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## Message from the Chairman

My dear colleagues:

It is a pleasure to present to you the “Asian Textiles & Garments Council” newsletter for 2016. This publication is a compendium of relevant news, reports, and analyses on recent developments in the textile and garments industry in Asia Pacific countries.

The articles contained in this newsletter show export desire, design innovation, and brand recognition throughout the textile and garments’ supply chain.

At the international level we observe Asian brands trying to find their niche in overseas markets; at the local level, producers are revitalizing production and design quality; and at the micro level, companies are training workers and reducing cost using technology.

There are concrete examples such as Bangladesh providing financing funds for green production, Indonesia creating brands eyeing export markets, Pakistan reducing cotton cost and increasing production, and the Philippines’ drive to promote indigenous design.

Dynamism and evolution pervades the textile industry, which is fueled mostly by the desire to export. Thus CACCI remains a firm believer and promoter of the textile and garments industry as a generator of employment opportunities and earner of foreign currency enriching Asian economies.

CACCI would like also to invite all our members to celebrate together the 50 years anniversary of CACCI at the **30<sup>th</sup> CACCI Conference on November 23-25 in Taipei**.

Besides renowned speakers from academia, business world and government, CACCI is preparing amenities for the families of attendees. Please make your reservation and tell your constituents and colleagues. CACCI will be a great host, along with local organizers, [CIECA](#) (Chinese International Economic Cooperation Association), [CNAIC](#) (Chinese National Association of Industry & Commerce) and [CTBC Bank](#).

In the meantime, enjoy your reading!



**Dawood Usman Jakhura**  
**Chairman of Asian Textiles & Garments Council**  
**CACCI**



## Asian brands' originality challenges western labels

*The Ashahi Shimbun, Reuters, April 27 2016*

SEOUL - Fashion brands from South Korea, China and Japan are becoming serious rivals of their Western peers as Asian consumers become increasingly confident in their own style and take pride in buying home-grown labels.

Asian consumers are the world's biggest spenders on high-end fashion, representing around half of total buyers.

Most of them are under 35, Internet-savvy and increasingly on the hunt for small, cool, original brands that will make them stand out and look different from their parents, fashion executives and retailers say.

High quality is no longer the preserve of Western luxury brands, fashion experts say, and Asian brands are attracting attention as they experiment with new textiles and materials, facilitated by their local manufacturing base.

This growing threat from the east is likely to add misery to big luxury brands such as Prada, Kering's Bottega Veneta and Tod's, already suffering from plunging sales, partly due to excessive price increases, overexposure in certain markets such as China and mega-brand fatigue.

Chinese fashion brands, such as Ms Min and Comme moi, are the fastest-growing contemporary design labels sold at department store Lane Crawford, which has outlets throughout China and Hong Kong, its Chairman Andrew Keith told Reuters. Lane Crawford also sells Korean menswear brands such as Woo Young Mi and expects to start selling Korean women wear soon.

"You sense there is a pride about seeing China develop its own creative community and seeing China emerge as a creative force," Keith said in an interview on the fringes of the Conde Nast luxury conference in Seoul.

Lane Crawford has seen its pool of Chinese labels grow over the past four years to more than 30, from just four. 20% of Chinese-designed clothes bought online are shipped outside of China "mainly to Chinese nationals living abroad who want access to these brands," Keith said.

He estimates that his average customer in mainland China is 25 while in Hong Kong the average age is 35-40.

Also high on Asians' shopping list are Japanese brands, such as Sacai and Tsumori Chisato, many of them older and better established than South Korean or Chinese labels. Lady Gaga regularly wears Japan's Roggykei, created in 2006 by two graduates from Osaka College of Design.

## Unique style

Seoul, Tokyo and Shanghai all have fast-expanding fashion weeks, sponsored by local industrial groups, showing dozens of budding brands. Some labels have also moved West and started showing at Milan and Paris fashion weeks and opened shops there.

Beijing-based designer Guo Pei, whose yellow long cape dress was worn by Rihanna at the Met Gala last year, started showing at Paris Couture week in January, while Chinese shoe brand Stella Luna, whose stilettos cost more than 500 euros (\$565 or 62,821 yen), has three free-standing shops in Paris.

Chinese-born designer Yiqing Yin, whose creations are sold in China, New York and Paris, has won several European fashion awards and has been hailed by the international fashion press as one of the most promising designers of her generation.

