance to make the best of the preferential plus status accorded to it by the European Union's Generalised System of Preferences (GSP). And on the other, it is being pulled back by a debilitating power shortage. Shahram Haq stitches together the bigger picture.

Pakistan's textiles industry has been surviving in the face of immense and continuing hardships. There are innumerable reasons why Pakistan's largest employment and revenue generating industry is underperforming; but what industrialists are now describing as the mother of all troubles, is essentially an energy crisis. The other reasons that have been harming the industry are

the high cost of doing business, the law and order situation due to the war against terrorism, obsolete technologies, no zero rating, marketing disadvantages, absence of institutional support, currency fluctuations, numerous taxes on exports, influx of smuggled textiles and clothing, and a policy-and-implementation divide.

These have resulted in declining exports for the industry, besides losing share in their own domestic market. The lack of policy implementation and strict government action is paving the way for textiles imports from other countries, large chunks of which make their way in via smuggling mainly through Afghan transit trade. Around 20 per cent of Pakistan's textiles units have closed down and another 20 per cent are in a troubled state, according to the All-Pakistan Textile Mills Association (APTMA).

There have been no new investments in the industry, and there have been no technology upgradations either. The industry has been unable to provide fresh employment, impacting the overall economy of the country. This is vital since the textiles industry contributes 20.9 per cent to the large-scale manufacturing sector of Pakistan, and provides employment opportunities for around 15 million people. "We are losing the game with our regional competitors as we cannot compete with governments who provide our competitors their full support," rues Gohar Ejaz, a leading textiles industrialist. But this doesn't mean that we cannot recover; all we need is a level-playing field, he adds...

## DAWN

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## Committee formed to resolve textile issues

THE NEWSPAPER'S STAFF REPORTER —



ISLAMABAD: Federal Finance Minister Ishaq Dar here on Saturday constituted a committee to resolve issues of the textile industry.

The decision was taken at a meeting of the All-Pakistan Textile Mills Association (Aptma) with the finance minister.

The committee will be headed by Special Assistant to Prime Minister on Revenue Haroon Akhtar Khan.

The minister was given a briefing on the current profile of the Pakistani textile industry and its standing in the international market.

The matter regarding sales tax refund would be resolved on priority, Ishaq Dar said, adding that the government had already asked for filing of refund claims by Aug 31 so that the settlement of the claims could be made on priority.

An official announcement said that the delegation drew finance minister's attention towards the levy of surcharge on electricity bills, settlement of sales tax refunds, removal of anomaly in taxes as well as restraining import of yarn to promote the local industry.

Textile manufacturers claim that energy shortages and rising cost of doing business have resulted in stagnation of exports during the past five years that declined to \$13.4bn in the last financial year from \$13.8bn in 2010-11.

In spite of GSP-Plus, they said, overall textile exports fell by 1.8 per cent last year from \$13.7bn a year earlier.

They have urged the government to provide level-playing field to textile exporters against the competing economies.

Published in Dawn, August 2nd, 2015

# 'Pakistan's share in global textile trade dropped to 1.9% from 2.2%'

Friday, July 31, 2015

ISLAMABAD: Legislative body of Upper House on Thursday was informed that Pakistan share in global textile trade dropped from 2.2 percent to 1.8 percent during last five years.

The share may further reduced to 1.5 percent by 2020 if the sector was not made competitive in the region in respect of power supply, reducing cost of doing business and giving relief in taxes.

This was revealed in the Senate Standing Committee on Textile Industry met with Mohsin Aziz in the chair. The senators expressed serious concerns over the miserable situations of the textile sector.

The Committee and Textile Ministry opposed the proposal of Pakistan Textile Mills Association (APTMA) to impose Regulatory Duty on cotton yarn import from India by saying that the matter may be resolved in consultation with value added sector. The committee also expressed serious concerns over the \$4 billion disparity in China-Pakistan exports-imports figures and recommended that measures may be taken to discourage smuggling.

The committee recommended that the government must immediately lift ban on the new gas and electricity connections for the textile industry besides provision of uninterrupted supply of gas and electricity. It further recommended for zero rating on exports, liquidation of pending refunds, strengthen domestic commerce, remove duties and Man Made Fiber (MMF) imports and introduce investment support schemes to the textile sector.

Chairman APTMA S M Tanveer said that the government has put a burden of Rs170 on the textile industry including Rs72 billion in the head of tariff rationalization surcharge, Rs38 billion Gas infrastructure Development Cess and Rs60 billion innovative taxes on consumption / production and export. He said that export oriented textile industry cannot sustain the burden of Rs170 billion in the form of taxes and surcharge.

He mentioned that the country's textile industry has a potential to double it export from \$13 billion to \$ 26 billion if its cost of doing business is reduced, which will further provide 3.5 million additional employment opportunities in the country. He mentioned that textile export has declined by 2.65 percent per month during the last financial year. He said that due to the high cost of business, 30 percent of our industry has been closed with value of \$3.5 percent of total export. He said that the present export capacity of our industry is \$17 billion, but we have exported only \$13.5 due to high cost of doing business. "This industry is at the brink of total closure due unviable investment environment amid high cost of doing business", said Tanveer.

Due to the high cost of business, as many as 40 textile mills have been closed during the year and rendered 0.5 million workers jobless. "It is the government responsibility to protect the local industry", he noted. Giving comparison to the cost of doing business, APTMA chairman mentioned that energy tariff in Pakistan is 14 cent as compared to 7.3 percent in Bangladesh, 8.5 cent in China and 9 cent in India. Interest policy rate is 5 percent in Bangladesh, 5.4 percent in China, 7.5 percent in India and 7 percent in Pakistan.

The APTMA noted that the energy tariff was 9 percent when the oil prices was \$102 per barrel in the international market and when it came down to \$50 per barrel, then the tariff was increased to 14 cent, which is beyond the understanding. The chairman committee senator Mohsin Aziz, who was also former chairman APTMA, said that textile industry is facing serious challenges and close to collapse due to high cost of business and government must seriously consider bailing out through rationalization of the policies and regulations.

The committee was informed that annual textile export growth in Bangladesh is 20 percent, India 12 percent and China 12 percent whereas in Pakistan is 3 percent. With such speedy growth, Bangladesh has increased its share in global textile trade from 1.09 percent in 2006 to 3.3 percent in 2013. Similarly, India increased from 3.4 percent to 4.7 percent, China from 27 percent to 37 percent while Pakistan has dropped from 2.2 percent to 1.8 percent. APTMA officials said that if growth factors remain the same, Bangladesh's share in world market in 2020 would be 6 percent, India's 7 percent, China's 56 percent and Pakistan will be limited to 1.5 percent.

The major factor behind the declining trend is the erosion of textile industry's competitiveness, particularly against the huge incentives being provided by the competing countries to their export sectors, APTMA officials informed.

