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Sommaire / Summary

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Beijing willing to see Bangladesh on dev track

UNB . Beijing | Update: 11:57, Oct 29, 2015

China wants Bangladesh to consistently improve uts investment climate addressing 'difficulties and shortcoming'.

Beijing is willing to get the country on 'track of rapid development' through enhanced cooperation and massive investments.

"We hope Bangladesh will consistently improve investment environment to facilitate investment from China in Bangladesh," commercial counsellor of China's commerce ministry (dept of Asian affairs) Wang Qihui told a press interaction with journalists from Bangladesh and Nepal.

Responding to a question from UNB, the senior official said they have received feedbacks from Chinese companies operating in Bangladesh about the problems they are facing in the country in some cases.

Listing the problems, Qihui said the Chinese companies have a feeling that Bangladesh's infrastructure facilities are not modern and adequate, cost of transportation is relatively higher, customs clearance takes much time compared to China and they feel quite difficult to get in touch with the government officials in Bangladesh.

He, however, said the Chinese government will 'certainly and consistently' encourage Chinese 'competent companies' to invest and run business in Bangladesh taking the existing advantages.

Talking about the journey towards further development through joint efforts, Qihui said, "Bangladesh has a dream to become Golden Bangladesh. China has also its own dream. All these dreams a interlinked."

He said Bangladesh having large population and huge domestic needs, has all the potential to attract Chinese investment in Bangladesh.

The Chinese government official said light industry, textile, home appliances, jute and power generation are the key areas of Chinese investment plan in Bangladesh.

On the progress after the signing of series of trade agreements between Bangladesh and China during prime minister Sheikh Hasina's visit to Chinat, Qihui said there has been significant progress in a number of areas.

"There has been fascinating enthusiasm among Chinese investors. Their interest for making investment is on the rise," he added.

Giving further updates on investment plan, the Chinese government official said the special economic zone, to be operated jointly with BGMEA, will hopefully be completed by 2016 with some 200 textile producing and clothes manufacturing units from China will get entry into the zone.

He said China has rich experience in agriculture technology and e-commerce and both countries can explore these areas through enhanced collaboration.

Recently the Bangladesh premier announced that the government will set up some 100 special economic zones gradually.

When his attention was drawn and asked whether the Chinese side will seek third economic zone from Bangladesh, he said, "We are yet to get any information regarding the development. We hope we will soon get the information and then we will explore possibilities."

Bangladesh has already allocated two special economic zones for Chinese investors in Chittagong and Dhaka where Chinese investors are likely to invest over $4 billion.

On progress over tunnel beneath the River Karnaphuli in Chittagong, the Chinese government official said there has been steady progress in this regard but did not elaborate further.

Responding to a question on minimizing huge trade gap between the two countries, Qihui said Chinese government is ready to adopt some measures to reduce the trade gap which is heavily in favour of China now.

First secretary, department of international trade and economic relations Chen Hangying, who was present at the interaction said the Chinese government provides a new package for all the least developed countries - 97% zero tariff for products and commodities that enter into Chinese market.

Bangladesh has been enjoying 95 % zero tariff package under the Asia Pacific Trade Agreement, she added.

"Now the ball is now in Bangladesh's court. We hope Bangladesh government will choose the latest package but we also understand that Bangladesh may have some difficulties to replace the existing one with the new package," Chen said .

She, however, said the latest tariff package can not be customized for a single or specific country but for all least developed countries.

Officials from China's foreign ministry and senior journalists from Bangladesh and Nepal were present.

British, Chinese Universities to Open New Joint Institute in C. China

2015-10-30 07:30:30 Xinhua Web Editor: Mao

The Birmingham City University. [Photo: igo.cn]

Birmingham City University announced Thursday that a new institute, in cooperation with a Chinese textile university, will open its doors to Chinese and international students in September next year.

Birmingham City University and Wuhan Textile University will see the Birmingham Institute of Fashion and Creative Arts open to a new intake of 300 students in September 2016.

Located in central China's Hubei Province, the new institute will become the first non-profit Chinese-foreign cooperatively run educational institution offering undergraduate programs in Wuhan.

The university said that 3,500 students are expected to study at the institute in the following seven years. Main subjects at the institute cover arts, design, media, computing, engineering and built environment.

The courses will be taught in both Chinese and English, and students can get internationally recognized British bachelor's degrees. They can also choose to spend half of their studies in Britain.

"This alliance between Birmingham City University and Wuhan Textile University draws on our shared academic specialties -- including fashion, art and design -- and the heritage of the two host cities, both of which played pivotal roles in the industrial revolutions that transformed the fortunes of the two countries," said Bashir Makhoul, pro-vice chancellor at Birmingham City University.

"Wuhan Textile University shares the same vision as Birmingham City University to establish a nationally, even internationally well-known art and creative institute jointly run by both parties," said Wei Yiliang, president at Wuhan Textile University.

"The Birmingham Institute of Fashion and Creative Arts will welcome students from China and abroad, and it will embrace an innovative teaching approach to equip students with an international vision," he added.

China cuts interest rate once again

October 24, 2015 (China)

China has cut its one-year benchmark interest rate by 0.25 percentage points to 4.35 per cent. The Chinese central bank cut interest rates for the sixth time in less than a year. It also cut the ratio of Chinese currency that it expects its banks to hold, according to media reports.

China hopes that looser monetary policy, in the shape of cheaper money, will help it hit its growth target of 7 per cent for 2015.

The decision from the People's Bank of China suggests a concern that the slowdown in growth might be becoming too abrupt. Official figures published earlier this week told a different story. They suggested a very moderate weakening in the third quarter of the year. But Beijing's data are widely regarded as unreliable. China's 3rd quarter GDP grew at 6.9 per cent, the slowest since 2009.

By making loans cheaper, China is hoping to encourage companies to spend and invest and contain the slowdown. But the **country** runs the risk of the move leading to a ballooning of debt.

China's economy has grown at an average annual rate of 10 per cent for the past three decades, but has been cooling in the past few years. (SH)

Made in America, By Chinese Companies: China's Textile, Apparel Industry Adapts to New Normal

October 25, 2015

Given the vicissitudes of the world's textile and apparel supply chain, China is changing its strategy to counter what Chinese experts describe as the "new normal."

"The 'new normal' situation implies the reality of slower growth rates … in China's economy, coupled with spiraling costs that are going out of control," explained Zhang Tao, the secretary general of the **Sub-Council of Textile Industry (CCPIT)**, The Textile Industry Chamber of Commerce (CCOIC).

Tao cited the rising production and labor costs in the textile and apparel industry — wages have risen over the years from a double-digit monthly salary to today's nearly $700 per month — as the cause of China's "losing the competitive edge in mass production." China's costs have risen dramatically and exceed those in many other Southeast Asian countries, including Malaysia, the Philippines, Indonesia and Vietnam.

Still, even as China imports textile and apparel products from Bangladesh, Pakistan and other countries, textile and apparel exports continue to be the number one contributor to China's foreign trade, with China's biggest markets the United States, the European Union and Japan. Also, many Southeast Asian exporters import China-made fabrics and re-export them after further processing.

Last year, China processed approximately 10 million tons of cotton, 60 percent of which was grown locally. The remainder was imported from countries including the United States, India, and Pakistan.

Declining demand

According to the CCPIT data, China's total export value of textiles and apparel from January 2015 to May 2015 reached just $30 billion, with the United States accounting for some $16.4 billion in that period. By contrast, in 2014, the total export value of textiles and apparel amounted to roughly $300 billion.

Tao said that U.S. demand for textiles and apparel seemed to be picking up, but at a slower pace. "It is difficult for suppliers of low-end products [to find demand in the United States] because of the fierce competition and the cost-conscious U.S. consumer's self-restraint in buying. However, the U.S. market is much more resilient and stronger than the European Union's and Japan's. Recovery is, however, not that strong, according to the feedback we get; buyers are not ordering as much as they used to," Tao said.

As the traditional markets seem to be saturated, Chinese exporters are also looking for greener pastures elsewhere, particularly in the emerging markets of South America, including Brazil, with its 300-million-strong population, and Russia, though the latter has problems vis a vis the sanctions it currently faces. Tao noted that Africa was also opening up to Chinese exports.

Seeking alternate production locales
To counter the sharp rise in production and labor costs, China is also looking around for production sites beyond its shores — migration that typically focused more on apparel than textile production. "Fabric production is not labor intensive but apparel production is. Chinese companies are worried by rising labor costs and one way to remain competitive in the world markets is by shifting production to low-cost sites," he explained.

But in a shift in thinking, says Tao, Chinese companies are looking to set up full manufacturing bases in the markets they wish to serve. Toward that end, Chinese textile companies have been buying up manufacturing assets such as mills in the United States, the most recent one in South Carolina.

This is a reversal of the mass sourcing of textile and apparel production from what was then a low-cost production site more than two decades ago. Textile production in China is no longer profitable for many manufacturers, both international and Chinese, who are turning their backs on China. In addition to rising wages and energy costs, production in China also involves higher logistics costs and requires dealing with government quotas on imported cotton, which creates a lot of uncertainty for manufacturers.

Made in the USA — by Chinese companies
The scene and the actors are changing too, according to Tao. If there was a huge interest on the part of many U.S. manufacturers-turned-importers in sourcing cheap products from China, it is the Chinese who are now flocking to the United States to manufacture.

The calculation of Chinese companies is that while U.S. labor costs are much higher, the productivity levels in the United States are also much higher, thus levelling off or even driving down the end costs in the final analysis. Other "perks" for Chinese manufacturers setting up shop in the United States come in the form of much lower energy prices, competitive prices of cotton, tax incentives from local governments and of course a reduction in shipping costs. Also, there is an opportunity to capitalize on the "Made in America" cachet, which is becoming increasingly desirable.

Additionally, the "keeping-a-foothold-in-the-market" strategy — producing goods in the market where they are sold — is appealing to many Chinese companies that are driven by the prospect of a trans-Pacific free trade market, which would result from the successful passage of the Trans-Pacific Partnership (TPP). The U.S.-led TPP agreement will include all of the major economies of the trans-Pacific region except China. And the fear of being shut out of the TPP has caused Chinese yarn companies to set up a base in the United States.

China's yarn production costs have sharply risen, surging by as much as 30 percent compared to those of the United States, according to the **International Textile Manufacturers' Federation**. Of course, the Chinese are not moving just into the United States. They also have been shifting manufacturing to other lower-cost countries in Asia, particularly Bangladesh, India and Vietnam.

Chinese companies see multiple benefits accruing to them from their presence in the United States. Some Chinese exhibitors at the recent TexWorld show in New York said recently that many Chinese companies found the U.S. an attractive manufacturing site because it offered unhindered and direct access to the huge U.S. market and noted that Chinese companies had so far made more than $45 billion worth of investments in new projects and acquisitions in the United States, with most of that occurring in the past five years.

The Carolinas are proving to be a hot spot, with more than 20 Chinese companies having set up operations, including a polyester fiber plant opened by Keer and Sun Fiber in South Carolina in 2014.

Some Chinese companies also want to use their U.S. operations to ship yarn to apparel manufacturers in Mexico, Central America and the Caribbean — countries that have duty-free access to the American market under NAFTA and CAFTA, provided the yarn is produced in a member country.

The Chinese are taking lessons from companies in neighboring countries such as India, which recently has been making acquisitions or setting up shop in the United States. Indian textile manufacturer Shri Vallabh Pittie Group, for example, garnered a lot of attention when it opened a factory in Sylvania, Ga.

The impact of new plants being opened or old ones being revived can be seen on local job markets. South Carolina, for instance, welcomed the arrival of Keer, as it employed weavers and spinners who had been laid off after Springs Industries shuttered its cotton mills — at one time some of the world's largest.

Recently, Chinese specialty textile company Legend Athletic Wear LLC opened its first U.S. production unit in Cincinnati, Ohio. (Ohio had been competing with Oregon and California to bag the Legend project.) The company, which uses sublimation technology to color fabrics, is the North American subsidiary of a Shanghai-based Australian textile-specialty company. Legend was founded by husband and wife co-owners Dr. Tan Kek Looi and Min Qi in 2005. From 2005 to 2012, the company's sales grew from $84,000 to $1.8 million.

Ohio's Tax Credit Authority granted tax breaks to Legend, which expects to create 80 full-time jobs by the end of 2018 and to generate more than $2 million in new payroll; besides creating the new jobs, Legend plans to invest more than $1.4 million in its new manufacturing facility. Indications are that the owners want to establish the Legend brand in the United States and later launch it in China.

With a strategy of geographic diversification, Legend and other Chinese manufacturers look to beat the pricing pressures of China's spiraling inflation.

Manik Mehta is a New York-based Apparel *contributing writer.*

Moody's: China responding to economic challenges

October 24, 2015 (China)

Slower economic growth and rising credit risk are symptoms of the challenge that China (Aa3 stable) faces with structural rebalancing and are developments which have become more prominent since mid-2015, Moody's Investors Service has said.
"Recent events have tended to illustrate the scale of the task confronting the authorities in managing the policy trade-offs involved in structural rebalancing," said Jenny Shi, a Moody's Managing Director and **Country**Manager for China.