Popular Korean brand SJYP, run by duo Steve Jung and Yoni Pai, sells in Europe and the United States, including at Selfridges in London and Opening Ceremony in New York and Los Angeles, while Chinese-born Uma Wang, a graduate of London's Central Saint Martins design school, sells in China and in Europe, including at l'Eclaireur in Paris. She also shows at Milan Fashion week.

"Before many Asians thought luxury goods had to come from the West," said Lee Seohyun, president of Samsung C&T's fashion division and daughter of Samsung Electronics Chairman Lee Kun-hee.

"But they are becoming more sophisticated and discerning and now more people are interested in local designers who have their own point of view and unique style."

Samsung C&T, affiliated to Samsung Electronics, maker of Apple rival Galaxy smartphones, is one of the biggest corporate investors in Seoul's up-and-coming fashion scene.

Every year, it gives \$100,000 to two or three designers to help them develop their collection and since 2005 has invested \$2.7 million in 19 design teams through the Samsung Fashion & Design Fund.

Samsung's fashion unit has a stable of brands, ranging from Korean brand Bean Pole to Belgian fashion label Ann Demeulemeester.

Erwan Rambourg, author of the book "The Bling Dynasty" and luxury goods analyst at HSBC, says Asian brands, even if they are still small and not widely distributed yet, are fast becoming serious competitors for Western brands.

Korean cosmetics have long been popular with Chinese customers and Rambourg notes that popular South Korean television series such as "My Love from the Star" and "Descendants of the Sun," and Korean pop music acts such as Big Bang and Girls' Generation, have helped boost South Korea's image as a trend-setter throughout Asia.

While Asian consumers have embraced American culture, Korean pop culture is closer to Chinese culture, says Rambourg.

"Koreans' self-esteem and self-confidence has been boosted by the power of 'K culture' and this is also why Korean and other Asian brands have started to become more popular," said Sung-Joo Kim, one of Korea's most high-profile female entrepreneurs. She owns and runs German luxury leather goods brand MCM, known for its \$700 studded logo-embossed canvas backpacks.

Kim, who previously developed Gucci's Korean business, also pointed out that Asian brands cater better to Asian women's more petite shape than Western brands.

"Can we make 'made in Asia, designed in Asia' become cool, I think yes we can because the stigma that Asian brands had is disappearing and we have all the right ingredients and the manufacturing base," said Joowon Park, director at Seoul-based Simone Fashion Company. It manufactures for Western brands including Coach, Michael Kors and Kate Spade.

<http://www.asahi.com/ajw/articles/AJ201604270031.html>

## Bangladesh creates \$500m green textile fund

*Star Business Report, February 15 2016*



The central bank will set aside \$500 million of low-cost funds for textile factories to help them adopt eco-friendly technologies and practices, Governor Atiur Rahman said.

The money will come in addition to the existing export development fund (EDF) of \$1.5 billion and will be named Green EDF, he told a discussion at the office of Policy Research Institute of Bangladesh in Dhaka.

PRI organised the discussion on "access to finance: environmental sustainability in the textile sector" in association with the International Finance Corporation.

Rahman came up with the decision instantly after a number of bankers and economists stressed the need for such a fund for the textile sector.

At present, Bangladesh Bank is offering the EDF to exporters at a rate of LIBOR (London Interbank Offered Rate) plus 2.5% for six months. An exporter can borrow a maximum of \$15 million in foreign currency.

"The criteria for accessing the fund by the wet processing units, which are also export-oriented or providing supplies to the garment sector, should be considered in view of the overall sustainability of the textile sector," said Ahsan H Mansur, executive director of PRI.

## KEY POINTS

Awareness is important to ensure green practices in textile

Production of one kg fabric requires **300** litres groundwater in Bangladesh -- three times the global standards

Separate budgetary allocation needed for green financing

Green development policy should be incorporated in five-year plan

At the seminar, he presented a paper, which he prepared in association with Ifty Islam, managing partner of AT Capital.

Mansur said inefficient resource use and poor environmental practices are major challenges for the textile sector. The textile factories in Dhaka currently consume 1,500 billion litres of groundwater annually to produce five million tonnes of fabric, with every kg of fabric gobbling up 300 litres against the global standard of 100 litres per kg of fabric.

Mansur said making funds available does not guarantee that entrepreneurs would use the resources.

"Education and awareness is important. Besides, customs and supplementary

duties should be eliminated for importing cleaner technology equipment and machinery."

The BB governor said the country's garment sector would not be able to reach the \$50 billion export target by 2021 without adopting green technologies.

Rahman called for a separate allocation in the budget to promote green financing in the textile sector. "Budgetary allocation makes it possible to provide low-cost funds."