They further said that about Rs 100 billion of textile exporters are stuck up in sales tax, customs rebate and federal excise duty refund regimes creating severe financial crunch. However Federal Board of Revenue official confronted the figure by saying that it is no more than Rs 25 billion and would be cleared soon as committed by the government

# Weak rupee, power shortage push textile exports down by 1.78pc to \$13.48b



**Imran Ali Kundi** 

#### ISLAMABAD

Pakistan's textile exports had gone down by 1.78 percent during previous financial year 2014-15 due to the acute power shortage and slowdown in economies of China, the European Union (EU) and United States.

The country had exported textile goods worth of \$13.48 billion during the fiscal year 2014-15 (FY2015) as compared to the \$13.72 billion of the preceding year reflecting a decline of 1.78 percent, according to the latest data of Pakistan Bureau of Statistics (PBS).

The government had missed the overall exports target during last financial year because textile sector recorded negative growth in the period under review. The country had exported goods worth of \$23.89 billion during last fiscal year (FY2015) as against the revised target of \$24.2 billion. The government had projected the exports target at \$27 billion in budget 2014-15, which later was revised to \$24.2 billion during last financial year. Country's exports are continuously declining from

last couple of years. Commerce ministry's officials said devaluation of rupee; energy crisis, law and order situation, and a slowdown in the economies of China, the European Union (EU) and United States were the principal reasons for decline in country's exports. Similarly, non-availability of utilities at competitive rates, competitiveness in the international markets is the major problems for the Pakistani exporters.

Pakistan's textile exports that constitute more than 50 percent of the total exports is effectively stagnant at around \$13 billion for the past many years because industrialists are busy producing raw materials or basic unfinished products that do not fetch desired margins.

According to the PBS data showed that export of raw cotton registered a negative growth of 28.29 percent, cotton yarn 7.76 percent, cotton cloth 11.38 percent, cotton carded or combed 10.38 percent, yarn 2.31 percent, bed wear 1.97 percent, art, silk & synthetic textile, 12.75 percent and other textile materials 1.16 percent during previous year 2014-15. Meanwhile, following of the commodities recorded positive growth knitwear 5.37 percent, towels 1.78 percent, tents, canvas & tarpaulin 73.93 percent, readymade garments 10.05 percent and madeup articles 0.26 percent during last financial year.

Meanwhile, the food exports decreased by 1.42 percent to \$4.56 billion during July-June of FY2015 as against \$4.63 billion of the corresponding period of previous year. The petroleum products and coal's exports went down by 18.82 percent to \$585.6 million in the previous fiscal year against \$721.4 million of the preceding year. According to the PBS data, exports of carpets, rugs and mats decreased by 4.63 percent, sport goods 9.66 percent, leather tanned 11.36 percent, leather manufactures 4.74 percent, engineering goods 29.5 percent, cement 9.94 percent and jewellery 98 percent during previous fiscal year. The import bill reached \$45.98b in 2014-15 as compared to \$45.073 billion in the previous year, an increase of 2.01pc. Its target for the year was projected at \$44.2b.

The break-up of \$45.98 billion showed that country imported food stuff worth of \$5.03 billion, machinery worth of \$7.4 billion, transport \$2.7 billion, petroleum products \$11.7 billion, textile \$2.56 billion, agriculture and other chemical \$7.45 billion, metal \$3.71 billion and other items \$4.36 billion during July-June period of the last financial year 2014-15.





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Thursday, 30 July 2015 09:02

## Scottish firms expand in China





First Minister Nicola Sturgeon visits the new J&D WIlkie site with the Mayor and Vice Mayor of Jiaxing

## First Minister Nicola Sturgeon has announced that two Scottish businesses are to expand in China, during a trade visit of the country.

Kirriemuir firm J&D Wilkie is building a £3million factory in Jianxing, near Shanghai, to produce technical textiles products and increase its competitiveness by bringing its yarn-spinning operations under one roof. The deal will safeguard 90 Scottish jobs, and has the potential to double the firm's positions in China.

Meanwhile, Glasgow-based Digimania has announced a 3D animation software training partnership with the Shanghai Arts and Design Academy, and a joint venture with Chinese partner Pikatoons, which is expected to increase the firm's revenue from China by approximately £12million over three years.

The First Minister visited the site of the new J&D Wilkie factory with the Mayor and Vice Mayor of Jiaxing and presented a commemorative foundation stone to be laid there.

Ms Sturgeon said: "Scotland's textiles industry offers a unique fusion of rich heritage, innovation and unrivalled creativity, producing internationally revered products which are desired the world over.

"Across technical textiles, interiors and fashion, Scottish textiles offer the perfect mix of quality and innovation that Chinese businesses and consumers demand.

"J&D Wilkie has established itself in China and is looking to grow its business and seize on the opportunities open to the firm. They are a good example to other son how to expand into and benefit from foreign markets."

Bob Low, director at J&D Wilkie, added: "At J&D Wilkie we are proud of our distinguished 150 year heritage in advanced textile technology.

"We listen to our customers' requirements and act quickly to meet their needs and market challenges. We can help solve their problems with our expertise and deliver tangible benefits with our know-how and ingenious solutions.

"We are proud to show the First Minister of Scotland the start of our new 180,000 sq foot factory being built in Jiaxing, China that will house an integrated spinning and weaving unit on one site.

"This will further strengthen our position in Europe where we have seen our Scottish weaving unit almost double since starting the yarn production in China".

Paul Collimore, Commerical Director at Digimania, said: "We are passionate about our industry and want to ensure the future quality of the industry by teaching the younger generations the skills required at an early age.

"The opening of the training centre today has been a great achievement for all involved. The 3D Animation industry is one of the fastest global growth industries and we look forward to further growth in China alongside our partners Pikatoon."



# Thailand, Vietnam to enhance cooperation in textile sector

July 28, 2015 (Thailand)



Nguyen Tan Dung (left) and Prayut Chan-o-cha/C: NNT

During their recent joint Cabinet meeting in Bangkok, Vietnamese Prime Minister Nguyen Tan Dung and his Thai counterpart Prayut Chan-o-cha agreed to intensify cooperation between the two countries in various sectors, including the **textile** sector.

At the meeting, Dung urged Thailand to increase its investments in Vietnam, especially in areas of mutual interest including in the textile-garment and footwear sector.

Both nations agreed to increase their bilateral **trade**to \$20 billion by 2020. Thailand is already among the top 10 foreign direct investors in Vietnam. It is also the leading trade partner of Vietnam among the Asean members.

The two sides also agreed to expand people-to-people exchanges through the Vietnam-Thailand and Thailand-Vietnam friendship associations.

Both leaders pledged to continue working closely with other Asean nations to support the formation of the Asean Economic Community later this year.

Speaking separately at the Vietnam-Thailand business forum, Dung said Vietnam highly values Thai funded projects and assured investors that his **country** would create all favourable conditions for them to establish and develop stable businesses. (RKS)

LISTS



### **GLOBAL LOGISTICS**

Global Trade \_\_\_\_

#### **TRUCKING**

July 27th, 2015

## EC REPORT: LIFTING TURKISH TRUCK QUOTAS BY EUROPEANS WOULD BOOST TRADE, JOBS

24 of 28 EU Member States Now Limit Number of Turkish Trucks that Can Enter



ISTANBUL'S FATIH MEHMET SULTAN BRIDGE: Tukey Wants More Of Its Trucks To Be Allowed In EU States

A recent report prepared by the *European Commission* revealed that trade volume between member states of the European Union and Turkey would increase by \$3.84 billion a year if quotas imposed on EU-bound Turkish cargo trucks were lifted.