Moody's defines China's rebalancing challenge as the need to engineer economic restructuring, policy reform, market liberalization, and slower credit uptake with the aim of shifting economic growth drivers away from state-led investment -- all without sacrificing short-term macroeconomic stability.

"While there is evidence that the economy is gradually re-orientating away from state-led, capital-intensive growth, the trade-offs are slower headline economic expansion, accelerating capital outflows, and a less certain policy trajectory," said Shi. "System leverage also continues to rise despite slower credit growth."
Shi made her remarks in a speech on October 22 at a conference organized by the US China Business Council in Shanghai. She spoke on the themes of the outlook for China's economy, corporate credit and the development of China's bond market.

Moody's believes that the government's enduring concerns over growth will test its ability and willingness to implement long-term economic policy and market liberalization, objectives that could have negative short-term effects on growth.
In this context, the pace of structural reform -- which is nevertheless proceeding -- will remain gradual and subject to implementation delays or temporary reversals.
"As the authorities are -- we believe -- prioritizing stability in the current environment, the likelihood of a slowdown in policy reform is increasing," said Shi. "In addition, our GDP growth forecasts for China of 6.8 per cent in 2015 and 6.3 per cent in 2016 are based on the assumption that the authorities will further step up monetary and fiscal measures in the face of weakening aggregate demand."

Moody's forecast of a further GDP slowdown is supported by the pervasive weakness of indicators, such as the country's purchasing managers' indices, credit growth, fixed asset investment and weakening labor market conditions.
To date, the policy stimulus measures that have been implemented have been broader-ranging and larger than what Moody's had expected at the start of the year.
Such measures include ongoing monetary easing to help support onshore liquidity, including interest rate and reserve requirement ratio cuts, and fiscal support focused on supporting infrastructure and public works investment. (SH)

The Lancang-Mekong River Cooperation Dialogues – China Strengthens Ties with Vietnam

Posted on October 30, 2015 by China Briefing

China is looking to strengthen business and trade with Vietnam. On October 22, a delegation of Chinese entrepreneurs met in Vietnam to discuss the proposed Lancang-Mekong River Alliance. The head of the delegation, China's former Cambodia Ambassador, announced that the first Foreign Ministers' meeting on the Lancang–Mekong River dialogue mechanism will be held this November in Yunnan.

Li Yalin, Deputy General Manager of ICBC, also spoke at the forum about strengthening service industries in Vietnam, particularly garments and textiles. Having just joined the Trans-Pacific Parntership (TPP), Vietnam's booming textiles and garment manufacturing industries are set to benefit the most from the agreement. Yalin added that many Chinese textile and garment companies have started operating in Vietnam within the last year.

The mechanism – a community of six countries of China, Myanmar, Laos, Thailand, Cambodia, Vietnam joined by the Mekong River – will facilitate business coordination and reinforce infrastructure for the Silk Road Economic Belt and the Maritime Silk Road; key components of China's 'One Belt One Road' initiative. It also serves to promote integration of the Association of Southeast Asian Nations (ASEAN). Senior officials of these countries met for the first time in April this year in Beijing.

Vietnamese business

Vietnam has been showing positive business trends in the last year, with Dun & Bradstreets's Business Optimism Index indicating that the Vietnamese manufacturing and service sectors maintain high optimism levels. In particular, the textiles and footwear industries are proving to be the most successful in Vietnam due to low wage costs and improving infrastructure.

Vietnam has been largely dependent on China in recent years, with three quarters of its annual trade made up of imports from its neighbor.

China's intent

Following numerous disputes with China in the South China Sea, Vietnam has sought to deepen its cooperation with other countries, including Japan, the U.S. and the Philippines. Vietnam is also set to benefit significantly from the Trans Pacific Partnership (TPP) deal, a partnering of 12 Pacific Rim countries exclusive of China.

With many other countries rushing to invest in ASEAN, China wishes to maintain its position as a leading trading partner of the region, and despite territorial disputes with Vietnam, hopes to improve trade and business with its neighbor. China's focus on Vietnam during the Lancang-Mekong River dialogues can be interpreted as a bid to further strengthen ties: China has drawn attention to trust, cooperation and friendship made possible through the Lancang-Mekong River Community.

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Chine : ne pas vendre la peau du panda avant de l’avoir tué

27/10/2015

Jean-Raphaël Chaponnière

Si l’on en croit les journaux et les analystes, la concurrence du *made in China*, c’est fini ! La Chine a épuisé son gisement de main-d’œuvre qui était naguère perçu comme illimité. Les salaires minimums ont doublé entre 2010 et 2015 (300 euros par mois) ; en 2015, selon la comparaison de l’Union des Banques Suisses (UBS), le salaire annuel brut d’une ouvrière de l’habillement est plus élevé à Shanghai (4 800 euros annuel) qu’à Bangkok, et trois fois plus qu’à Jakarta – sachant que dans ces trois villes la durée annuelle du travail (autour de 2 050 heures) est proche. Les salaires, dont ceux des *mingongs*, les travailleurs migrants en Chine, continueront d’augmenter car les entrées sur le marché du travail se raréfient.

Seconde source traditionnelle de la compétitivité, la sous-évaluation de la monnaie. Elle n’est désormais plus d’actualité : entre 2008 et juin novembre 2015, le yuan s’est apprécié de respectivement 20 % et 30 % par rapport au dollar et l’euro ; début juin, le FMI a conclu que la monnaie chinoise n’était plus sous-évaluée. Au mois d’août, aux lendemains de l’annonce de la baisse des exportations, le yuan a diminué de 3 %, et cette baisse, la plus forte en vingt ans, a affolé les marchés. Ils ont cru que la Chine engageait une dévaluation compétitive. Ce n’était pas le cas. Cette baisse était la conséquence mécanique de l’adoption d’un nouveau système de détermination du change. La Banque de Chine avait décidé de prendre comme référence la parité du yuan atteinte sur le marché le jour précédent pour proposer un taux le jour suivant et elle avait également élargi la bande de fluctuation. Cette décision s’inscrivait dans la stratégie chinoise d’accroître la flexibilité du yuan pour l’inclure dans la composition du DTS – le Droit de Tirage spécial qui inclut les grandes monnaies internationales de référence : le dollar, le yen, l’euro et la livre sterling.

Faute d'avoir été suffisamment communiquée par la Banque Centrale, cette baisse a été perçue comme le premier acte d'une dévaluation alors que, bien au contraire, les autorités puisent régulièrement dans leurs réserves pour soutenir la monnaie.

La Chine est trop chère…

Un avantage salarial en voie d'extinction, une monnaie qui s'apprécie, que reste-t-il ? La productivité, dont la progression aurait peut-être ralenti. Depuis trois ans, elle augmenterait moins vite que les salaires, ce qui signifie que le « coût unitaire » de la production – le rapport entre la hausse des salaires et celle de la productivité – s'élève.

D'ici un ou deux ans, concluent des consultants, il sera moins cher de produire dans le sud des Etats-Unis qu'en Chine. Les entreprises étrangères présentes sur le sol chinois l'ont compris. La Chambre de Commerce européenne en Chine révèle qu'une sur quatre envisage des réductions d'effectif. La Chine connaîtra les mêmes évolutions que le Japon après l'endaka, (voir notre chronique sur le sujet), la Corée ou Taïwan. La roue tourne et l'après-Chine a commencé.

Tout cela est vrai…. sauf dans les statistiques du commerce extérieur.

… Mais elle reste incontournable sur le marché du low cost

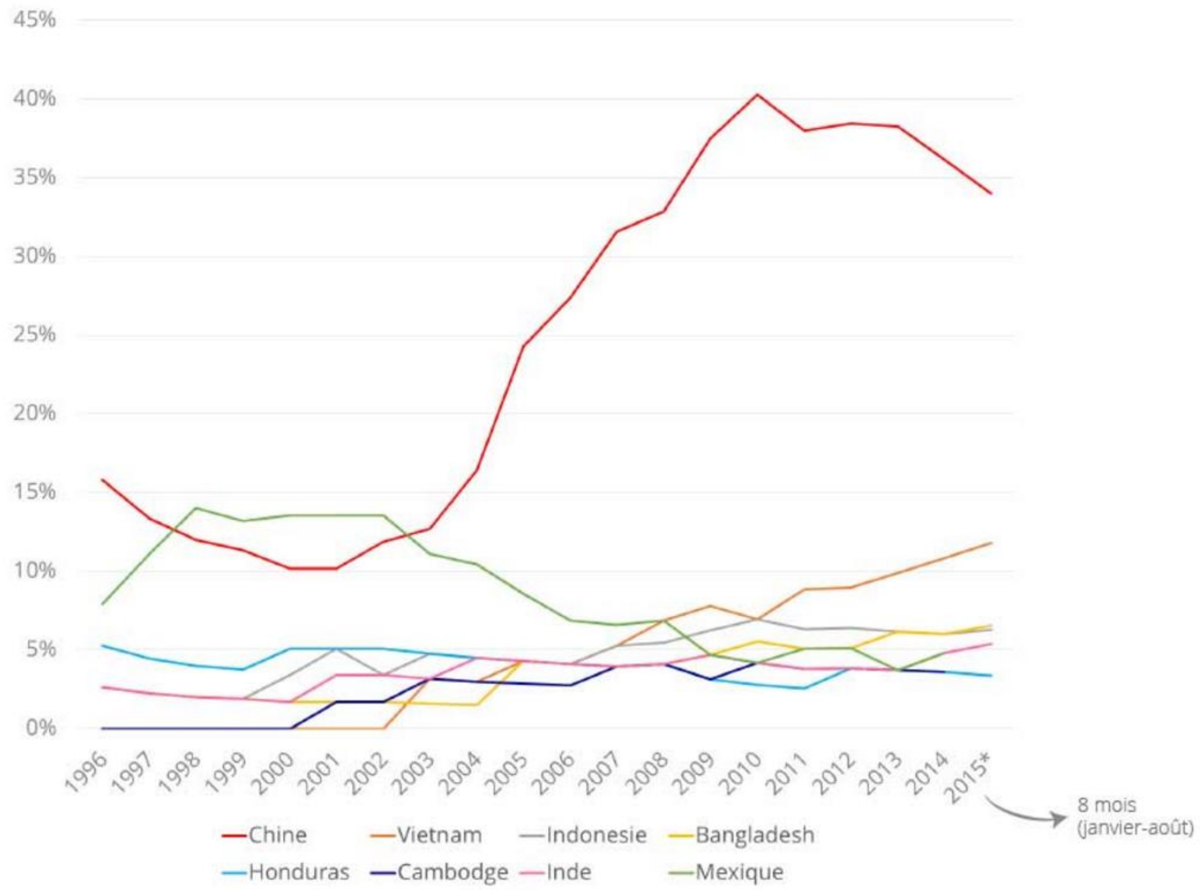
La lecture des statistiques douanières américaines ou européennes ne révèle aucun bouleversement. La Chine domine le marché mondial du*low cost* comme le démontrent les deux exemples emblématiques : l'habillement et les jouets.

Depuis l'Angleterre de la fin du XVIIIème siècle dont les productions ont concurrencé les « cotonnades indiennes », jusqu'à la Chine d'aujourd'hui en passant par les Etats-Unis du XIXème siècle, le Japon du début du XXème et la Corée du Sud des années 1960, tous les pays en voie d'industrialisation ont commencé par le textile. La part des articles *made in China* dans les importations d'habillement, qui était de 25 % en Europe et de 10 % aux Etats-Unis en 2000, s'est envolée après la fin des accords textile-vêtement – qui avait succédé à l'Accord multifibre (AMF). La libéralisation des échanges textiles a en effet mis fin au régime des quotas qui freinaient les exportations chinoises d'habillement.

En effet, pour exporter, les industriels devaient acheter des quotas vendus aux enchères, et dans le cas des articles sensibles, comme les t-shirts, la valeur du quota pouvait atteindre celle de l'article. La disparition des quotas a eu comme conséquence une forte réduction du prix des articles chinois et une hausse spectaculaire de leur part de marché qui s'est élevée à 45 % en Europe et 40 % aux Etats-Unis. En 2015, cette proportion était de 38 % en Europe, 34 % aux Etats-Unis … très loin devant le Vietnam, second fournisseur avec 12 %.

Parmi ces articles, si les t-shirts – une « *commodity* » – sont plus souvent fabriqués au Bangladesh, 40 % des maillots de bains viennent de Chine, au lieu de 10 % il y a dix ans. L'industrie du jouet est une activité encore plus *labor intensive* que la confection : en 2000, 82 % des jouets importés aux Etats-Unis étaient *made in China* ; quinze ans plus tard, cette proportion n'a pas varié d'un iota ! Certes, ce label peut être parfois apposé à des produits fabriqués ailleurs, mais la part occupée par la Chine reste considérable.