The BB chief said the progress in the textile sector has also brought in multiple challenges in urban expansion, land use, workplace safety and environmental safeguards.

For example, textile dyeing and finishing units in Bangladesh are known to be hugely wasteful in water usage as they consume five times the best practice benchmark.

The toxic discharges of the industry pollute both surface and ground water which has serious consequences for all living beings.

"Long-term sustainability of the industry greatly lies in its ability to produce green textile products mainly due to growing consumer demand for eco-friendly products," the governor said.

Rahman also said a green development policy should be incorporated into the next five-year plan of the country.

Mohammed Abdul Jabbar, managing director of DBL Group, said with an initial investment of \$100,000, his company was able to reduce wastage of water, energy, steam, dye and chemical worth \$500,000 within a year. "So, it is a matter of mindset. It is not a big deal."

Mustafizur Rahman, executive director of Centre for Policy Dialogue, said environmental sustainability is very important for the country's mid- and long-term development.

"The country will be able to raise its garment exports to \$50 billion by 2021 if the factories are eco-friendly."

Ifty Islam said environmental sustainability has become a central point of China's five-year plan although the country is infamous for environmental pollution. "We will have to do the same."

Faruque Hassan, a former vice president of Bangladesh Garment Manufacturers and Exporters Association, said the factories need financial support from the government and price support from buyers to go for eco-friendly practices.

<http://www.thedailystar.net/bb-to-create-500m-green-fund-for-textile-64793>

## **Malaysia firm eyes Brunei defense textile market**

*Brunei Times, April 21 2016*

KUALA LUMPUR - Malaysian firm Jakel Defence System Sdn Bhd is eyeing the textile market for Brunei's defence industry.

Jakel Defence's Director of Business Development Saiful Izhar Senawi said apart from military apparel, the company is planning to supply military equipment such as night google, jungle hat, rain coat, backpack and inner vest for the Brunei's defence market.

He said Royal Brunei Armed Forces Commander Pehin Datu Pekerma Jaya Major General Dato Seri Paduka Seri Mohd Tawih Abdullah visited the Jakel Defence's exhibition site at the Defence Services Asia Exhibition and Conference 2016 (DSA) to view the company's collection.

Saiful Izhar said there has been encouraging response from the visit and there were hopes that this could contribute towards military supply for Brunei.

He said this year would be the third time for Jakel Defence's to join the DSA following strong business prospects for textile. He said compared to previous participation in DSA events, the company received more encouraging response this year.

Apart from Brunei, Jakel Defence has also received encouraging response from Timor Leste, Sudan and Bosnia-Herzegovina.

Saiful Izhar said Jakel Defence recently supplied 2,000 units of additional military apparel to Maldives' Ministry of Defence.

<http://www.bt.com.bn/business-national/2016/04/21/malaysia-firm-eyes-brunei-defense-textile-market#sthash.6ns3tAef.dpbs>

## Fiji textile industry eyes PNG market

*Papua New Guinea, Staff Reporter, March 31 2016*

The Fiji textile, clothing and footwear industry views Papua New Guinea as an untapped market and is promoting its products and services through an agency arrangement with a Papua New Guinea company.



Industry president Kaushik Kumar told Pacific Periscope that demand was steady, helped by PNG's duty-free benefit under the Melanesian Spearhead Group agreement.

He hopes that another government trade mission to Papua New Guinea will promote the sector further.

Kumar said the ability of Fiji's garment industry to have specialised products, niche industries, producing smaller volumes with flexibility in delivery times, and relatively competitive pricing and proximity to its main markets of Australia and New Zealand, had helped a great deal.

Kumar said United Apparel exported to Australia under a favourable developing country criteria, meaning they had preferential export terms, something that had benefited the company.

He said the industry was gradually climbing its way out of a 12-year trough, with its eyes on growing markets in the Melanesian Spearhead Group nations of Papua New Guinea, Vanuatu and Solomon Islands.



Kumar said the company was committed to the Pacific market and had two marketing staff members working on growing exports in the region.

United Apparel is a leading producer of quality apparel including corporate uniforms and school wear.

Kumar said they had been exporting small volumes to Vanuatu, Tonga and Samoa. The Fiji Times Online

<http://www.onepng.com/2016/03/fiji-textile-industry-eyes-png-market.html>

## **If you can't eat it, wear it: Hong Kong researchers come up with novel solution to food waste problem**

*South China Morning Post, Ernest Kao, May 22 2016*

Hong Kong Research Institute for Textiles Apparel comes up with a technique to transform waste into fibre, although further work will be required before it can be used to make clothes



After decades of debate over what Hong Kong should do with its mountains of food waste, a novel solution has emerged – wear it.