The EU remains Turkey's largest trading partner, but its stake in the country's total exports has dropped from 60 percent to 43 percent in the last decade. Turkish exporters say EU countries have imposed unfair quotas on Turkish exports, even though Turkey has a customs union agreement with the EU.

The <u>Istanbul</u>-based International Transporters Association (UND) touted the findings of the report as support by the EU of its long-standing opposition to the quotas. The association has filed complaints with the European Commission against seven countries.

The current quotas, currently imposed by 24 out of 28 EU member states, limit the number of Turkish trucks entering the EU, according to the UND. **The restrictions predominently affect the Turkish textile sector**, followed by machinery and the metal industry. Other industries adversely affected by the quotas are food, agriculture, and chemicals.

The timing of the EC report is interesting because the EU-Turkey customs agreement is up for renogotiation. In May, Turkey and the EU agreed to modernize their 20-year-old customs union after having reached a compromise to expand bilateral trade ties. Before that agreement was made, Turkey had threatened to suspend the customs union as a response to its absence from the Transatlantic Trade and Investment Partnership (TTIP).

If all quotas applied to Turkish transporter trucks were to be lifted, Turkish exports to the EU would increase by \$2.1 billion and the volume of imports from the EU will surge by \$1.8 billion a year, according to the UND's reading of the commission report. The commission report also stated that the likely increase in trade would generate 14,000 new jobs within the EU and 25,000 in Turkey.



# Turkish Chamber of Commerce Brings Ready-to-Wear Textile Delegation to MAGIC Fashion Fair in Las Vegas

August 07, 2015 01:50 PM Eastern Daylight Time

NEW YORK--(BUSINESS WIRE)--A 16-member delegation of textile and ready-towear clothing executives, led by the Chamber of Commerce of Kahramanmaras, Turkey, will attend the MAGIC trade fair in Las Vegas this month.

"This visit provides a unique opportunity for our members to showcase their products in what is, for many, an untapped market"

Their visit, from August 17-19, was organized through the Turkish economic minister's office. It will allow the executives to meet with U.S. counterparts and tour manufacturing facilities as they work to expand sales and trade agreements. "This visit provides a unique opportunity for our members to showcase their products in what is, for many, an untapped market," said Kemal Karakucuk, chairman of thechamber's administrative board. "We're confident this will facilitate the development of new trade opportunities, which will prove beneficial to both Turkish companies and their prospective U.S. partners."

Located in southern Turkey, Kahramanmaras has a population of about 575,000 and is famous for its ice cream production. But the city is also well known for its textile and yarn export. The textile sector is the leader with 1,000 industrial plants exporting to over 100 countries, totaling \$900 million.

The city generated half of the \$5.5 billion of private sector investment in the textile sector over the last decade.

Companies represented in the delegation include Elit Mensucat, Iskur Konfeksiyon, Terkonsan Tekstil, Marisa Tekstil ve Konfeksiyon, Naren Konfeksiyon ve Moda, and Liya Tekstil. They manufacture and sell product categories ranging from knit fabric apparel to outerwear, men's and women's suits, t-shirts, nightgowns, and underwear, using high quality cotton and textile materials. They have very competitive prices, and due to this, their share in total export increased 70% in 2014.

MAGIC (www.magiconline.com), held twice a year in Las Vegas, is one of the world's largest fashion trade shows. Featuring the latest in apparel, shoes, accessories and manufacturing, each event draws more than 60,000 guests from more than 120 countries.



# Exhibitors up 25% at Texworld USA & other concurrent shows

July 28, 2015 (United States Of America)



The summer edition of Texworld USA, International Apparel Sourcing Show and Home Textiles Sourcing Expo ended with exhibitor numbers as well as show space growing by 25 per cent.

In total 917 exhibitors from 40 countries presented their products providing visitors access to the full spectrum of sourcing options for apparel fabrics, garment manufacturing and finished soft goods.

"We are delighted to see that the triple show co-location has become a leading **textile** platform during NYC Textile Week," said Detlef Braun, member of the board of management of Messe Frankfurt.

"The textile industry fully participated in NYC Textile Week where various textile shows were staged for the first time concurrently in the same week," Braun added.

CCPIT-Tex from China, the joint venture partner for two shows showed the strength of the Chinese textile industry by bringing quality manufacturers representing fabrics, apparel and home products.

"Many big players mainly from the US, among them famous fashion brands looking for performance fabrics came to our stall," said Rebecca Yeh, solution co-creator at Everest Textile from Taiwan.

At the International Apparel Sourcing Show, Henrique Gandara, commercial director of Gouveia & Campos from Portugal, pointed out the unique role of the show in New York City.

"There is no other show with this profile where brands can source solutions for their production, which is why, we come here and make new contacts," Gandara stated.

Texworld art directors, Louis Gerin and Gregory Lamaud, presented the Texworld Trends for Autumn/Winter 2016-17 and displayed a selection of fabrics in various **trend** forums.

The next edition of Messe Frankfurt's textile shows during NYC Textile Week will be held January 24-26, 2016. (AR)



Last update 17:00 | 22/07/2015

### Arguments continue over minimum wage and basic needs

VietNamNet Bridge - Government agencies cannot agree on a minimum wage, and continue to argue about whether the current minimum wage can cover the basic needs of workers.

Agencies still unable to solve minimum-wage issue



The National Assembly has assigned the government to implement a wage reform program under which the minimum wage will be raised step by step to a level high enough to cover basic needs.

The Vietnam Labor Federation suggested an intensive program implementation method with a 20-30 percent increase per annum, so as to reach the goal by 2018.

Meanwhile, business owners do not support the proposal.

"We think it is necessary to reconsider the criteria for 'minimum living standard'," said Nguyen Xuan Duong, chair of the Hung Yen Garment JSC.

"The labor federation says one worker needs to feed one dependent person. I think it is unreasonable," he said.

The businessman went on to say that one laborer works for over 40 years on average, and it will be unreasonable to think that he will feed one child for all these 40 years.

"I think one laborer only feeds one dependent person for 18 years, not 42 years, as currently supposed," Duong said.

If so, the money for one laborer to feed one dependent person during his working life will be just 0.319 of his total wage, not 0.7 as currently applied.

If the inflation rate is 7 percent annually in 2014-2018 as predicted by consultants, the minimum living standard for Zone 1 would be VND2.972 million in 2015, VND3.182 million in 2016, VND3.406 million in 2017 and VND3.647 million in 2018.

As such, according to Duong, the minimum wage average increase in the next three years (2016, 2017 and 2018) should be 8.1 percent per annum.

If so, the minimum wage would reach VND3.663 million a month by 2018, higher than the minimum living standard of VND3.647 million.