Importations de vêtements aux Etats-Unis par pays (1996 - août 2015)



Source : United States International Trade Commission

L’après-Chine est encore en Chine

Justin Lin, ancien économiste en chef de la Banque Mondiale, annonçait que les délocalisations chinoises créeraient des millions d’emplois en Afrique sub-saharienne. Certes, il y a eu en 2014 un investissement très médiatisé dans l’industrie de la chaussure en Ethiopie et d’autres plus modestes. Mais la déferlante chinoise se fait encore attendre. Si l’érosion de la compétitivité chinoise permet au Vietnam et au Bangladesh de grignoter des parts de marché, l’Afrique sub-saharienne exportait en 2014 trois fois moins d’articles d’habillement que le Cambodge.

En effet, confrontées aux hausses de salaires et aux pénuries de main-d’œuvre, les entreprises chinoises automatisent ou s’implantent dans les provinces de l’Ouest du pays, où elles bénéficient d’infrastructures améliorées. Exception faite de l’Inde qui n’a pas le *low cost* dans son ADN, aucun pays n’a d’ailleurs la capacité d’accueillir ne serait-ce que 10 % des emplois manufacturiers chinois.

Par contre, si elle n’a pas encore abandonné le *low cost*, l’industrie en Chine « remonte » les filières : entreprises locales et filiales étrangères fabriquent les composants qu’elles importaient, montent en gamme vers des produits plus élaborés. Sur le marché chinois, Huawei et Xiaomi taillent des croupières à Samsung qui jusqu’à récemment, n’avait qu’Apple comme concurrent.

Le ralentissement en cours de la croissance chinoise pourrait accélérer ce processus en amenant les filiales des constructeurs automobiles attirés par le marché chinois à se réorienter vers les marchés étrangers. Autant d’évolutions orchestrées par le programme « China 2025 » publié en juin 2015 inspiré du « Industry.4 » allemand.

Chinese textile manufacturers, traders to visit India

October 23, 2015 (India)

In a bid to further increase bilateral **trade** between India and China, a large Chinese business delegation comprising 600 leading **textile** and other manufacturers and traders is headed for a three-day business trip to India in December.

The Chinese manufacturers and traders are expected to interact with more than 25,000 Indian traders/captains of Indian industry during the trip, according to Ashish Gupta, Secretary of India Tech Foundation, a leading facilitator of the event.

The Chinese delegation which also includes manufacturers and traders in electronics, LEDs furniture, is scheduled to visit Ahmedabad, Mumbai, Indore, Nagpur and Pune during the visit in mid-December, Gupta said in a press release.

Bilateral trade between India and China has grown manifold in the recent times and India has emerged as seventh largest export destination for China. Industry estimates put New Delhi's total imports from Beijing close to $65 billion during the current year against $58.23 billion in 2014 and $51.63 Billion in 2013.

India's import list of more than 200 items from China is mostly dominated by textiles, smart phones, LED, electrical and electronic equipment, machineries, boilers, organic **chemicals**, plastics, furniture, lighting, paper and paperboard, glass and glassware.

In the Home-life segment, the most popular imported items were furniture and lighting equipments to the tune of $6747.40 million in 2014 compared to $6014.60 million in 2013. Similarly, the import value of plastic and plastic items was $1716.90 million as against $1255 million in the 2013. The value of Chinese imports in glass and glassware segment for 2014 was $296.60 million, while import value of paper and paper boards and pulp articles was $382.50 million. (SH)

17,000 workers strike at Egypt's largest public textile factory

Published October 27th, 2015

A strike by 17,000 workers at Egypt's largest public sector textile company entered its sixth day Monday, making it the largest and longest-lasting Mahallah workers action since ex-army general Abdel Fattah al-Sisi took office over a year ago.

Labor Minister Gamal Sorour said after meetings on Monday with officials in Gharbiya province, home to the beleaguered Misr Spinning and Weaving Company, that workers must resume production immediately so that within 48 hours Prime Minister Sherif Ismail will reach a "suitable agreement for the them," warning that "legal measures will be taken against any attempts to obstruct work."

The Higher Administrative Court last April ruled that public sector employees who take part in sit-ins on the job could be punished for impeding the ability of public institutions to deliver services "which constitute a right for citizens."

The ruling raised the ire of labor activists then who say it violated Article 15 of the 2014 Constitution and worry that this precedent could be abused to force striking workers in the public sector into early retirement.

The Mahallah strike

The Mahallah workers refused to pick up their October paychecks and began striking because they were not given a 10 percent social bonus promised by Sisi retroactively starting July.

The actions was triggered by 3,000 clothing workers on Oct. 21 but swelled to include the rest of the factory within three days.

The current strike comes amid heightened urban consumer inflation which jumped to 9.2 percent in September, according to the official statistics agency CAPMAS.

It also comes during difficult economic times in Egypt, which is still reeling from the aftermath of years of social and economic turmoil following the January 2011 uprising. The economic slowdown has led to the depreciation of the Egyptian pound against the dollar and, according to officials, has necessitated a sweeping policy of subsidy reduction, which has taken a heavy toll on low income families.

Sisi's law

In September Sisi issued a law granting a 10 percent social bonus, calculated as a percentage of the basic salary, to public sector workers who do not succumb to the new civil service Law No. 18/2015. The striking workers believe they are entitled to this social bonus.

However, on the same week the ministry of finance issued detailed regulations and specifications of the law, denying some public sector workers the bonus. Mahallah workers were among them.

A lawyer from the Egyptian Centre for Economic and Social Rights Alaa Abdel Tawab explained to Aswat Masriya that according to Sisi's Law No. 99/2015, public workers not included in the civil service law are entitled to this 10 percent, claiming that the law "was misinterpreted by the finance ministry" which issued by-law No. 442/2015, falsely broadening the sectors it considers to be exceptions to that rule.

"The finance minister excluded not only the six million employees subject to the civil service law, but also some workers in the public and private sector," said Abdel Tawab.

Company runs losses, workers face inflation

The Misr Spinning and Weaving Company is a public company established in the early 20th century and has a long history of labour struggle dating back to the time of the British occupation of Egypt.

Chairman of the Cotton and Textile Industries Holding Company Ahmed Mostafa told the media that the strike is costing the state estimated losses of EGP 4 million a day.

In media interviews, senior manager at the factory Ibrahim Bedeir said the company has run losses in 2014 that amounted to LE 640 million, which they plan to decrease by half at least.

Company administrators have reportedly blamed the recurring labor strikes for negatively affecting production levels and thus causing revenue losses.

Workers were also told that since they receive an annual seven percent raise, they are not entitled to the 10 percent social allowance.

Negotiations involving workers' representatives were held on Saturday in the presence of the company's director of security as well as Mahallah's director of national security but in the absence of the company's executive manager.

According to Reda Roshdy, who attended the meeting, fifteen workers, mainly heads of departments were chosen to speak on behalf of the rest.

But despite Roshdy's assertion that Saturday's meeting ended with an agreement to add three percent to the annual increase and to hike the food allowance by EGP 90 pounds ($11.20 , from EGP 210 ($26.14) to be EGP 300 ($37.34), the strike still continued.

Mohamed Al-Attar, a worker at the textile company argued that the annual seven percent salary increase has nothing to do with the social allowance the workers are demanding.

Attar was taken in for an interrogation one day before the strike began. He is known for his active participation in the April 6, 2008 strike and in a punitive measure, he was forcefully relocated to Alexandria for three years, only returning to his hometown of Mahallah after the 2011 uprising, which unseated Mubarak.

In 2008 the Mahallah textile workers had planned a strike which pro-democracy activists supported through online campaigns to protest against the increased cost of living and low wages.

The workers were reportedly infiltrated by plainclothes policemen who intimidated them and the strike never took place. Yet, calls for solidarity led to street clashes with police and the birth of the April 6 Youth Movement, one of the groups that electrified the January uprising.

Attar argued that the social allowance has been given to workers by law for years since the late 1980s under Mubarak to counter inflation.

He explained that the 10 percent is added to the basic salary every five years and will impact both the amount workers receive upon their retirement and their pensions.

Canceling this allowance would then deny workers the cumulative increase of their basic salaries over time.

Fatma Ramadan, head of the labor rights unit at the Egyptian Initiative for Personal Rights, confirmed that the workers are entitled to the 10 percent, but that the refusal to pay it is part of a bigger plan to decrease the compensations of public sector workers.

The government is trying to cut spending on salaries in all public sectors except the Interior Ministry,the armed forces, the judiciary and banks among other politically strategic sectors, she said.

By Menna Zaki

Egyptian govt sets aside EGP 300mn to buy cotton

October 28, 2015

The Government of Egypt has set aside a sum of EGP 300 million ($37.35 million) for purchasing **cotton** from farmers during the current season, agriculture minister Essam Fayed has said, according to Egyptian media reports.

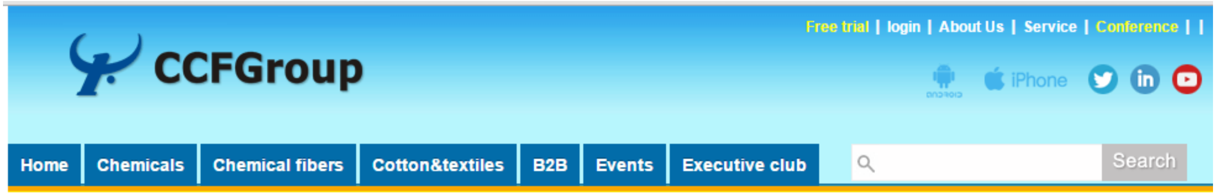
The government will pay EGP 1,100 ($137) for 100 kg of cotton grown in Upper Egypt, and EGP 1,250 ($156) for 100 kg of long **staple** cotton grown in the Delta region, the minister said.

This year, cotton was grown on about 250,000 acres and the total produce is expected to be around 200 million kg.

The government is buying cotton from farmers to protect cultivation of the crop. It is also framing strategies to ensure that Egyptian cotton is not mixed with other varieties. Further, the government is also working on a strategy to reduce export of raw cotton and increase its use in spinning mills.

Reversing the earlier decision, in July this year, the government permitted import of cotton into Egypt for a year. This decision saved domestic textile factories from being shut.

The textile industry in Egypt uses much of small and medium staple cotton, which is not produced enough in the**country** to meet local demand. On the other hand, the demand for Egyptian long staple variety in the international market is also diminishing due to its high price and the increasing use of short and medium variety. (RKS)



ndustry News | Time：Oct 27 2015 2:24PM

Kanoria Africa Textiles sets up denim fabric plant in Ethiopia

Kanoria Africa Textiles Plc, a wholly owned subsidiary of Kanoria Chemicals & Industries Ltd, has set up an integrated denim project at Bishoftu, Ethiopia.

This plant in Ethiopia has set up to manufacture denim fabric, which is the first such project in East Africa.

The plant has 16 acres of land 50 km off the Ethiopian capital Addis Ababa.

The plant has set up at a cost of $50 million which will have the capacity of producing 12 million metres annually.

The unit has spinning (1440 rotors), weaving (60 looms) units, a dyeing facility and a finishing line.

The plant also has access to local long-staple cotton, low-cost energy, duty-free access to the US, Canada and EU and tax incentives.

Hailemariam Desalegn, Prime Minister of Ethiopia, inaugurated the denim fabric plant on 24 October 2015.

Il faut préserver les industries de mode et de création

LUCIEN DEVEAUX / PRÉSIDENT DE DEFI (COMITÉ DE DÉVELOPPEMENT ET DE PROMOTION DE L'HABILLEMENT) | LE 26/10 À 21:08

Sans consultation de la filière de la mode et de l'habillement, le projet de loi de finances actuellement débattu au Parlement remet en cause profondément l'écosystème qu'elle a su constituer.

On oublie trop souvent que derrière les podiums des défilés et le glamour des magazines, le secteur de l'habillement abrite un foyer de création d'emplois, de richesse, de savoir-faire et d'innovations. 330.000 personnes œuvrent chaque année pour générer près de 76 milliards d'euros de chiffre d'affaires, soit plus de 7% du marché mondial. Ce secteur repose sur une large capacité exportatrice (80% des productions des grandes marques sont destinées à l'export), non négligeable vu la balance commerciale déficitaire de la France, en s'appuyant notamment sur l'image de la mode française dans le monde entier.

En dépit d'une concurrence féroce, Paris reste encore la capitale de la mode, et les retombées économiques qui en découlent sont considérables. Ses "fashion weeks" engendrent plus de 400 millions d'euros hors achat de mode et assurent la présence de dizaines de milliers d'acheteurs et de près de 1.500 journalistes venus de plus de 50 pays. Les Grands Magasins ont une fréquentation cinq fois supérieure à celle du Louvre tandis que le quartier Opéra-Madeleine produit à lui seul près de 2,5 milliards d'euros de chiffre d'affaires.