A new technology that kills two birds with one stone by turning food waste into a sustainable textile fibre has stirred interest from an “international fashion retailer” and

offered a possible solution to the problem of the city’s overflowing landfills.

### **Hong Kong government can't meet food waste target at new plant**

Material scientists at Hong Kong’s flagship textile research institute and City University have been able to find a way to convert food waste into polylactic acid, which can then be spun into fibres for use in textiles.

Hong Kong Research Institute for Textiles Apparel chief executive Edwin Keh Yee-man said with a bit more study, the fibre would be strong enough to produce yarns for fabrics and hopefully offer a usable material to garment manufacturers.

“Hong Kong has a very limited sorting of waste right now and this [technology] could be an answer to that problem,” Keh told the Post.

The three-step biological process discovered by City University scientists in 2013 involves putting starchy food waste high in sugar content through a lactic acid fermentation process called polymerisation – the process of forming polymer chains – and finally acid melt spinning, which turns it into fibre. It will take about 10 tonnes of food waste to produce one tonne of the material.

Keh said the finished product was too delicate and brittle for now, but further development would make it strong enough to spin into yarns for the textile and garment industry.

The new patent is one of the latest in sustainable textile technologies offered by the Innovation and Technology Commission-funded institute, which is now in its ninth year of operation.

The food waste-to-fibre innovation has stirred interest in at least one international fast fashion retailer in the city. But Keh pointed out that it would still take about three to five years to commercialise the technology and market the product.

Keh said textile technologies that helped provide solutions to such pressing social and environmental issues as food waste could help the city regain its competitive edge in the global textile industry and possibly even pave the way for an industrial comeback.

“What is left of Hong Kong factories is those of the old type. The factories of the future would be clean workshops, automated and full of robots.”

Such sentiment would echo Chief Executive Leung Chun-ying’s January policy address outlining a “re-industrialising” policy that would promote smart production and high-value-added technology industries.

Keh said the biggest challenge was not funding or technological prowess but that it was becoming increasingly difficult to source people with research talent.

“The biggest problem is ... everyone wants to become a [fashion] designer. Does the world really need 1,000 more designers every year? I don’t know, but we certainly need more people supporting these designers on the practical side.”

Some 9,000 tonnes of municipal solid waste is disposed of in Hong Kong’s landfills each day and about a third of this is food waste, according to the environmental authorities. At the same time, Greenpeace estimates that the city discards as much as 110,000 tonnes of textile garments each year.

Greenpeace campaigner Bonnie Tang Man-lam welcomed the innovation but felt the only way to effectively reduce food and textile waste in the long run was for the government to tackle the problem at source. Even clothes made of food waste would have to end up in a landfill when they were thrown out, Tang said.

<http://www.scmp.com/news/hong-kong/health-environment/article/1950513/if-you-cant-eat-it-wear-it-hong-kong-researchers>

## Indonesian textile industry pins hopes on exports

*The Jakarta Post, April 29 2016*

Indonesia expects to see a rebound in textile exports this year following a slump in 2015, as the realized exports in the first quarter indicate signs of a recovery.

Indonesian Textile Association (API) chairman Ade Sudradjat said Wednesday he expected the value of the country's textile exports to increase by 4% this year from US\$12.33 billion recorded in 2015.

He said economic recovery in some of the country's major trading partners had helped boost textile exports during the first three months of the year, which rose by 3% year-on-year (yoy) from \$2.3 billion to \$2.37 billion.

The increase in the January-March period was encouraging, because the figure in the corresponding period last year had pointed the other way, showing a yoy decline of 2% in export value.

Monthly export data reported throughout the rest of 2015 had also shown a declining trend yoy. As a consequence, total textile exports dropped by 2% to \$12.33 billion last year from \$12.74 billion in 2014.

"With the encouraging results in the first quarter, we are hoping to see our textile exports perform better this year," he said.

Indonesian textile exports failed to make any progress over the last five years, partly due to a decline in orders from the country's main trading partners. According to data from the Central Statistics Agency (BPS), the value of annual textile exports did not move far from the \$13.7 billion recorded in 2011.

Since late last year, the government has issued a series of economic policy packaged aimed at increasing the competitiveness of the country's manufacturing sector and boosting exports. The packages include, among other things, a simplification of licensing procedures and incentives for labor-intensive industries, which includes the textile industry.