As 2016 is believed to be a difficult year for the national economy, Duong thinks the 7 percent increase should be applied for the year, while the 9 percent increase would be applied for 2018 and 2019.

From 2019, the wage increase will be calculated based on real inflation rates.

Meanwhile, according to Vu Tien Loc, chair of the Vietnam Chamber of Commerce and Industry (VCCI), the new minimum wage needs to 1) cover currency depreciation 2) be in accordance with annual productivity and 3) have a shorter implementation process to ensure the minimum living standard for laborers.

Therefore, VCCI plans to propose a 10 percent wage increase for 2016, the same as the 2015 increase.

TBKTSG



Last update 06:20 | 22/07/2015

### Minimum wage to rise next year

VietNamNet Bridge – Vu Tien Loc, chairman of the Viet Nam Chamber of Commerce and Industry, spoke to Thoi Bao Kinh Te (Vietnam Economic Times) about plans to increase the minimum wage in 2016.

#### What do you think about minimum wage levels?

The adjustment of minimum wage is very important to both employers and employees, and plays an important role in the country's current economic growth.

Adjusting the minimum wage should be done if it can ensure two factors are met: raising incomes and improving living conditions for workers, as well as maintaining companies' competitiveness and sustainable development of the economy.

Strong wage increases dampen corporate competitiveness and economic growth; eventually labourers are the ones who take the hit. Small salary hikes, however, make life tough for employees, in turn affecting productivity and economic growth.

Annual salary adjustment is a difficult matter between businesses and workers, trying to find a level suitable for both.

# As a representative of employers, what increase will VCCI recommend at the National Salary Council meeting later this month?

In 2015, the economy is thriving but productivity has not increased. Enterprises still face many difficulties. So I expect the increase will be slightly over 10 per cent next year.

Additionally, the government has already approved a plan to increase the minimum wage by 15 per cent for this year.

#### Do you think labourers' minimum wage is still too low to sustain decent living conditions for workers?

The minimum wage is still quite low and does not satisfy minimum living conditions. I think next time the adjustment of minimum wage should be based on three factors.

First, the increase needs to offset currency depreciation. The Government has managed to keep inflation at 5 per cent.

Secondly, make sure that the salary hike is matches current productivity. Productivity increases about 3 per cent per year on average.

Thirdly, we should be concerned about supplementing salaries to shorten the gap between the current salary levels and minimum acceptable living conditions for workers.

The increase of minimum wage by 10 per cent will satisfy the three factors above.

In my opinion, if the wage hike outpaces productivity, it will affect the operations of businesses and eventually drag down economic growth.

# The problem seems to be that low productivity constrains the minimum wage. How can the tension be resolved?

Viet Nam is one of a few countries in which labourers enjoy salaries higher than the productivity they generate, according to a report by the International Labour Organisation.

Thailand, Malaysia and Indonesia have national salaries lower than productivity. So, we should carefully consider how much a salary rise could affect companies' competitiveness, encourage and promote domestic and foreign investment, and create more jobs. It would be made sense to improve productivity so that a sustainable program of salary hikes can as continue.

**VNS** 

# Vietnam's labor union, employers disagree on wage increase plan for next year

By Thu Hang, Thanh Nien News

HANOI - Thursday, August 06, 2015

Vietnam's labor union and business associations on Monday failed to reach a consensus over a minimum wage increase for 2016, with many employers complaining that the proposed bump is too high.

Vietnam General Confederation of Labor proposed a 16-18 percent increase to the current minimum wages of between VND2.15 and 3.1 million a month, but businesses only wanted a 6-7 percent increase.

Minimum wage is used by businesses to calculate salaries for their workers, by multiplying the basic amount by a coefficient assigned to each worker based on their skills and experience. Beginners, for instance, are often given a multiplier of just above 2.3.

Hoang Quoc Phong, vice chairman of Vietnam Chamber of Commerce and Industry, which earlier supported a 10 percent increase, now said a 6-7 percent raise is "acceptable."

Phong said the chamber, which represents thousands of employers in the country, changed its mind after consulting with businesses.

"They are in big difficulties, and 70 percent of them are operating without profits. A big wage increase will be a big burden."

Members of the Vietnam Textile and Apparel Association said the industry is using nearly three million workers and it cannot afford sharp wage increases, especially in the context of higher power, fuel and shipping costs.

But representatives of the national labor union say they will fight for their proposal, which was made public last month.

Mai Duc Chinh, vice chairman of the union, said its proposed wage level can help workers pay for 89 percent of their necessities, as the current amount only covers 75 percent of their basic demands.

Chinh dismissed the argument that companies are having a hard time.

"The economy is growing better than last year," he said, suggesting that the wage increase for 2016 should be at least equal to that seen earlier this year, which was 15 percent.



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August 4, 2015 5:09 pm

# Brussels seals trade accord with Vietnam

By Christian Oliver in Brussels



©AFP

Vu Huy Hoang, Vietnamese minister of trade and industry, right, shakes hands with Frank Jessen, head of the EU delegation to Vietnam, after they announced the conclusion of the agreement on Tuesday

The EU concluded a major trade agreement with Vietnam on Tuesday, opening up one of Asia's <u>fastest-growing economies</u> and a consumer market of more than 90m people to European companies.

During two-and-a-half years of talks between Brussels and Hanoi, negotiators were forced to address human rights concerns and fears that China would use Vietnam as a backdoor for cheap textile imports into the EU.

Vietnam's economy is predicted to grow 6 per cent this year, according to the IMF. The international lender has predicted growth of 82 per cent in dollar terms between 2013 and 2020, fuelled by strong exports, a youthful population and an increasing emphasis on technology.

Trade between the two economies totalled more than €28bn last year and the EU is Vietnam's second-biggest trading partner after China. The EU imported €22bn worth of goods from Vietnam in 2014.

The deal, which requires approval from the EU parliament, will remove 99 per cent of tariffs between Europe and Vietnam over the next decade.

"Over 31m jobs in Europe depend on exports, so having easier access to a growing and fast-developing market like Vietnam, with its 90m consumers, is great news," said Cecilia Malmström, the EU's trade commissioner.

European clothing, footwear and sportswear companies have been vocal advocates of the deal, which will slash the tariffs on goods made in their Vietnamese factories. However, textiles also proved to be a sticking point because of fears that China would use Vietnam as a conduit through which to flood EU markets. For this reason, EU trade negotiators said that they had introduced strict "rules of origin" safeguards, ensuring that raw materials from China must undergo sufficient workmanship in Vietnam before they can be re-exported to Europe.

Ms Malmström has also had to weather criticism from rights groups and politicians, who have criticised the EU for negotiating such a wide-ranging deal with the one-party communist state, which has a poor record on civil liberties. In March, the EU's ombudsman admonished the European Commission for not conducting a prior human rights impact assessment before pressing ahead with the deal.

However, Ms Malmström has defended the EU's approach, stressing that increased trade is a catalyst for socio-economic change and arguing that Brussels would maintain a strict focus on rights concerns. She noted that the EU would have powers to suspend the deal if it had concerns that Vietnam's record on human rights was deteriorating.