Une taxe librement consentie

Cette aura et cette effervescence existent depuis des siècles, mais leur maintien malgré la concurrence de Londres, New-York ou Milan ne doit rien au hasard, mais beaucoup à ses marques puissantes et aussi, en coulisse, au DEFI (*). Entité voulue et financée par une taxe librement consentie par les acteurs de la filière au service de son développement, elle permet à l'avantgarde de la création française de se développer, aux PME de se projeter à l'international en les accompagnant financièrement et stratégiquement dans les grands salons internationaux. Elle accroît la visibilité des "fashion weeks" grâce aux infrastructures mises en place comme les salles de presse, les navettes pour optimiser la présence des médias et acheteurs internationaux. Elle soutient la préservation et l'innovation des savoir-faire et des métiers d'excellence, à l'image des façonniers durement frappés par la crise en 2008.

Une solidarité hors du commun

Deux articles du projet de loi de finances, actuellement débattu au Parlement, s'apprêtent insidieusement à balayer 30 ans d'actions efficaces et solidaires, en privant le DEFI d'une partie de ses ressources et surtout de toutes ses missions de soutien aux entreprises, aux créateurs et à leur développement international. Comment comprendre les dispositions envisagées à l'égard d'une taxe conçue pour accroître le rayonnement de la France, soutenir ses emplois et renforcer la cohérence d'un écosystème complexe ?

Notre secteur compte de Préserver les grands leaders mondiaux, mais témoigne aussi d'une solidarité hors du commun. Car la taxe dont dispose le DEFI est acquittée par 3.500 entreprises et permet d'accompagner le développement de plus de 700 entrepreneurs avec un retour sur investissement inégalé : chaque euro investi sur les salons internationaux en rapporte 30 fois plus! Nous faisons vivre une solidarité entre grandes entreprises et nouveaux créateurs, entre marques installées et émergentes, entre donneurs d'ordre et façonniers.
Quel sens y a-t-il à mettre en cause un mécanisme performant et source de rayonnement pour la France, qui n'affecte pas l'équilibre budgétaire, ne coûte pas un euro au contribuable et qui est approuvé par tous les acteurs de la filière ? Nous sommes créatifs, innovants, source d'emplois, gardiens de savoir-faire inégalés et un moteur pour le développement des exportations françaises. Notre mode de fonctionnement devrait être encouragé, donné en exemple! – et non se retrouver comme un dommage collatéral du budget.

Lucien DEVEAUX, Président de DEFI (Comité de Développement et de Promotion de l'Habillement) et l'ensemble des présidents des fédérations de la mode et de l'habillement : Ralph TOLEDANO (président de la Fédération *française de la Couture, du Prêt à Porter des Couturiers et des Créateurs de Mode) ; Didier SIMON DE BESSAC (directeur général de l'Alliance du Commerce) ; Claude TETARD et Alain MOREAU (présidents de l'Union française des Industries de l'Habillement) ; Philippe BERTHAUX (président du Club de la Lingerie Française) ; Daniel WERTEL (président de la Fédération française du Prêt à Porter Féminin) ; Claude MISEREY (président de la Fédération française du Vêtement Masculin) ; Alain MOREAU (président du Groupement de la Fabrication française)*

Comment Lectra arrive à produire moins cher en Gironde qu'en Chine

Publié le 26/10/2015

LES AQUITAINS DE L'ANNÉE 2015 - L'emblématique société de découpe automatique de tissus achève un plan d'innovation et d'investissement de 50 millions.

Daniel Harari, directeur général de Lectra.©
PHOTO GUILLAUME BONNAUD

Organisé par " Sud Ouest " et la Banque Populaire Aquitaine Centre Atlantique, en partenariat avec Kedge BS, ce prix distingue des entreprises performantes dans les cinq départements d'Aquitaine. ***Mardi 1er décembre, à Bordeaux****, aura lieu la remise des prix au cours de laquelle, deux chefs d'entreprise de Gironde, parmi huit nominés, seront élus Aquitains de l'année 2015. Nous présentons aujourd'hui l'une des entreprises sélectionnées.*

Les perspectives de croissance à moyen terme sont "bonnes". De quoi donner le sourire aux équipes de Lectra à Cestas. La société, qui **emploie 1 500 personnes dans le monde, dont 600 en Gironde**, devrait terminer l'année 2015 avec un chiffre d'affaires en hausse de 14 %, une prévision volontairement "prudente" après les 16 % d'augmentation du premier semestre.

50 millions d'euros d'investissement

En décembre prochain, Lectra verra s'achever son plan d'investissement lancé en 2012 et d'un montant de 50 millions d'euros. Un gros effort a été consenti dans la recherche et le développement, la formation, l'innovation. **Une cinquantaine de nouveaux ingénieurs ont rejoint les équipes.**

Sur le même sujet : Gilles Mathelié-Guinlet, le chef de file des PME du transport routier

Fondé en 1973, Lectra est devenu le **numéro un mondial des logiciels et des systèmes de découpe par laser** ou par lame des tissus et autres matériaux souples. Ses clients sont dans l'habillement (Hermès, Vuitton…), la chaussure, l'automobile (Faurecia), l'ameublement et même l'aéronautique et le nautisme. La société compte 2**3 000 clients dans une centaine de pays.**

L'innovation, plutôt que le low cost

Pour en arriver là, André et Daniel Harari, les actuels dirigeants (ils possèdent 37 % du capital, le reste étant sur le marché boursier),ont choisi dans les années 2000 de **monter en gamme**. En pleine crise économique en 2008 et **au moment même où leur principal concurrent américain délocalisait en Chine.** Pour garder la recherche et la production à Cestas et donc maintenir des prix plus élevés, **Lectra mise sur l'innovation** (les machines de découpe sont dotées de capteurs pour analyser et optimiser leur travail) et **modifie l'organisation de sa production** de machines et sa logistique. Chaque année, 10% du chiffre d'affaires est consacré à la recherche.

Une stratégie, qui a porté ses fruits. Aujourd'hui, Lectra a un coût de production global plus faible (en incluant les frais de transport bien évidemment) que si elle produisait en Chine. Et une qualité de production, sans commune mesure. **Les nouveaux systèmes de découpe ont connu une augmentation de leurs ventes de 45 % en 2014**. Lectra a vu sa part de marché sur la découpe des tissus pour l'automobile passer de 15 % à 70 % en sept ans. Avec une belle croissance sur le marché chinois. **L'an dernier, le bénéfice de Lectra était de 14,4 millions** d'euros, il devrait atteindre 20 millions d'euros cette année.

Pour le patron de Lectra, "le cash ne ment pas"

Par Jean-Philippe Déjean | 30/10/2015, 11:56 | 769 mots

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Daniel Harari, à droite, DG de Lectra, à Shangai le 23 septembre dernier (Crédits : DR) Le groupe Lectra, à Cestas (Gironde) et Paris, coté en Bourse, a encore accéléré sa croissance au 3e trimestre 2015, alors que deux de ses marchés clé, la Chine et le segment de l'automobile, sont en recul.

Daniel Harari, directeur général de Lectra, qu'il codirige avec son frère André (président), a commenté pour La Tribune - Objectif Aquitaine les résultats de ce 3e trimestre hier soir après la clôture des marchés. Lectra (1.500 salariés dont 600 à Cestas), leader mondial en conception et développement de systèmes de découpe (progiciels, machines) pour les industries utilisatrices de matériaux souples, comme la mode, mais aussi l'automobile (revêtement des sièges) et l'ameublement, ne s'est jamais aussi bien porté. **Après une hausse de + 15 % au 2e trimestre 2015 par rapport à la même période en 2014, le chiffre d'affaires du groupe a progressé de + 10 % au 3e trimestre, également sur un an, à 59,3 M€.**

Forte hausse de l'activité

"Le point noir c'est la baisse des commandes, en Chine et dans l'automobile, qui sont deux points forts de Lectra. **Nos prévisions concernant les commandes de nouveaux systèmes s'établissaient à + 15 % et nous avons réalisé - 9 %, à données constantes. Notre chiffre d'affaires est boosté par nos commandes précédentes",éclaire Daniel Harari. Pour**

autant Lectra n'est pas en train de surfer sur la crête de la vague en attendant d'être happé par un creux abyssal.

C'est tout le paradoxe de la situation. La hausse sur trois mois de 33 % du résultat opérationnel, à 9,8 M€, et celle du résultat net, qui gagne 35 %, à 7 M€, vont de pair avec la production d'un cash flow libre de 10,8 M€ pendant le trimestre. Une évolution parfaitement conforme à la trajectoire suivie pendant les neuf premiers mois de l'année qui ont permis au groupe de réaliser un chiffre d'affaires de 175,7 M€, en hausse de 14 % sur un an, tandis que le résultat opérationnel bondissait de 73 %, à 23 M€.

Solidité des fondamentaux

"Au terme des neuf premiers mois de l'année, nos capitaux propres atteignent 105,3 M€. Nous ne sommes pas endettés et nos fondamentaux sont plus solides qu'ils ne l'ont jamais été, c'est historique. Pourtant nous devons faire face à une alerte conjoncturelle qui va rendre plus difficile notre quatrième trimestre, analyse Daniel Harari. *Notre chiffre d'affaires annuel, au lieu d'atteindre la barre des 240 M€, poursuit-il, va osciller entre 235 et 238 M€. La consolation c'est que notre résultat net va dépasser les 29 M€ annoncés pour être compris entre 30 et 32 M€. Comme nos fonds propres et notre trésorerie vont continuer à augmenter, ce tassement de l'activité n'aura pas d'impact sur nos fondamentaux. Le cash ne ment pas."*

Sur le plan macroéconomique, le consensus chez Lectra est que le recul brutal du marché automobile est essentiellement lié à la baisse de la croissance en Chine et aux contrecoups de l'affaire Volkswagen, deux facteurs qui ont provoqué l'attentisme des investisseurs.

Explosion de l'ameublement

"La Chine représente deux-tiers des commandes automobiles. **Nos compensations, nous les avons eues en Amérique du nord, en forte progression, et à nos ventes dans l'ameublement, qui ont été multipliées par trois grâce au lancement, il y a trois ans, du système de découpe Versalis",** relève le directeur général. Versalis, qui dispose d'un système automatique d'analyse des peaux avant découpe, est utilisé non seulement dans l'ameublement (canapés...) mais aussi dans l'automobile.

Sur les neuf premiers mois de 2015, l'automobile a représenté 30 % de l'activité de Lectra, en recul de 13 %, l'ameublement 12 % de l'activité (contre 4 % à la même période en 2014) et la mode plus de 52 %, en progression de 5 %. **Daniel Harari se félicite du virage économique pris par la nouvelle direction du Parti communiste chinois, qui, avec le plan "Made in China 2025", a décidé de réorienter l'outil de production vers le marché intérieur au lieu de rester dépendant des exportations.**

La Chine aussi chère que les Etats-Unis

"A court terme nous n'avons pas de visibilité sur le marché chinois. Mais à moyen terme la situation est très favorable. ***En se tournant vers son marché intérieur l'économie chinoise va devenir plus solide et l'annonce faite aujourd'hui par les instances du Parti communiste de l'abandon de la politique de l'enfant unique est une très bonne nouvelle",*** *juge Daniel Harari.*

Si selon lui produire en Chine coûte aujourd'hui aussi cher qu'aux Etats-Unis mais moins cher qu'en Europe et en France, **ce Polytechnicien, qui a refusé avec son frère de délocaliser Lectra en Chine il y a quelques années, savoure aujourd'hui sa victoire.** Plus coûteux que les autres, les systèmes de Lectra, développés et fabriqués en Gironde, se sont imposés comme la référence technologique mondiale sur ce marché.

Chinese entrepreneurs show interest in investing in Haiti

October 20, 2015 (Haiti)

The recently concluded 9th China-Latin America and Caribbean (LAC-CHINA) summit in Mexico attracted around 1,500 Chinese entrepreneurs, including those from the **textile** industry, as per Haitian media reports.

Haiti's National Society of Industrial Parks (SONAPI) got a nod of approval from at least 10 potential Chinese entrepreneurs to visit the park, textile and footwear being the key sectors for investment.

Expressing their views about the summit, Keren Marcellus and Marcus Boereau, representatives of the Investment Facilitation Center (CFI) said, “The experience of LAC-CHINA proved clearly promising for foreign direct investment in Haiti. The Chinese are very interested especially in building infrastructure, bio-agriculture, and textile manufacturing in Haiti.”

Guy Lamothe, ambassador of Haiti, said in his speech at the summit that Haiti could receive financial aid from the Bank of the BRICS (Brazils, Russia, India, China, and South Africa) nations since China is among the key founders. He stressed on improving the Haitian economy by focussing on investments in textile manufacturing, agriculture and tourism sectors of the **country**. (HO)

FTA with EU to increase textile exports and jobs; ASSOCHAM plea

MONDAY, 26 OCTOBER 2015

Bilkulonline.com, Ahmedabad, Oct 20: To help textile industry touch its potential of US $500 billion by 2025 from the current level of US $110 billion, industry body ASSOCHAM has advocated signing of Free Trade Agreement (FTAs) with European Union countries (EU) and entering agreement with the US before our industry become uncompetitive Trans-Pacific Partnership (TPP).