Ms Malmström played down suggestions that a deal with Vietnam was a blueprint for a similar deal with China, which she insisted was "not on the agenda at the moment". A deal with Vietnam has long been seen as one of the EU's more straightforward deals. Negotiations over an accord with the US are far more complex and politically sensitive, although Ms Malmström vowed to try to "wrap up" an agreement next year. The EU said that the Vietnam deal would allow European companies to bid for big public contracts such as roads and ports in the country. It will also open up the service sector in spheres such as banking and insurance.

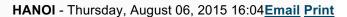
Some technology executives had expressed concerns that Vietnam was moving to protect its nascent technology industry with new legislation. Brussels insisted that there had been progress on these non-tariff barriers and predicted that European businesses would enjoy greater access in sectors such as "electrical appliances, IT, and food and drinks".

The deal will safeguard the geographical indicators for European foods and drinks such as Rioja wine and Scotch whisky. Similarly, the EU will recognise names such as Buon Ma Thuot coffee. Vietnam is the world's second-biggest coffee producer.



# Vietnam-EU free trade deal to remove nearly all tariffs on goods

By Truong Son, Thanh Nien News





A man working in a coffee farm in Vietnam's Central Highlands region. Coffee is among many Vietnamese products to be exempted from taxes when exported to EU under a free trade deal. Photo: Tran Ngoc Quyen

Vietnam and the European Union will remove tariffs on 99 percent of goods being traded between them under a free trade agreement which is slated to be signed this autumn.

The partners, which posted trade volume at over US\$36.8 billion last year, announced their completion of negotiations for the deal on Wednesday in Hanoi, after 13 rounds of talks since 2012.

Vietnam will scrap 65 percent of its tariffs imposed on EU imports, including textile products and chemicals, right after the agreement takes effect, Franz Jessen, ambassador of EU Delegation to Vietnam, said at the ceremony.

The duties on other products, including alcoholic drinks, pork, beef and cars, will be gradually removed in the next 10 years.

Meanwhile, the EU will eliminate 71 percent of their tariffs first, and the rest in seven years, Jessen said.

Vietnamese products like textile, seafood and coffee will benefit from the agreement immediately.

The European Trade Policy and Investment Support Project estimated Vietnam's exports to the EU are growing 15-20 percent every year, but the free trade agreement will increase that annual growth rate to 30-40 percent.

The EU became Vietnam's second largest trade partner in 2013 when the country's exports to the market hit 25 billion euro (US\$27.4 billion) in value.

Goods from EU accounted for 29 percent of Vietnam's total imports, according to figures from Eurocham.

The trade value increased 9 percent to more than \$36.8 billion last year.

With 27 state members, EU is also a major investor in Vietnam with more than 2,030 projects currently operational, mostly in industry and service sectors. Their registered capital totaled over \$36 billion.

### Press release

VIETNAM | Brussels, 4 August 2015

## EU and Vietnam reach agreement on free trade deal

Today the EU and Vietnam have reached an agreement in principle for a free trade agreement (FTA), after two and a half years of intense negotiations. Following a telephone conversation this morning between EU Trade Commissioner Cecilia Malmström and Vietnamese Minister of Industry and Trade Vu Huy Hoang, all issues of substance have been agreed, and both sides have reached a mutually beneficial and balanced package.

This agreement will remove nearly all tariffs on goods traded between the two economies.

"We have a deal. This finely balanced agreement will boost trade with one of Asia's most dynamic economies. It sets a new, better and modern model for Free Trade Agreements between the EU and developing countries, and establishes a good standard for the trade relationship between the EU and South East Asia as a whole" Commissioner **Malmström**said. "Vietnam is a growing economy and once this agreement is up and running, it will provide significant new opportunities for companies on both sides, by increasing market access for goods and services. Over 31 million jobs in Europe depend on exports, so having easier access to a growing and fast developing market like Vietnam, with its 90 million consumers, is great news. And Vietnam's exporters will now get much easier access to the EU for their products, giving an important boost to the Vietnamese economy. Both sides have worked extremely hard in the past few months to achieve this breakthrough".

On the basis of today's agreement, the negotiating teams will now continue the process, settle some remaining technical issues and finalise the legal text. Once finalised, the agreement will then need to be approved by the Council and the European Parliament.

"Our deal will also make sure that trade does not happen at the cost of the environment or of people's rights. The EU and Vietnam have committed to ensure the respect of workers' rights and to support a sustainable management of natural resources," Commissioner Malmström added.

This agreement is the first of its kind that the EU has concluded with a developing country. As such, the ambitious and symmetrical liberalisation agreed upon – with a transition period to allow Vietnam to adapt – breaks new ground compared to other EU agreements with developing countries. It shows the shared conviction of the EU and Vietnam that trade is essential to growth, the creation of jobs and sustainable development.

Besides eliminating tariffs, Vietnam will also remove almost all of its export duties. The agreement will also create new market access opportunities in services and investment. Vietnam has agreed to liberalise trade in financial services, telecommunications, transport, and postal and courier services. On investment, Vietnam will open its market to the EU, for instance by removing or easing limitations on the manufacturing of food products and beverages, as well as in the non-food sectors.

On government procurement, the EU and Vietnam have agreed on disciplines largely in line with Government Procurement Agreement (GPA) rules of the WTO, achieving a degree of transparency comparable to other EU Free Trade Agreements with developed countries and more advanced developing countries.

The agreement will also improve the protection in Vietnam of Geographical Indications (GIs) representing EU flagship agricultural products, such as Champagne, Parmigiano Reggiano cheese, Rioja wine, Roquefort cheese and Scotch Whisky. Vietnamese GIs too will be recognised as such in the EU, providing the adequate framework for further promoting imports of quality products such as Mộc Châu tea or Buôn Ma Thuột coffee.

The FTA includes a robust and comprehensive chapter on Trade and Sustainable Development, covering labour and environmental matters of relevance in trade relations between the EU and Vietnam. Commitments to the core labour standards and Conventions of the International Labour Organisation (ILO) ensure the respect of fundamental workers' rights by both parties. In addition, the chapter includes commitments which will support the conservation and sustainable management of natural resources (including wildlife, forestry, and fisheries). Special attention is devoted to areas such as Corporate Social Responsibility and fair and ethical trading schemes.

The FTA will set up dedicated structures to ensure the full implementation of the chapter, including mechanisms to ensure the involvement of independent economic, social, and environmental stakeholders both in the EU and in Vietnam.

The Agreement will also contain a legally binding link to the Partnership and Cooperation Agreement (PCA) that governs the overall relationship between the EU and Vietnam, thereby ensuring that human rights, democracy, and the rule of law are essential elements of our bilateral trade relations.

The agreement includes a dedicated chapter on cooperation in implementing the Agreement and to assist Vietnam in reaping the full benefits. Boosting sustainable development is a key objective for such cooperation. Areas of particular importance include labour and environmental matters, trade facilitation, and small and medium-sized enterprises (SMEs).