In a note submitted to the government, the chamber has stated that the estimated US$ 500 billion potential consists of domestic sales of US$ 315 billion and exports of US$ 185 billion. To achieve this huge target, great planning and action are required on the part of both the industry and the government. This looks ambitious but is not impossible as China by introducing various pro-industry policies has done the progress in the same in the last 10-15 years.

The chamber secretary general, D.S. Rawat says, the domestic market has to grow at 16-17% from the present US$ 68 billion to around US 315 billion. Currently, the total textile exports from India are US$ 40 billion. Out of this, cotton exports are about US$ 21.50 billion, MMFs are about US$10.0 billion and other textiles like Silk, Handloom, Jute are about US$ 8.50 billion.

Assuming cotton exports to grow about 10% at CAGR, the total cotton exports by 2025 would be around US$ 55 billion and other textiles would be of around US$ 14 billion, thereby leaving a target of US$ 116 dollar which MMF/ Filament Yarn only can achieve. Exports of MMF / Filament Yarn are currently US$ 10 billion and in order for MMF / Filament Yarn to reach the target level of US$ 116 by 2025, this segment will have to grow at more than 25% CAGR, adds the ASSOCHAM.

However for the last 10 years, we have been regularly failing to achieve our export targets again and again because our concentration remains high on cotton. The MMF / Filament Yarn industry, which could have given much desired growth, has not been given its due attention. Now, the time has come that we give due focus on the MMF to attain our exports and desired growth for the Textile Sector, said Rawat.

Since we have not been able to complete the Doha Round of trade talks, our Textile Industry is to face at duty of 15%-30% in the developed markets of US and E.U. against the Least Developed (LD) countries like Bangladesh, Vietnam, Cambodia, Myanmar who are at zero duty. If Doha Round would have been completed our duty also would have been come down to single digit.

The Trans-Pacific Partnership (TPP) between US, Japan, Canada, Chile, Vietnam, Malaysia, Singapore, Australia, Brunei, Mexico, New Zealand and Peru, which has been signed last week will cause trade diversions effects in some of the key sectors such as textiles and clothing industries for India.

The United States accounts for 20-35% of India's ready-made garment exports and the TPP is going affect India's textile sector in two ways: First, TPP member countries will get preferential access in the US markets as against Indian's exporters. This would disadvantage India as US import duties on ready-made garments are high.

Secondly, the 'Yarn Forward Rule' – a key feature of TPP – makes it mandatory to source yarn, fabric and other inputs from any or a combination of TPP partner countries to avail duty preference. This would change the dynamics of the existing global supply chain in textile and clothing sector.

At present, India exports yarn and fabric to Vietnam, which then makes the textiles and exports to countries like the US. Now, because of yarn forward rule, they will be under pressure to develop local production. While Vietnam will have zero-duty access to the US market for textiles, Indian players will have to pay higher duties, which will make India's which will make India's textiles exports uncompetitive.

India imposes duty on Chinese & Thai polyester yarn import

October 23, 2015 (India)

Pursuant to the recommendations of the Directorate General of Anti-dumping and Allied Duties, the Government of India has imposed anti-dumping duty on import of various **polyester** yarn from China and Thailand for a period of five years, effective from 21 October, 2015.

Definitive anti-dumping duty has been levied on imports of "All fully drawn or fully oriented yarn/spin drawn yarn/flat yarn of polyester (non-textured and non-POY)", falling under heading 5402 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, the People's Republic of China and Thailand for a period of five years, says notification No. 51/2015-Customs (ADD), issued by the Department of Revenue, Ministry of Finance.

The ant-dumping duty applicable on imports from Jiangsu Hengli Chemical Fibre Co. Ltd. would be $256 per ton, while it would be $547 per ton for the specified yarn imported from any other Chinese company.

Likewise, the duty on imports from Indorama Polyester Industries Public Company Limited (formerly Indo Poly (Thailand) Ltd.) would be $57.78 per ton, while it would be $248.63 for import of specified yarn from all other Thai companies.

After a review in the matter of continuation of anti-dumping duty on imports of all fully drawn or fully oriented yarn/spin draw yarn/flat yarn of polyester (non-textured and non-POY) originating in or exported from China and Thailand imposed from 11 November 2009, the Central Government had extended the duty on the subject goods, upto and inclusive of 25 March, 2015, vide notification No. 18/2014-Customs (ADD), dated 9 May, 2014.

Subsequently, the designated authority in its final findings, published vide notification No. 15/3/2014-DGAD, dated 22 September, 2015, concluded that dumping and consequent injury to the domestic industry is likely to continue or reoccur in the event of cessation of anti-dumping duty on imports of subject goods from the subject countries and had recommended imposition of the anti-dumping duty on the subject goods, originating in or exported from the subject countries. (RKS)

Industry News | Time：Oct 29 2015 9:28AM

Indian textile sector seeks more investment in man-made fiber units

MUMBAI: Textile industry today called for more investment and increase in the market share from meagre 2.2 per cent in man-made fiber (MMF) based textile sector to help government's ambitious plans to grow the size of the segment from USD 110 billion to USD 400 billion in the next few years.

"The investment in man-made fiber based textile value chain will help in successfully implementing 'Make In India' initiative for textile sector. This will help in reducing the dependability on MMF based fabric imports worth USD 1.2 billion and make India a self-sufficient country in MMF-based textiles," Wazir Advisors Jt Managing Director, Prashant Agarwal said.

He was speaking at the FICCI organised 7th annual conference on textile and apparel industry 'TAG 2015' here.

The country imports MMF-based fabrics worth USD one billion from China, Korea and Taiwan due to absence of good quality fabric suppliers in India.

Agarwal said out of total global trade of MMF-based apparel, which is currently pegged at USD 170 billion and India has a very low share of 2.2 per cent. This presents a great opportunity to increase the share of Indian MMF and textile and apparel industry should work together to increase it further.

Kavita Gupta, Textile Commissioner, Ministry of Textiles stressed on the need of R&D in the textile and apparel industry, which needs to be addressed collectively and in time-bound manner.

"The government is also focusing on skill development and the industry should come forward to work hand in hand with government on this area," Gupta said.

She also informed that the government will open textile commissioner's office in each state, which will help industry to interact with the ministry on regular basis.

The growth of man-made textiles is playing an important role in the textile industry. Since the government is aiming to grow the size of Indian textile and apparel industry from USD 110 billion to USD 400 billion, the input for such size from man-made fiber will also multiply and hence required immediate attention on its development as cotton only may not be able to fulfil that demand, Reliance Industries President (Polyester Chain), R D Udeshi said.

Manoj Patodia, Member, FICCI, in his welcome speech outlined that the share of polyester fiber in textile and apparel industry has gradually increased in the recent years, rising from 34 per cent in 2000 to 38 per cent in 2014. This pattern is expected to remain in growth phase as an alternate to cotton.

Patodia said that FICCI has already sent its representation to the Centre to promote consumption of man-made fibers to reduce the huge gap between man-made fibers and cotton.

The Maharashtra government is working on new textile policy and developing and promoting promoting various textiles park to strengthen textile clusters, Minister of State for Textile, Vijaykumar Deshmukh said here.

For the development of textile industry, Maharashtra government is working on new textile policy and developing and promoting promoting various textiles park to strengthen textile clusters. He also mentioned that investment in MMF based textile is a huge opportunity, Deshmukh said.

Source: Indian Express

Thu, Oct 29 2015. 12 49 AM IST

Made in China textiles a threat to Mumbai's Mulji Jetha market

The eclipse of local textiles mirrors the decline of India's textile industry and reaffirms domination of the neighbours

In India, the textiles sector employs the maximum workers after agriculture. Photo: Bloomberg

Mumbai: A short walk from Zaveri Bazaar, the famed jewellery hub in South Mumbai, is the 136-year-old Mulji Jetha market, among the largest textile bazaars in Asia.

Hundreds of wholesale stores —and some retail ones too—cram the ancient buildings and their charming skylights.

Customers from Mumbai and beyond plonk themselves on white cushions placed on the floor and haggle endlessly. One such customer, over half a century back, was a certain Dhirubhai Ambani, who would purchase fabric in bulk for export to secure yarn-making licences from the government, before he went on to script the rise of India's largest private enterprise.

Mulji Jetha is still crowded, and customers stream in endlessly. But the market itself has changed fundamentally. Instead of fabrics from the country's traditional textile hubs, it is flooded with Chinese textiles.

The eclipse of the local textiles mirrors the decline of India's textile industry over time, even as competitors in the neighbourhood have turned nimble. According to Premal Udani, managing director, Kaytee Corp. Pvt. Ltd, an apparel manufacturer that supplies to Wal-Mart Stores Inc., Mulji Jetha hardly had any imported items 25 years ago. Now, there are hardly any local textiles.

"The issue is critical for fabric compared to apparel. The Chinese onslaught, or flooding of cheap Chinese items, is yet to happen in the apparel sector," said Udani. But he fears that may be next. "If the government does not take a long-term approach, you may have to face the risk of organized mills going extinct in 10-15 years," Udani said.

In India, the textiles sector employs the maximum workers after agriculture. Prime Minister Narendra Modi wants the sector to triple in size—from the current $110 billion to $300 billion by 2020. The changing hues of Mulji Jetha market attests to the urgency of the task.

"The Indian textile industry is facing serious threat from China, and even Indonesia, across the value chain—from fibre to yarn to fabric and even garments—on account of dumping at very low prices," said Rajeev Gopal, chief marketing officer at viscose staple fibre maker, Birla Cellulose, a unit of Aditya Birla Group.

"The Indian textile industry, though competitive, specially in the upstream, is facing a squeeze on margins due to such low prices. This will result in closures and will discourage investments in this vital sector which is a large employment generator and a foreign exchange earner," he said, adding that the government will need to provide safeguards to ensure reasonable returns for the Indian industry.

The Chinese avalanche has reached the doorsteps of Reliance Industries Ltd (RIL) too, whose founder made his early fortune at Mulji Jetha.

On 24 September, Anil Rajvanshi, senior executive vice-president and head (corporate and industry affairs) at RIL, in his capacity as chairman of the Synthetic and Rayon Textiles

Export Promotion Council (SRTEPC), wrote to Arvind Subramanian, India's chief economic adviser, warning about a steady increase in imports of Chinese fabrics.

Last year, imports of fabrics touched $850 million, or Rs.5,500 crore, Rajvanshi wrote. "Ninety-five percent is imported for trading. This is at the cost of domestic industry and 100,000 labourers are rendered idle owing to these imports and revenue loss as the Modvat (modified value added tax) chain breaks. All our neighbouring countries, Bangladesh, Thailand, Indonesia, Vietnam and China, have same rate of VAT (value-added tax) or excise duties on all natural and man-made or synthetic fibres. The textile industry in all these countries has grown in double digits in the last five years," wrote Rajvanshi.

The purpose of Modvat is to avoid the cascading effect of taxes on both inputs and final products. The scheme permits a manufacturer of excisable goods —like textiles—to avail of credit on duty paid on the notified inputs received and used in or in relation to the manufacture of final products and to utilize such credit towards the duty liability on disposal of final goods.

According to Udani, Bangladesh's apparel market was just $3 billion five years ago, while India's was $5 billion. Currently, India is just $16 billion while Bangladesh has grown to $28 billion. The eastern neighbour has now started making denim and will enter more categories, he cautioned. According to SRTEPC data, availability of all fibres in India is 10 billion kg, with cotton at 6.5 billion kg and man-made fibres at 3.5 billion kg. In order to achieve Modi's target, India needs to double the size of fibre availability to 20 billion kg. With limited compounded annual growth rate (CAGR) of cotton at 1.5%, the production of man-made fibres has to be increased three times to around 12 billion kg.

SRTEPC said imports of fibre, yarn and value-added products such as finished textiles should be discouraged, as it badly hurts the domestic industry, capital and manpower employed. "Import of fabrics should be allowed to actual users and under advance licence only," it said. The association said that it was "shocking" that the value of fabric imported under advance licence is below Rs.300 crore in the last three years while in the last year alone, imports, mainly from China, were to the tune of Rs.5,500 crore.

SRTEPC said the bulk of fabric is imported by traders, who retail in India, hurting domestic textile producers.Babubhai S. Ahir, promoter of textile firm Challenge Enterpises Ltd, said that "over 80%" domestic fibre manufacturers are now extinct, owing to what he called Chinese dumping.

“Domestic fibre manufacturers cannot match the price offered by Chinese companies. That is the reason you are seeing more Chinese fabric products in Mulji Jetha market,” Ahir said.

Industry News | Time：Oct 27 2015 4:15PM

Indian textile and garment firms may shift base to Vietnam

The Indian textile and garment companies facing duty disadvantage at home, some have already prompted to expand outside India in recent years. Moreover, with the recently negotiated Trans-Pacific Partnership (TPP), some more the Indian companies may shift their base to Vietnam to grab the advantage of duty-free access to the US and other TPP markets, like they did some years ago to Bangladesh to take the benefit of duty in exports as well as low labour costs, according to analysts.

But there are some other players, while recognizing potential threat from Vietnam chose to await the full text of the TPP, expected to be released next month.