After the conclusion of the Singapore FTA in 2014, this will be the second FTA between the European Union and a country of the Association of South East Asian Nations (ASEAN). As such, it is a building block towards the EU's ultimate objective of an ambitious and comprehensive region-to-region FTA with ASEAN as a whole.

#### What's next?

After this breakthrough, technical discussions will have to be completed so as to finalise the legal text of the agreement. Given the cooperation established with Vietnam over many years and strengthened by this negotiating process, it is expected that this process could be finalised in a few months' time and certainly before the end of the year.

#### **EU- Vietnam Trade in facts and figures**

In 2014, the EU was the second trading partner for Vietnam after China (not including trade within ASEAN), representing 10% of total Vietnamese trade. The EU was Vietnam's second export destination (after the US), with the EU purchasing as much as 18% of Vietnam's global exports.

In 2014, EU-Vietnam trade in goods was worth over €28.2 billion, with €22.1 billion of imports from Vietnam into the EU and €6.2 billion of exports from the EU to Vietnam.

Vietnam's key export items to the EU include telephone sets, electronic products, footwear, textiles and clothing, coffee, rice, seafood, and furniture. EU exports to Vietnam, meanwhile, are dominated by high-tech products including electrical machinery and equipment, aircraft, vehicles, and pharmaceutical products.

Total bilateral trade in services amounted in 2013 to €2.9 billion, with a slight surplus for the EU.

The EU is one of the largest foreign investors in Vietnam. In 2013, EU investors committed a total of more than €500 million in Foreign Direct Investment and thus remain Vietnam's sixth largest foreign investor partner.

Since 2013, Vietnam has been the EU's fourth most important trading partner among the ten ASEAN Member States, surpassing the EU's bilateral trade with Indonesia.



Last update 08:30 | 31/07/2015

## Seven-month FDI hits nearly \$9 billion

The Foreign Investment Agency (FIA) under the Ministry of Planning and Investment has announced that in the first seven months of this year Vietnam attracted nearly \$9 billion in foreign direct investment (FDI), primarily to the textiles sector in a number of multi-million dollar projects.

#### Textile becomes appealing



Most recently, the Polytex Far Eastern Co. from Taiwan invested \$274 million in a project producing and processing yarn at the Bau Bang Industrial Park in southern Binh Duong province.

Previously there were a series of other foreign investors pouring capital into the sector. Significantly, the Hyosung Vietnam Limited Company, a Turkish investor, invested \$660 million in a project producing and processing yarn in industrial zones in southern Dong Nai province. Meanwhile, a British Virgin Islands investor, Worldon Vietnam Co., also invested \$330 million in a project producing high-grade garments in Ho Chi Minh City.

It is clear to see that FDI flowing into the textiles sector in the first seven months is a new feature of FDI attraction this year. Many experts believe that the progress in negotiations over the Trans-Pacific Partnership (TPP) has made the textiles sector become more attractive in the eyes of foreign investors.

They also predicted that the number of large-scale projects in the sector would continue to increase. Because of the "yarn forward" rule in the TPP, which requires businesses operating in the textiles sector to use domestically-produced yarn or yarn from other members of the TPP, there are many investors investing in yarn production in Vietnam

The appearance of several major textile projects helped the total FDI capital in the textiles sector to exceed \$1 billion, with manufacturing seeing the most FDI and raising total foreign investment to nearly \$9 billion in the first seven months.

#### Positive signs

FIA also revealed that in the seven-month period the total of newly-registered capital and additional capital was \$8.8 billion, a decline compared with the same period of last year. But the number of newly-registered capital reached \$6.9 billion, an increase against last year's \$6.8 billion, with additional capital falling. In the seven months additional capital was just \$1.8 billion, or approximately 70 per cent of the figure in the same period of 2014.

It also indicated that the three sectors leading the way in attracting FDI in July were still processing and manufacturing, with \$1.95 billion, real estate, with \$1.23 billion, and wholesale, retail and repair, with about \$18 million. They were also the leading sectors in the first seven months, with \$6.1 billion, \$1.7 billion, and \$295 million, respectively.

In July the ranking of countries and territories investing in Vietnam changed. The UK rose to second place, ousting Turkey, with total investment capital of \$1.25 billion. South Korea held on to its lead, with \$1.91 billion, while the British Virgin Islands was third, with total investment of \$835 million. VET Tuesday, Aug 11, 2015, Posted at: 12:41(GMT+7)

#### Foreign investors rush to garment, textile field

Many foreign firms have sped up investment in garment and textile industry in Vietnam recently to take advantage of opportunities from free trade agreements such as the Trans-Pacific Partnership (TPP) and VN-EU Free Trade Agreement.



A Japanese invested garment firm in Tan Thuan Export Processing Zone (Photo: SGGP)

Japanese Consul General to HCMC Nakajima Satoshi said that many Japanese firms had made moves to invest in the garment and textile industry in Vietnam.

Sixty percent of 500 Japanese businesses under a recent survey affirmed that they were working the plan to invest in Vietnam. Their most chosen areas comprise industrial zones in southern provinces of Long An, Binh Duong, Dong Nai and Tay ninh.

The garment and textile field has also attracted businesses from South Korea, China, Hong Kong (China) and Taiwan (China).

The representative of Long Hau Industrial Zone (IZ) in Long An said that it had received over 20 oversea companies coming to learn about investment there since early this year.

Rach Bap and An Dien IZs in Binh Duong reported the number of foreign firms seeking investment opportunities top 100 since last year-end, it was only 20-30 from a year back.

Of the 100 companies, 25 have promoted investment procedures and 20 have registered to invest in these IZs.

The HCMC Enterprise Association said that many delegations of foreign firms had come to

learn about Vietnam investment environment. Many wanted to build garment and textile plants about 50 kilometers from the center of the city.

The Foreign Investment Agency under the Ministry of Planning and Investment reported FDI attraction drop in the first half this year but rocket in the garment and textile industry, which held US\$1 billion out of the total capital of US\$5.85 billion.

The three largest projects included a US\$600 million fibre plant in Dong Nai, a US\$247 million project to make support industry items in Binh Duong, and a US\$160.8 million fibre plant in Tay Ninh.

Explaining why investors choose HCMC neighboring provinces, Mr. Nakajima Satoshis said that field surveys by Japanese trade promotion agencies in Vietnam showed that it is easier for them to find land species with area of from 20 hectares or larger each. Moreover, labor cost and rent are still low and do not increase quickly there.

Binh Duong province People's Committee said that they had built large industrial zones to attract big garment and textile projects, for instance, 300 hectare Trang Bang IZ.

Another reason for foreign firms to flock into the garment and textile industry is because Vietnamese businesses have vacated their playing field.

The country has over 2,000 companies operating in the industry. However most of them have just done outwork and exported. Their material sources mainly come from nations without incentives from free trade agreements.

The garment and textile export turnover of Vietnam to the Eurasian Economic Union (EAEU) reached only US\$300 million a year when the Vietnam-EAEU Free Trade Agreement was not signed, according to the Trade Promotion Department under the Ministry of Industry and Trade.