Vietnam has already beaten India as the world's third-largest garment exporter and the threat from the nation appears more real given the fact that the US accounted for 22-30% of India's garment exports in recent years and Indian exporters have to pay duty in the range of 14-32% for the shipment of textiles and garments there. The TPP between the US and 11 other Asia-Pacific nations, including Vietnam, represents roughly 40% of global gross domestic product and a third of world trade.

Shailesh Pathak, executive director with Bhartiya Group, at FE's Digital India programme said that they employ 6,000 people in their fashion business in Chennai and Bengaluru. There is a high probability that 4,000 of those jobs will move to Vietnam in 12 months.

Naishadh Parikh, director at Arvind Mills and the newly-appointed chairman of the Confederation of Indian Textile Industry, said that the pact suggests there is a potential risk of investment and employment moving to select TPP countries, especially Vietnam. But until the full text is made public, it's too early to say if Indian companies would shift base soon, as any such move depends on several other factors as well, including familiarity of the market.

As per information available, the TPP nations have to conform to the standards prescribed by the International Labour Organisation (ILO), which means labour costs may also go up in a TPP country for some investors if they are not following

such norms already.

And the concerns aren't restricted to Vietnam enjoying the duty advantage in garments, but much more. The US government's yarn-forward rule, which requires the yarn and the fabric used in the final product to be made in one of the free trade partners to qualify for duty-free access under the trade pact, will be applicable to all the TPP nations.

According to SP Oswal, chairman of the Vardhman Group, such a rule will mean Vietnam will have to either scale up capacities to m anufacture yarn and other stuff to make garments for exports to the US or buy such items from another TPP country. This will hurt India's exports of such textile items to Vietnam.

While Vietnam's garment exports were to the tune of $21 billion in 2014, just behind China and Bangladesh, its textile exports stood at just $3 billion last year. In fact, Vietnam relies on other nations, including India, for sourcing textile items for making garments. In contrast, India exported garments worth $16.85 billion in 2014-15, while its textile exports stood at $20.81 billion.

Oswal added that Chinese companies will take advantage of this situation and invest more in Vietnam to benefit from the duty-free access to the US. As Chinese companies seek to shift investments to other nations to beat rising wage costs at home, the TPP would prompt them to invest in Vietnam, also because of its proximity with China. According to a CII-Wazir report, China's costs have raised three fold over the past seven years.

Already, India's share in the US textile and apparel imports remained rather stagnant (6.3% in 2014 from 5.2% in 2005), thanks to a rising Vietnam, which managed to corner 9.3% of the US market in these segments in 2014 from as low as 3.2% in 2005, according to the US government data. And with the TPP, the situation could be even more daunting for India. As such, India has a disadvantage with competitors such as Bangladesh and Pakistan, which enjoy duty-free access to the EU, the biggest garment market for India.

Considering Vietnam doesn't grow cotton and needs textile items for making garments, an opportunity has come to shift investments to Vietnam, not just for garment but event for textile companies but not many Indian firms will be able to seize it at the moment, said a senior executive with a Gurgaon-based large garment company that exports to the US in huge volumes.

To set up a decent-sized textile or garment unit in Vietnam to gain from the duty advantage there, an investment of at least Rs1,000 cores is required. In an

atmosphere of a global slowdown, a massive liquidity crunch and stressed balance sheets, it's not possible for many Indian companies to move out immediately and invest. Moreover, by the time Indian companies are ready, Chinese companies would, by then, have further entrenched their position there.

Raymond is investing $100 million in Ethiopia to set up a factory, while many others have shifted to Bangladesh.
Arvind Mills has been expanding its denim manufacturing in Bangladesh in a joint venture with Nitol group. Some mills are looking at acquisitions in Uzbekistan and Kazakhstan too.

However, India also is negotiating a similar regional free-trade agreement called the Regional Comprehensive Economic Partnership (RCEP) with 15 other countries and has seven countries in common with TPP (Japan, Australia, New Zealand, Vietnam, Malaysia, Singapore and Brunei). It also hopes to bank on a proposed $300 million line of credit it extended last year to promote Indo-Vietnamese cooperation in the textile and garment sector, according to commerce ministry officials. The credit, to be disbursed through the Vietnam Exim Bank, is to be used mainly to set up a textile and garment industrial park close to the Ho Chi Minh city as well as to help Indian and Vietnamese companies to forge joint ventures.

However, the package of $300 million provided by the Indian government for setting up units in Vietnam is too small to make a meaningful impact.

Although the TPP has other nations with interest in textiles, including Mexico, Vietnam is expected to hurt India the most.

Unorganised fabric sector hampers Indian apparel export

October 29, 2015 (India)

India has the world's largest number of looms, but most of these are in the unorganized sectors which suffer from fragmentation and technology obsolescence, leading to inadequate availability of high quality fabric which is a major reason for the low share of India's apparel exports, according to a **report** by investment information and credit rating agency ICRA.

India has 4.9 million mills or 60 per cent of the global capacity. However, 98 per cent of this capacity is in the unorganized powerloom and handloom sectors which suffer from fragmentation and technology obsolescence. Consequently, the share of India in global fabric production is only at 20 per cent as against share of 60 per cent in terms of number of looms with China having the highest share in the global fabric production at 40 per cent.

According to the report, the high degree of fragmentation in the domestic industry can be attributed to the governments' earlier policies of promoting small scale sector though tax and fiscal incentives and also favourable labour policies for smaller units. This apart, availability of TUFS subsidy on second hand imported looms also encouraged capacity addition, but with obsolete machinery. As a result, small scale units had competitive advantage over larger composite mills which discouraged investment in the large scale capacity addition and modern technology

Cotton fabric accounts for 60 per cent of the domestic fabric production. However, most of the non-cotton fabric (90 per cent) is manufactured by the powerloom sector

The report said the Indian fabric industry is mostly driven by the domestic demand; exports are limited at 5 per cent of the production and are lowest in the entire **textile** value chain reflecting lack of competitiveness.

Maharashtra has the highest weaving and Tamil Nadu has the highest knitting capacities, the report said. But the textile value chain is not integrated due to mismatch between the distribution of spinning and fabric production capacities across the regions.

Growth in fabric production in FY 2016 is expected at 2 to 3 per cent on expectation of improved domestic demand and steady growth in the apparel exports.

ICRA said that the denim segment is relatively less fragmented as compared to the overall fabric industry with most of the production in the organized mill sector. And although oversupply and high yarn prices had affected the profitability over the last two years, it is expected to improve in FY 2016. Globally, India is the second largest manufacturer of denim after China, though India's share in global denim export is lower and is the fourth largest exporter after China, Pakistan and Turkey.

According to the report, fabric manufacturers have recorded steady revenue growth with stable profitability. But while the debt coverage has improved, they continue to remain modest on account of high leverage and moderate profitability. (SH)

Indonesia's Customs and Excise Department would continue to confiscate any illegally imported **textile** products to protect the domestic industries, so that they remain viable, the government has said.

"These smuggled products will damage the domestic industries because they could be easily produced at home and so they must be prevented (from entering the **country**)," an Indonesian news agency quoted Finance Minister Bambang Brodjonegoro as saying in Jakarta.

The Finance Minister's comment came as he accompanied President Joko Widodo for the inspection of four containers of illegal textiles that were confiscated.

Brodjonegoro said the operation to confiscate the illegal textiles was carried out following indications that they would be distributed directly to agents and not to the bonded zone destination in Purwakarta.

"When they arrived at Tanjung Priok port, two containers did not go to the bonded zone in Purwakarta (West Java). Instead, one went to a warehouse in Marunda, Jakarta, and the other to Cikampek in Palimanan, West Java. These were caught on the charge that the containers did not go where they were supposed to," he said.

The imported goods in the containers were to be unloaded outside the zone and transported directly to other places for sales without paying the import tax.

The goods smuggled from China included 3,519 textile rolls or 376,000 yards of cloth, worth $10,28,000. In all, the state suffered a loss estimated at Rp2.21 billion ($1,63,281).

The bonded zone is a facility given by the government to certain companies that wish to delay the payment of customs and import taxes to boost exports. So far, the facility has often been misused.

President Joko Widodo hailed the foiling of the illegal textile imports in the bonded zone, saying the distribution of unlicensed products has been disrupting the national textile industry.

He appealed to the police and the attorney general's office to support the Directorate General of Customs and Excise to prevent such cases from recurring in the future.

"I have ordered the police chief and the attorney general to back the Directorate General of Customs and Excise so that illegal textile does not slip into the country again because not only will it deny income to the state, but it would also damage the domestic market. Our industries cannot compete in such a market then," he said. (SH)

Italian textile machinery orders drop 2% in Q3 2015

October 29, 2015 (Italy)

Textile machinery orders for the third quarter of 2015 witnessed a slight decline of two per cent, mainly due to fall in export orders, according to the research department of the Association of Italian Textile Machinery Manufacturers (ACIMIT). However, there was a rise in orders in the domestic market.

For July-September 2015 quarter, the value of orders index for textile machinery stood at 86.9 points (basis 2010=100), ACIMIT said in a press release.

In the foreign markets, after four consecutive periods of growth, orders suddenly fell short. Indeed, the index of orders decreased by 4 per cent during the quarter compared to the same period of 2014. Weighing down on this negative performance was lower than expected demand from China and Turkey—two of the world's major textile manufacturing markets.

On the other hand, after showing signs of recovery during the previous quarter, Italy's domestic market took one more step forward, with the domestic orders index showing a 44 per cent jump compared to the same period for 2014.

"As was the case three months ago, I find myself commenting on a positive situation for our domestic market," ACIMIT president Raffaella Carabelli. "We therefore have confirmation of the validity of the instruments put in place by Italian authorities, promoting investments in machinery and technology, including in the textile industry."

"What we've seen in Italy is the bucking of a **trend**, and this is a good omen for ITMA Milan," she adds. ITMA—the global textile machinery **trade** fair, which will open its doors at Fiera Milano Rho on 12 November, is already setting records: over 1600 exhibitors will occupy a surface area of around 105,000 square metres. Italian machinery manufacturers will certainly play a major role, with about 450 exhibitors on hand (over 28 per cent of the total exhibitors) and over 31,000 net square metres of surface area occupied. (RKS)

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Textile

1.500 acheteurs professionnels attendus à Maroc Sourcing

30 Octobre 2015 - 17:11

L'Association marocaine de l'industrie du textile et de l'habillement (AMITH) organise, du 4 au 6 novembre à Marrakech, la douzième édition de Maroc Sourcing ainsi que la treizième saison de Maroc in Mode. L'événement, créé en partenariat avec le ministère du Commerce extérieur et Maroc Export, sera marqué pour la première fois cette année par la mise en place d'écosystèmes. «À l'instar du Plan textile marocain, les salons mettent en exergue les choix stratégiques du secteur et ses savoir-faire historiques», précise un communiqué de l'AMITH.

Tout au long des deux jours de la rencontre sont attendus pas moins de 1.500 acheteurs professionnels dont 350 internationaux en provenance d'Allemagne, de Grande-Bretagne, de France, d'Italie, d'Espagne, du Portugal de la Russie, du Moyen-Orient et de l'Afrique subsaharienne.

Au programme sont prévues des rencontres professionnelles ainsi que des tables rondes et des conférences pour discuter de la situation actuelle des marchés porteurs et de veille afin de décrypter les perspectives des marchés de consommation, de distribution et de sourcing.

Des produits de textile et de l'agroalimentaire marocains à la 2ème édition de l'opération B to C du 6 au 20 novembre à Moscou

30 octobre 2015

Le Maroc participera du 6 au 20 novembre prochain à Moscou à la deuxième édition de l'opération B to C (Business to Consumer) de référencement de produits marocains des secteurs du textile de maison, de l'agroalimentaire (produits frais, transformés et produits de la mer).

Organisé par Maroc Export, cette édition, qui aura lieu dans trois grandes enseignes regroupant 50 magasins de la grande distribution en Russie, s'inscrit dans le cadre du renforcement des relations commerciales maroco-russes.

L'objectif de cet événement est de faire découvrir les produits marocains directement aux consommateurs russes. Les produits seront exposés et vendus pendant une période de 2 semaines. Ceux qui enregistreront de bonnes ventes pourraient être référencés à terme dans les magasins sélectionnés, d'où l'importance de cette opération qui pourrait déboucher sur de nouvelles opportunités pour de nombreux produits marocains.

Le programme du festival a été annoncé lors d'une conférence de presse tenue le 30 septembre dernier et à laquelle ont participé 70 journalistes et une vingtaine de partenaires des deux pays du monde des affaires et de la presse.

De nombreux événements thématiques dédiés aux produits marocains, à la cuisine et à la culture du Royaume du Maroc auront lieu pendant le festival, dans divers lieux de la capitale russe et dans de prestigieux restaurants. Une exposition de décorations et de meubles marocains aura également lieu dans la Galerie Modny Season du 6 au 20 novembre.

Un menu marocain a été mis au point spécialement pour l'évènement par les prestigieux restaurants du Groupe Novikov. Ce menu gastronomique est déjà disponible dans 5 restaurants du groupe et ce jusqu'à la fin du festival.