It is expected to grow 50 percent in the first year after the agreement takes effect and 20 percent in the following year.

In addition, once TPP and VN-EU FTA are signed, Vietnamese garment and textile products exported to the US and European nations will enjoy 0 percent tax rates instead of 10-30 percent as present.

By Ai Van - Translated by Hai Mien



Vietnam - États-Unis : Truong Tân Sang reçoit John Kerry à Hanoi 07/08/2015 19:38

Le président de la République, Truong Tân Sang, a affirmé donner de l'importance aux relations entre le Vietnam et les États-Unis, un de ses partenaires de premier rang, en rencontrant le 7 août à Hanoi le secrétaire d'État américain John Kerry, en visite officielle au Vietnam.

>>L'accord de libre-échange transpacifique près d'être bouclé, assure Kerry >>Bientôt la visite du secrétaire d'État américain John Kerry au Vietnam

Le chef de l'État vietnamien a vivement apprécié la visite de John Kerry au Vietnam, en qualité non seulement de secrétaire d'État, mais aussi d'un ancien ami sincère du Vietnam qui a considérablement contribué à la promotion des relations vietnamo-américaines.

Il a estimé que la confiance des deux pays s'exprimait par les conventions signées lors de sa visite aux États-Unis en 2013 et, plus récemment, par la Déclaration de la vision commune Vietnam - États-Unis à l'occasion de la visite officielle aux États-Unis du secrétaire général du Parti communiste du Vietnam, Nguyên Phu Trong.



Le Vietnam est volontaire et actif dans les négociations de l'accord de partenariat transpacifique (TPP), a affirmé le président Truong Tân Sang. Et de souhaiter que les

problèmes demeurant soient réglés sur leur principe lors de la rencontre entre ministres des pays parties aux négociations du TPP prévue à la fin de ce mois.

Il a demandé aux États-Unis d'accorder des privilèges aux chaussures en cuir et au textile du Vietnam comme ceux accordés par l'Union européenne et la République de Corée.

#### Lever l'embargo sur les armes de destruction

Truong Tân Sang a particulièrement apprécié la levée partielle de l'embargo sur les ventes d'armes de destruction au Vietnam et souhaité le voir levé complètement. Il a demandé aux États-Unis de poursuivre son aide dans la décontamination des zones polluées par la dioxine des aéroports de Biên Hoà (Sud) et de Dà Nang (Centre).

S'agissant de la question en Mer Orientale, le président vietnamien s'est félicité de l'attitude et de la position des États-Unis et du groupe G7 concernant le règlement des différends en Mer Orientale, ainsi que de leur soutien au Vietnam pour un tel règlement. Position qui contribue activement au maintien de la paix, de la stabilité, ainsi que de la liberté et de la sécurité de la navigation maritime et aérienne en Mer Orientale.

Le secrétaire d'État américain John Kerry a considéré que le Vietnam et les États-Unis avaient fait un long trajet de la fin de la guerre à la normalisation de leurs relations pour devenir des amis et des partenaires de confiance. Actuellement, les deux pays ont réalisé des progrès non seulement dans les domaines économique, scientifique et éducationnel, mais aussi en termes de défense et de sécurité.

John Kerry a déclaré que le fait de lever partiellement l'embargo des armes de destruction au Vietnam est le premier pas important dans la coopération dans la défense entre les deux pays en vue d'aboutir à sa suppression complète.

#### Créer l'Université Fulbright au Vietnam

Dans l'éducation, il s'est intéressé particulièrement à la création de l'Université Fulbright au Vietnam, s'engageant à la soutenir fortement afin que cet établissement devienne une université de niveau international. Il s'agit aussi d'entretenir des relations avec l'Université Harvard afin de créer d'importantes opportunités d'éducation aux étudiants vietnamiens.

En ce qui concerne les négociations de l'accord de partenariat transpacifique (TPP), le secrétaire d'État américain a considéré que les deux pays se sont accordés sur la majorité des points en vue d'un achèvement le plus tôt possible des négociations.

#### Condamner les constructions illégales d'îles artificielles en Mer Orientale

Quant à la question de la Mer Orientale, John Kerry a informé le président Truong Tân Sang du consensus entre les États-Unis et les pays concernés de l'ASEAN pour

condamner les constructions illégales d'îles artificielles de ces derniers temps, en incitant les parties concernées à respecter le droit international.

Concernant les droits de l'homme, il a particulièrement apprécié les efforts du Vietnam en matière de législation en vue de se mettre en conformité avec le droit international.

Le secrétaire d'État américain a affirmé que le président Barack Obama était très impressionné en suite des visites des dirigeants vietnamiens aux États-Unis, avant d'exprimer son souhait de visiter le Vietnam dans le plus proche avenir.

#### Faciliter l'accès de deux fruits vietnamiens au marché américain

Le président Truong Tân Sang a réaffirmé que le Vietnam avait bien appliqué les accords conclus par les deux pays, avant de se déclarer convaincu que ceux obtenus lors de la récente visite aux États-Unis du secrétaire général Nguyên Phu Trong le seraient également.

Il a envoyé ses remerciements au secrétaire américain au Commerce d'avoir ouvert le marché à certains produits agricoles du Vietnam, demandant à la partie américaine de continuer à faciliter l'accès des deux fruits spéciaux du delta du Mékong que sont la mangue et la pomme étoilée.

Le chef de l'État vietnamien a souhaité accueillir le président américain Barack Obama au Vietnam dans le plus proche avenir.



# Korean textile firms start factory construction in Vietnam

August 01, 2015 (Vietnam)



South Korea's Panko group has started construction of a garment and textile factory in Vietnam's Tam Thang industrial zone in Tam Ky city, the central province of Quang Nam, according to reports in the Vietnamese media.

The factory is being built on an area of over 30 hectares with a total investment capital of \$70 million and it is expected to employ about 15,000 workers.

The factory will specialise in producing clothing and textile products, dyeing, garment and textile materials. Each year, it will produce 24,000 tonnes of textile products, 24,000 tonnes of dyeing products, 75,000 tonnes of garment products and 30 million tonnes of material products.

On the same day, another Korean firm, Duck San Enterprise started work of a \$10-million textile plant, covering 6.6 hectares. It has a capacity of 19,200 tonnes of fibre, cloth, textile and dyeing products each year.

Head of the management board of Chu Lai Open Economic Zone Do Xuan Dien said the two textile and garment-dyeing projects would help to attract investment from domestic and foreign firms to the Tam Thang industrial zone in the future.

"We have also invited investment in the garment and textile industry in the industrial zone as the province has assigned it as a major textile zone. The province also offers a skilled and competitive labour force," Dien said. (SH)



Last update 08:00 | 30/07/2015

# State-owned conglomerates disclose information about chairs' salaries

VietNamNet Bridge - Some state-owned economic groups and general corporations have publicised their business performances, including managers' incomes.



The pay for the chair of the Vietnam Textile and Garment Group (Vinatex) was reported in social media in early July at VND640 million a year.