Le menu a été spécialement préparé en collaboration avec le groupe Rahal et le groupe Novikov, 1ère chaine de restaurants Russes.

L'ouverture officielle du Grand Festival du Maroc débutera le 6 novembre, dans la Gallerie Modny Sezon. Un couscous géant préparé pour la première fois en Russie, fera également partie de ce large programme.

En novembre 2014, lors Grand Festival du Maroc à Moscou, 26 Entreprises marocaines ont été sélectionnées par 3 chaînes de Magasins Premiums Tsvetnoy (1point de vente), Globus Gourmet (8 points de vente) et Bahetle (27 points de vente) et plus de 200 produits marocains ont été référencés.

Cet automne, les Moscovites auront à nouveau la possibilité de découvrir les secrets et les trésors de la culture marocaine. A ce titre, le grand festival du Maroc à Moscou a ciblé trois segments principaux: le très haut de gamme, le haut de gamme et l'industrie "halal premium", compte tenu de la très importante communauté musulmane de Russie.

Le Maroc est le premier fournisseur d'agrumes sur le marché russe avec la présence d'importants produits agricoles marocains sur le marché local.

Un grand nombre de fournisseurs étrangers cherchent à séduire la clientèle russe, qu'ils soient issus d'Amérique latine, d'Asie ou d'Afrique. Le Maroc possède, à cet effet, un grand nombre d'atouts, notamment en ce qui concerne la qualité de ses produits agricoles ou halieutiques.

DAWN

HOME LATEST PAKISTAN TODAY'S PAPER OPINION WORLD SPORT BUSINESS MAGAZINE ENTERTAINMENT BLOGS MULTIMEDIA

Published in Dawn, October 29th, 2015

Garments sector capitalising on GSP+

ISLAMABAD: Pakistan's textile garments sector has emerged as sole beneficiary of preferential access to the 28-nation European Union under GSP+ scheme.

Garments exports to EU reached $1.463 billion in January-July 2015 from $1.437bn over the corresponding period of last year, according to EU official data available with Dawn.

In euro terms, the value of garments exports to EU witnessed a growth of 26.78pc during the period under review. In quantity terms, exports of garments increased by 6.48pc to 104,467.10 metric tonnes from 98,110.30 metric tonnes over the previous year, showing a marginal increase.

Contrary to this, exports of home textile dropped by 5.563pc to $934.35 million in Jan-July 2015 period this year from $989.39m over the corresponding period of last year. However, in euro terms, export of home-textile witnessed a growth of 17pc during the period under review.

In quantity terms, exports of home textiles stood at 150,720.7 metric tonnes during the period under review as against 140,968.2 metric tonnes over the corresponding period of last year, showing an increase of 6.471pc.

Trade analysts say the decline in exports to EU is owing to depreciation of Euro vis-à-vis dollar. There is a decline in export earnings of all countries when the exchange rate values are being adjusted.

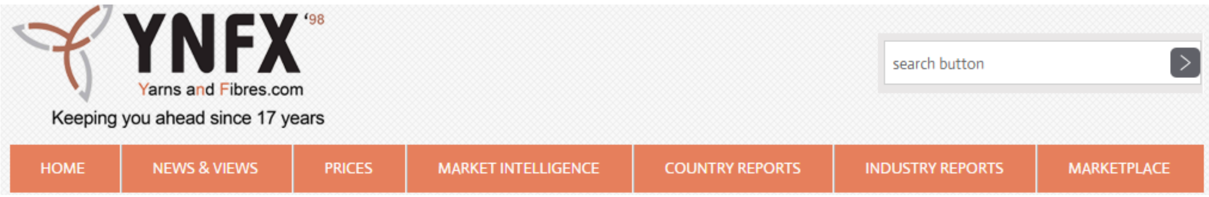
Further analysis shows that export of cotton and intermediary goods of textile also dropped by 19.5pc to $522.73m during the Jan-July 2015 period from $639.37m over the corresponding period of last year. The decline was also witnessed in terms of quantity, which dropped by 8.1pc during the period under review.

Another major commodity other than textile is carpets and rugs exports of which dropped by 7.06pc to $22.62m during Jan-July 2015 as against $24.34m over the corresponding period of last year.

According to statistics, export of total textiles dropped by 4.75pc to $2.943bn during Jan-July 2015 from $3.09bn over the corresponding period of last year. In terms of quantity, overall exports increased by 1.234pc during the period under review.

Textile alone constitutes around 80pc of the total exports to EU during Jan-July 2015 while the remaining 20pc are shared by all other products. This shows concentration of exports baskets in few products to EU as well. The total exports to EU dropped by 15.46pc to $4.237bn in Jan-Aug 2015 from $5.012bn over the corresponding period of last year.

Earlier, the decline in total exports to EU under GSP+ scheme was reported at 25pc, which was incorrect due to error in calculations. In the first year of GSP+ scheme, Pakistan's exports to EU reached $7.52bn in calendar year 2014 from $6.22bn over 2013, an increase of 21.24pc.



Philippines textile and apparel industries likely to revive by joining TT

2015-10-18 12:00:00 – Manila

In the Philippines, even among business leaders there is still very little appreciation of Trans Pacific Partnership (TPP) for its beneficial effects on the Philippine economy. For instance, some claim that the contents of the TPP Agreement are a secret. The TTP is envisioned to be similar to the European Common Market. The goal is to eliminate trade barriers especially tariffs and quotas among countries in the Asia Pacific region. The first batch of signatories included Australia, Brunei, Canada Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Vietnam.

Although the Philippines is not in the first batch, Foreign Affairs Secretary Albert del Rosario stated, two months ago, in a round table discussion, that the Philippines had begun preliminary negotiations to join the second batch of TPP countries. Trade Secretary Gregory Domingo has also said that Philippines want to join the TPP.

The first batch of TPP has four ASEAN members – Brunei, Malaysia, Singapore, and Vietnam. In a recent Bloomberg report, it said that the biggest beneficiary of the TPP would be Vietnam because it would have the lowest wage policy compared to the other member-nations. Once the Philippines joins, this nation will certainly be one of the biggest beneficiaries of this new Common Market.

There is a possibility that joining the TPP might result in the Philippines being flooded with duty free American made products.

Textiles and apparel are among the product categories that will be duty free. The major textile and apparel countries – China, Bangladesh, Cambodia – are not going to join the TPP. This presents a golden opportunity for the Philippines to revive its textile and apparel industries.
Since China is organizing its own Common Market, the manufacturing hub of the TPP will be Vietnam and, hopefully, the Philippines. However, Indonesia is also expected to join and is also another potential hub.

The United States is interested in joining because the TPP will open up new markets for its service industries. This will present potential competition for local companies in the financial and professional services. However, this also presents new opportunities for the Philippines.

The 12 countries now in the TPP account for 40% of the world economy. The next batch of nations will include, South Korea, Indonesia, Taiwan and the Philippines. The TPP will create the most powerful and wealthiest economic region in the world.

The Philippines must join the Trans Pacific Partnership, among Filipino companies, there will be winners and losers. But for the nation as a whole, joining the TPP will mean more jobs, faster economic growth and reduction in poverty.

Sri Lanka’s clothing exports set for further growth

By: AJOT | Oct 22 2015 at 11:52 AM | International Trade

Sri Lanka’s clothing exports are poised for further growth, according to a report in the latest issue of Textile Outlook International from the global business information company Textiles Intelligence.

The Sri Lankan clothing industry has built up a good reputation for quality and delivery among buyers in the markets of developed countries and has the potential to capitalise further on its inherent strengths.

Also, the industry has been a pioneer in adopting environmentally friendly manufacturing and waste management methods in order to improve its market image—at a time when the clothing industries in other countries have struggled to maintain theirs.

Sri Lanka’s clothing exports have done well in recent years. Between 2009 and 2014 they grew by over 51%—despite unfavourable conditions in foreign markets since the global recession in 2009 and the industry’s loss of GSP+ concessions in the EU import market in mid-2010. These concessions provided the Sri Lankan clothing industry with duty-free access to the EU market but they were withdrawn as a result of concerns over Sri Lanka’s record on human rights.

However, the industry has benefited from a government which has been highly supportive by creating an environment conducive to business in the country and providing tax incentives to encourage foreign direct investment (FDI).

In particular, the Sri Lankan government has introduced incentives to encourage the establishment of manufacturing facilities in the more rural and less developed parts of the country—including the previously war-torn eastern and northern regions—where there are plentiful supplies of labour willing to work for lower wages than in Colombo and its surroundings.

Moreover, Sri Lanka is entering a new phase of political and economic harmony following the election in January 2015 of a new president and the appointment of a new prime minister—whose policies were reaffirmed in a parliamentary election in August 2015.

The new prime minister has promised to implement better governance, a market-friendly economic policy and a more pro-Western stance. As a result, there will be a renewed emphasis on encouraging foreign companies to establish export oriented manufacturing operations in the country and this could be encouraged by offering even stronger investment incentives.

At the same time, the clothing industry hopes to secure higher exports to the EU through the restoration of GSP+ concessions. Such restoration would provide exports from Sri Lanka with tariff-free access to EU markets and could lead to a sizeable increase in clothing shipments.

On the negative side, if GSP+ status in the EU market is not restored, Sri Lanka’s clothing producers would remain at a long-term disadvantage in the face of competitors in Pakistan who do benefit from duty-free access to the EU under GSP+, or those in Bangladesh and Cambodia who benefit from duty-free access to the EU under the GSP Everything But Arms (EBA) scheme.

There is also a possibility that Sri Lanka's competitive position in the crucial US market will be threatened by the terms of the Trans-Pacific Partnership (TPP), which is expected to favour Vietnam and Malaysia.

October 20, 2015 11:53 pm JST

TPP

Taiwan's Eclat Textile to boost capacity in Vietnam

KAZUNARI YAMASHITA, Nikkei staff writer

TAIPEI -- Major Taiwanese apparel maker Eclat Textile plans to increase its production capacity in Vietnam, which is expected to benefit from the Trans-Pacific Partnership free trade pact.

The company, which supplies clients like Nike and Adidas under outsourcing contracts, will invest $50.5 million to upgrade two factories. The expanded capacity will top 5 million pieces of clothing per month.

Taiwanese media reports say $40 million will go to a factory in Ba Ria-Vung Tau Province and $10.5 million to a plant in Dong Nai Province. Construction will start in early 2016.

Last update 06:00 | 28/10/2015

Vietnam's fabric production capacity to increase fast

Vietnam is expected to quickly increase its fabric production capacity to meet the rules of origin in free trade agreements, said the general secretary of the Vietnam Cotton and Spinning Association (VCOSA).
Nguyen Hong Giang said that with textile-garment exports amounting to over US$24 billion last year, Vietnam needed around 8.5 billion square meters of fabric.
However, total local fabric output estimated by VCOSA neared three million square meters, Giang told reporters on the sidelines of the 15th Vietnam International Textile and Garment Industry Exhibition (VTG 2015), which kicked off in HCMC on October 21.
According to Giang, while the ratio of locally-produced fabric is low, the yarn-forward rule in the Trans-Pacific Partnership (TPP) trade deal and the fabric-forward rule in the free trade agreement (FTA) between Vietnam and the European Union require Vietnam's fabric production capacity to rise.
Vietnam is a big yarn producer with a production volume reaching more than 900,000 tons last year, two-thirds of it exported. If such an export volume is used to produce fabric locally, increasing the yarn production capacity is not urgent, even though the TPP will boost the development of the textile-garment sector.
Giang cited sources as saying that around US$3 billion of foreign capital had been pledged for Vietnam's textile and dyeing in the past 18 months.
Regarding retailers' demand for apparel produced in Vietnam and made of Vietnamese-made fabric to enjoy preferential tariffs of the FTAs, Giang said Vietnam would quickly increase the proportion of locally-made fabric.
However, according to Giang, fabric demand requires efforts of enterprises and the Government's supporting policies in terms of land and wastewater treatment for enterprises investing in textile and dyeing facilities. To produce an additional five billion square meters of fabric, much land and investment would be needed for construction of production and wastewater treatment facilities.
Besides enterprises from Taiwan, China and South Korea, Indian firms also plan to set up shop in Vietnam.
Talking to the Daily at VTG 2015, Shailesh Martis, deputy director of India's Cotton Textiles Export Promotion Council (TEXPROCIL), said four Indian enterprises came to Vietnam last week to explore investment opportunities in the textile and dyeing sector in Vietnam.
According to Martis, 18 yarn and fabric producers of India are attending VTG 2015 to seek to supply products for Vietnam. India has an edge in yarn and fabric production and its enterprises want to boost exports to this market.
VTG 2015 is taking place at Tan Binh Exhibition and Convention Center in HCMC until Saturday with the participation of over 125 exhibitors from 12 countries and territories.
The exhibition is organized by Vietnam National Trade Fair and Advertising Joint Stock Company (VINEXAD), Taiwan's Chan Chao International Co. Ltd., Hong Kong's Yorkers Trade and Marketing Service Co., Ltd, Hong Kong's Paper Communication Exhibition Services, the Association of Garments, Textiles, Embroidery and Knitting (AGTEK), and VCOSA

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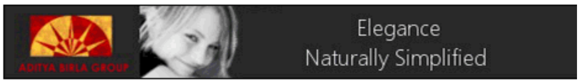
BUSINESS IN BRIEF 29/10

Garment and textile exports to the US hit US$9.4 bil in ten months
Vietnam's garment and textile exports to the US are estimated to earn US$9.4 billion in the first ten months and are likely to reach US$11 billion this year.
According to statistics from the General Department of Vietnam Customs, Vietnam's garment and textile exports to the US in the first nine months rose 13.6% to US$8.33 billion against the same period last year.
Last year, exports to this market surged 12.6% to US$9.8 billion compared to the previous year's corresponding period.
Nguyen Thi Tuyet Mai, Chief of HCM City office, Vietnam Textile and Garment Association (VITAS) said Vietnam's exports to the US market have enjoyed favourable conditions as the number of orders jumped over 13% compared to last year's corresponding period.
Earnings from exports to the US, a Trans Pacific Partnership (TPP) member nation, made up 45% of Vietnam's garment and textile export value. The substantial tariff reduction to zero percent from the current 17%-30% under the TPP will be favourable for businesses to expand their US market in the coming years.

Vietnam losing small retailers to free trade
Retailers throughout Vietnam should form affiliated chains to improve their competiveness with foreign rivals, said experts at a recent seminar in Hanoi discussing the opportunities and challenges brought about by free trade.
Director Vo Van Quyen of the Ministry of Industry and Trade (MoIT) Domestic Market Department said the retail sector in Vietnam has experienced an average annual growth rate of nearly 16% over the past four years.
"However, all of the growth has come from foreign retailers entering the market," Quyen said and the domestic economy has actually experienced "a drop in the number of retail establishments".
As of the end of 2014, foreign companies had invested in 80 supercentres, 50 specialized small shops and 250 convenience stores in Vietnam Quyen said, adding that 10 retailers from Europe and Asia dominated the nationwide retail market.
Quyen said the foreign retailers are having a profound effect on the economy due to their superior business experience and managerial skills and 'they are better equipped financially to expand their infrastructure in Vietnam compared to their domestic counterparts".
Director General Phan Chi Dung of the Light Industrial Department in turn said the competitiveness of domestic companies is limited due to lack of access to credit, small production scale and lack of management experience.
Most importantly, they simply are not professional in their approach to retailing and lack the skills to lay out detailed business and marketing plans he said, adding that few have taken the time to specifically identify a unique selling proposition that distinguishes them from their competitors.
Another important part of the business plan Dung said is distribution, or in other words, discerning precisely how customers will buy from the company. For example, will customers purchase directly from the retail store on will they go online and purchase at the company's website?
Or will they buy from other distributors or other retailers? And so on and so forth.
To create improved conditions for domestic retailers to develop their distribution system in the future, Quyen said the government should review and complete regulation-related distribution activities to protect rights and interests of Vietnam under international trade agreements.
Quyen stressed the government should also provide support for domestic companies to improve the quality of their work forces and advertising, apply information technology and approach credit.
"Retailers should form chain affiliations to increase their ability to more cost-effectively purchase through bulk buying, and benefit by advertising together, which also helps with developing brand recognition."
For his part, Central Institute for Economic Management (CIEM) Deputy Head Vo Tri Thanh said local retailers should seize the opportunities to expand their selling markets brought about by integration.

They should accept competition and change from competing on price to competing in terms of quality of product Thanh said and “they need to understand that higher quality can only be obtained at a higher cost and in turn sales price”.
“Retailers who only focus on selling at a lower price are doomed to failure,” Thanh underscored.
Last but not least, Deputy Head Trinh Minh Anh of the National Committee on International Economic Cooperation's administration office suggested domestic retailers pay close attention to changes in the market and keep abreast of the short, medium and long term trends.



Vietnam prepares to meet investment inflows post-TPP

October 26, 2015 (Vietnam)

After the successful negotiation of the recently concluded 12-nation Trans-Pacific Partnership (TPP) agreement, Vietnam's Ministry of Planning and Investment is anticipating a boom in **textile** and garment industrial zones in many cities and provinces across the **country**, as per Vietnamese media reports.

In order to benefit from lower duties to countries like the US and Japan that Vietnamese products are likely to enjoy once the agreement is implemented, various cities and provinces in Vietnam have announced plans to open and expand textile and garment industrial zones.

For example, Ho Chi Minh City recently announced the opening of over 6 new industrial zones with an area of 2,000 hectares to meet future investments in the textile and garment sector.

Likewise, the southern provinces of Long An and Dong Nai are also making plans for construction of industrial zones. International investors in the textile and garment sectors are demanding land on lease in these areas to set up production plants.

As per Economic Zone Management Board, the province of Long An, has received over 100 investment proposals in textile, weaving, dyeing, and footwear sectors.

The ministry expects the development of the industrial zones to boost the country's economy and use of domestic materials for production to cut Vietnam's **trade** deficit. It also stressed on meeting the standards of environment regulation and technology during the construction of textile and garment industrial zones in order to take complete advantage of TPP. (HO)

Vietnam's textile & garment expo witnesses 125 exhibitors

October 27, 2015 (Vietnam)

The recently concluded 15th Vietnam International **Textile** and Garment Industry Exhibition that ended on October 24 in Ho Chi Minh City saw participation of approximately 125 exhibitors covering 300 booths, as per Vietnamese media reports.

Companies from India, Japan, China, Germany, Taiwan, Turkey, and Korea showcased sewing, spinning, knitting, printing, embroidery, and weaving machines at the four-day expo which was aimed at helping manufacturers source machines and technologies in order to increase fabric production.

This year's event held great importance due to the successful negotiation of Trans-Pacific Partnership (TPP) agreement between Vietnam and 11 other countries. Vietnam is expected to have a competitive edge over the other exporting countries once the agreement comes into effect.

Along with match-making and networking activities, seminars discussing Vietnam's investment environment, solutions to improve efficiency and quality in the industry, and Free **Trade** Agreements and its impact on the textile industry were also conducted at the event.

The exhibition and its concurrent event Textile & Apparel Accessories Exhibition (VTG 2015) was officially organised by Ministry of Industry & Trade, Vietnam National Trade Fair & Advertising Joint Stock Company (VINEXAD), Yorkers Trade & Marketing Service and Chan Chao International.

Vietnam requires over 8 billion metres of fabric annually for manufacturing garments but it produces only 3 billion metres, according to estimates. (HO)

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La 15e exposition internationale de l'industrie du textile-habillement du Vietnam (VTG 2015) a ouvert ses portes le 21 octobre à Hô Chi Minh-Ville.

Elle réunit près de 300 stands de 125 entreprises venues de 12 pays et territoires comme la Thaïlande, Singapour, le Japon, la République de Corée, Hong Kong (Chine)…

Des machines présentées lors de la 15e exposition internationale de l'industrie du textile-habillement du Vietnam qui s'ouvre le 21 octobre à Hô Chi Minh-Ville.

Photo : An Hiêu/VNA/CVN

Cet événement annuel permet aux entreprises nationales d'avoir accès à des technologies avancées, d'améliorer la qualité de leurs produits, de partager des expériences et de trouver des partenaires. Il les aide également à améliorer leur compétitivité, à augmenter leurs exportations et à accélérer le développement de l'industrie textile du Vietnam.

D'après Nguyên Hông Giang, secrétaire général de l'Association du coton et des fils du Vietnam, les entreprises du secteur textile-habillement tireront beaucoup d'avantages de la signature des accords de libre-échange (FTA). Avec l'entrée en vigueur des FTA avec le Japon, l'Union européenne (UE), la République de Corée et de l'Accord de partenariat trans-pacifique (TPP), environ 80% des produits vietnamiens de textile-habillement exportés vers les États-Unis, l'UE, le Japon et la République de Corée bénéficieront de taxes douanières préférentielles. Cependant, il s'agit également d'un grand défi pour les entreprises vietnamiennes car elles devront faire face à la forte concurrence des entreprises étrangères, a-t-il estimé.

Selon les organisateurs, cette exposition encouragera les entreprises étrangères à implanter des usines de matières premières au Vietnam, ce qui permettrait aux sociétés vietnamiennes de profiter au mieux des FTA.

Organisée par l'Association du coton et des fils du Vietnam, l'Association du textile, de l'habillement, de la broderie et du tricot de Hô Chi Minh-Ville, et l'antenne de la société par actions de publicité et de foires commerciales (VINEXAD), l'exposition se clôturera le 24 octobre.

Vietnam to raise fabric production capacity to meet trade deal requirements

THOAI TRAN/TUOI TRE NEWS
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Vietnam will increase its capacity to produce cotton in order to satisfy rising demand from garment exporters, an official of the Vietnam Cotton and Spinning Association (VCOSA) said last week.

Local garment exporters need to use locally made cotton, or cotton produced by other member countries of the Trans-Pacific Partnership (TPP) free trade agreement, to be entitled to tax cuts when shipping products to other TPP markets, Nguyen Hong Giang, general secretary of the VCOSA said on the sidelines of an international garment and textile exhibition in Ho Chi Minh City on October 22.

The TPP deal, which aims to liberalize commerce in 40 percent of the world's economy, was reached earlier this month following days of negotiations in Atlanta.

The deal is now pending approval by lawmakers in all TPP countries, which include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the U.S. and Vietnam.

According to the American Chamber of Commerce in Vietnam, the countries have to abide by the “yarn forward rule of origin,” which means that all items in a garment from the yarn stage onward must be made in one of the nations that are party to the TPP accord.

With garment-textile exports worth over US$24 billion in 2014, Vietnam needs about 8.5 billion square meters of fabric, Giang said.

Meanwhile, the capacity to produce domestic fabric is nearly three billion square meters, the VCOSA general secretary added.

The supply of domestic fabric has not kept pace with demand, while both the yarn forward rule of origin under the TPP, and the fabric forward rule of origin under the Vietnam - EU free trade agreement, require intensive local supply, he said.

On August 4, Vietnam and the EU announced the completion of their trade pact, which is expected to be signed by the end of this year, which marks the 25th year of bilateral diplomatic ties.

Regarding domestic yarn production, Giang said Vietnam's output last year was over 900,000 metric tons of fiber types, but two-thirds were shipped overseas.

With the benefit of the TPP and Vietnam-EU accords, over 600,000 metric tons in export volume should still be reserved for local use, he said.

While Vietnam also needs to increase fiber production, this is not seen as a big problem based on current technology and experience, Giang said.

The real issue lies in textiles and dyeing, which have been a long-standing production bottleneck in Vietnam, he said.

However, with the recent participation of foreign-invested firms, and the effort of local firms to grasp the opportunity created by the two free trade pacts, Giang expressed optimism that the problem may soon be addressed.

According to Giang's preliminary statistics, $3 billion worth of foreign currency has been poured into the textile and dyeing sectors in Vietnam over the last 18 months.

However, in order to fully meet the demand for fabric and comply with the requirements of the TPP and Vietnam-EU deals (around five billion square meters), there needs to be more incentive for business in the form of infrastructure and land use in industrial parks, improvement in sewage, and environmental management capacity, Giang added.

Việt Nam News
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Vingroup announces plan to buy supermarket chain

MaxiMark supermarket. — Photo *tinnhanhchungkhoan.vn*

HA NOI (VNS) — Vingroup has announced it will buy a 100 per cent stake in supermarket chain Maximark of HCM City-based An Phong Joint Investment Joint Stock Company.

The total value of the deal has yet to be announced. The move is part of the groups plan to increase it's presence in the retail sector as more foreign retailers begin to enter the Vietnamese market.

With this acquisition, Vingroup will own nine Maximark outlets and other properties which previously belonged to An Phong.

Maximark is a popular retailer in southern and south-central Viet Nam, with four supermarkets in HCM City, two in Khanh Hoa and one each in Dong Nai, Ninh Thuan, and Phu Yen. Each of these nine outlets will become members of either the VinMart/VinMart plus or Vincom Retail chains operated by Vingroup.

Vice Chairman of Vingroup Le Khac Hiep said apart from bringing a modern way of shopping for customers with 100 per cent of products made in Viet Nam, the group would co-operate with domestic businesses and increase their competitiveness against foreign companies.

The Maximark deal came only six months after Vingroup acquired the Vinatexmart fashion store chain from state-run Viet Nam National Textile and Garment Group (Vinatex).

The deal allowed the company to obtain 39 Vinatexmart outlets in 19 cities and provinces across the country. The Vinatexmart and Maximark deals are part of a strategy to boost the company's presence in the retail sector countrywide and particularly in the southern market, according Vingroup.

In October 2014, Vingroup officially entered the retail sector by acquiring the OceanMart chain from Ocean Group and renamed it VinMart.

As of October 2015, there are 125 VinMart outlets under the names of VinMart and VinMart+. — VNS