One month ago, the information about the annual salary of VND640 million of Vinacomin's (Vietnam Coal and Mineral Industries Group) chair, appeared on news websites.

Prior to that, the loss of trillions of dong incurred by Petrolimex from its overseas investment was the hot topic of discussion in local newspapers.

The information was found on the official websites of the groups. Vinacomin updated its payroll on the website, while Petrolimex updated its audited financial reports.

However, Vinacomin and Petrolimex are just a few of the enterprises that publicised their business results. Meanwhile, under current laws, nearly 1,000 state-owned economic groups and general corporations have to follow the regulations on information disclosure.

The information portal about electricity and petroleum production and trade activities was set up one year ago. However, only some information about the Electricity of Vietnam and Petrolimex can be found there. Meanwhile, there is no news about the operation of 20 petroleum distributors and other electricity companies.

Speaking at a conference about public finance held by the Ministry of Finance on July 23, Aaron Batten, Chief Economist of the Asian Development Bank (ADB) in Vietnam, noted that Vietnamese state-owned enterprises

(SOEs) are especially weak at transparency.

He noted that the SOEs to be equitized in the time to come are large scale, are unclear about liabilities, and have weak corporate governance. These factors, plus the lack of transparency, discourage investors.

Also according to the expert, only 8 percent of SOEs in Vietnam publish information on their websites. In many cases, the finance reports updated on the websites are not transparent enough, which makes it impossible to measure the businesses' performance after equitization.

International experts in recent conferences agreed that while Vietnam has made a big leap in renovating the legal framework, it remains weak at implementing laws, which discourages new investors and strategic investors who want to buy shares in SOEs.

Deputy Minister of Finance Truong Chi Trung said his ministry and the Ministry of Planning and Investment have joined forces to compile two draft government decrees on SOE monitoring and information disclosure.

The ministries proposed to impose heavy fines on SOEs which refuse to follow the obligation on information disclosure.

Trung said in the time to come, 100 percent state-owned enterprises will also have to disclose information as public companies do.

SOEs' pay to workers in the first quarter was VND6.9 million a month on average.

#### Pham Huyen



Last update 11:02 | 08/08/2015

### **Textiles sector under pressure post-TPP**

In just the first half of this year, textile exports to markets joining the Trans-Pacific Partnership (TPP) accounted for 70 per cent of the total export value and will grow substantially once the agreement is signed. Issues surrounding rules of origin, however, are a major concern as 60 to 90 per cent of materials for textiles made in Vietnam are imported from countries that are not members of the TPP.

#### Origin pressure



According to the Vietnam Textile and Apparel Association (Vitas), among the TPP markets the US is Vietnam's largest, accounting for 42 per cent of total textile exports in July and estimated at \$5.18 billion, up 11.01 per cent compared with July 2014, followed by Japan with \$1.3 billion. In the eleven TPP markets, Vietnam's textile exports since the beginning of 2015 have all seen positive growth.

The TPP, however, has very strict requirements on the origin of materials, to which Vietnam's textile exporters have paid inadequate attention. Textile exports must follow the "yarn forward" rule, meaning that all materials used in production must have been produced in countries participating in the TPP.

A representative from the World Bank in Vietnam said that the country is the third-largest exporter to the US market but a vast share of its production materials are imported, mostly from China.

When joining the TPP Vietnam must provide more of its own inputs to increase added value as it will not be able to import materials from China if it wants to benefit from the preferential tariffs provided under the TPP. Currently, the added value of the textile sector is low due to low labor productivity. For example, with Polo shirts, Vietnamese workers can sew 12 units a day while Chinese workers can sew 25 units. Mr. Nguyen Xuan Duong,

Chairman of the Board at the Hung Yen Garment Corporation, acknowledged that Vietnam's labor productivity is low, at only 30 per cent of that in Malaysia and 40 per cent of Thailand's. Therefore, if the sector wants to move up the value chain it needs to invest in resources and technology.

#### Degree of optimism

According to Ms. Dang Phuong Dung, Vice Chairman and General Secretary of Vitas, the "yarn forward" rule will be major stumbling block for Vietnam because of weaknesses in material supplies such as fabric and dyeing, which are dependent upon imports. It is therefore necessary that enterprises and the government make greater efforts to attract foreign investment that addresses these weaknesses, she said.

Meanwhile, Mr. Vo Tri Thanh, Vice Chairman of the Central Institute for Economic Management, is optimistic that the rules of origin, technical and labor standards, and environmental and legal procedures will be difficult in the short term but will drive enterprises forward in the long term.

He believes that after joining the TPP the textiles market will grow and this creates opportunities for the sector to develop. The tariff rate on textiles is currently 16 to 17 per cent but under the TPP will be zero. It is clear that the TPP provides competition and benefits to the textile sector. VET





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July, 31 2015

## **Quang Nam starts clothing factories**



Two companies with Korean investment - Panko Tam Thang and Duck San Vina began constructing their garment projects in the provincial Tam Ky City's Tam Thang Industrial Zone (IZ) yesterday. — Photo thanhnien.com.vn

QUANG NAM (VNS) — Two companies with Korean investment – Panko Tam Thang and Duck San Vina – began constructing their garment projects in the provincial Tam Ky City's Tam Thang Industrial Zone (IZ) yesterday.

The projects have a total investment of US\$80 million. The companies are the first to commence the construction of plants in the 193ha IZ.

It's the second project in Viet Nam in which Panko has invested, after the \$70-million plant in Binh Duong's My Phuoc 1 IZ was launched in 2002.

Panko, a wholly foreign owned project set up over an area of 33.5ha and involving an investment of \$70 million, plans to produce 48,000 tonnes of textiles and dyed textile products.

The textile and garment-dyeing plant, the first of its kind in Quang Nam, will employ 15,000 workers when it becomes operational.

Head of the management board of Chu Lai Open Economic Zone Do Xuan Dien said the two textile and garmentdyeing projects would help to attract investment from domestic and foreign firms to the Tam Thang IZ in the future.

"We have also invited investment in the garment and textile industry in the IZ as the province has assigned it as a major textile zone. The province also offers a skilled and competitive labour force," Dien said.

He said Quang Nam was the fourth province to develop a fibre-weaving and dyeing industry after Nam Dinh, Hung Yen and Binh Thuan provinces.

The Tam Thang IZ has attracted five foreign investors with a total registered fund of \$150 million.

As per the schedule, the Hirdaramani Group from Sri Lanka will open its \$50-million garment and textile project in the IZ this September.

Chairman of the provincial people's committee Dinh Van Thu said 91 textile and garment companies, operating in the province, produced VND2.9 trillion (\$138 million) of products last year, which was 6.6 per cent of the province's total industrial production value.

The textile and garment industry produced 55 million metres of cloth and created jobs for 3,000 workers.

He said the province had called for more investment and co-operation from foreign partners in the supporting industries for garment and textile industries in IZs.

According to the Chu Lai Open EZ management board, the Viet Nam Textile Group (Vinatex) was also planning to build a fibre-weaving and dyeing garment complex in the central province, for a total investment of VND1.5 trillion (US\$71 million). — VNS