Indonesia ranks below Vietnam in terms of textile exports, with the latter regarded as the top textile exporter in the region. In 2014, Vietnam's textile and garment industry witnessed strong growth in exports, which reached a value of US\$24.5 billion, up 16% from 2013.

Ade attributed Vietnam's outstanding export performance to the country's policy to ease business licensing procedures.

“Vietnam’s government requires simpler procedures for its business players. The fact that Indonesia ranks below Vietnam despite a greater population should motivate us,” he said.

While Indonesia’s textile exports diminished slightly over the last five years, textile imports went the other way, rising slightly from \$6.52 billion in 2011 to \$6.95 billion in 2015.

In reaction to this, Saleh said, aside from raising their exports, local textile producers should also sell their quality products in the domestic market to help curb the influx of imported garments.

<http://www.thejakartapost.com/news/2016/04/29/textile-industry-pins-hopes-export-recovery.html>

## Indonesian textile producers push for EU, Trans-Pacific Partnerships

*The Jakarta Post, Khoirul Amin, February 16 2016*



Local Indonesian textile and garment manufacturers are pushing the government to join a greater economic partnership with European and Pacific Rim countries, saying that taking part in the two international trade pacts will help Indonesia boost its exports.

Garment manufacturer PT Pan Brothers deputy CEO Anne Patricia Sutanto recently said she expected that the government would stay committed to joining comprehensive partnerships with the EU and US-led Trans-Pacific Partnership (TPP).

'We want an assurance for our buyers that Indonesia will stay consistent with its free trade agreement [FTA] with Europe, or possibly become a member of the TPP,' she said during a recent visit to the Industry Ministry's office.

Anne said that the FTA with the EU and the TPP would speed up her firm's expansion project as the partnerships would likely boost demand from the partnerships' participating countries.

Pan Brothers, which is listed on the Indonesia Stock Exchange (IDX), was currently exporting 44% of its products to the Asia Pacific region, 26% to Europe and another 26% to the US market, she said.

Anne added that her company had planned to invest around US\$40 million in 2016 to 2017 to expand its production capacity, with demand for new workers hitting 12,000 people this year and 15,000 people next year.

Indonesian Textile Association (API) chairman Ade Sudrajat said that his association basically welcomed any partnerships with other countries as long as they helped reduce both tariff and non-tariff barriers for Indonesian textile products.

Trade Minister Thomas Lembong said previously that his ministry would focus on speeding up talks on the Indonesia-EU Comprehensive Economic Partnership Agreement (CEPA), a bilateral agreement with Australia and a partnership with Switzerland, Norway, Iceland and Liechtenstein (European Free Trade Association).

The government has also expressed its intention to join the TPP once it has concluded talks on the Indonesia-EU CEPA.

The CEPA, which was initially negotiated in 2012, will cover issues including reduction of trade barriers and liberalization of government procurement projects.

Nations that are covered by the signed TPP are Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam and the US.

The Industry Ministry's director for textiles, leather, footwear and various industries, Muhdori, said recently that the textile industry was one of the sectors that was most ready to compete under free trade arrangements.

Indonesia's textile exports gradually increased from \$11.2 billion in 2010 to an estimated \$22.65 billion last year, with imports value always below exports value, according to Industry Ministry data.

The textile industry grew around 6% in 2011 to 2013 but slowed to only 1.53% in 2014. Should Indonesia join the TPP, one of the main competitors for its textile products in the US import market would be Vietnam, which is already a member of the TPP.

Vietnam's share of the US apparel import market could go up from 10% to 35% once the TPP is implemented, according to consulting firm O'Rourke Group Partners, LLC as quoted by AmCham Vietnam.

<http://www.thejakartapost.com/news/2016/02/16/textile-producers-push-eu-trans-pacific-partnerships.html>

## **Uniqlo launches 'Batik Motif Collection' in partnership with Indonesian Yayasan Batik**

*Jakarta Globe, June 6 2016*

JAKARTA - Japanese retail giant Uniqlo, in partnership with Yayasan Batik Indonesia, unveiled a new "Batik Motif Collection" for men and women in Jakarta.

The collection, which will be available in 12 countries, consists of eight new products bearing the traditional Indonesian batik motifs such as parang, sawat, buketan, kawung, arabesque, wadasan and truntum.

Komar of Yayasan Batik Indonesia said he chose the seven motifs he believes to be popular among Indonesians. Uniqlo combined the various motifs with simple and modern designs when creating their collections, hence the fused name for its collection. The motifs are also symbolic, where a parang is commonly used by men showing strength, while a truntum is symbolic of unconditional love.

Indonesian batik — which refers to the process of painting a textile by using wax — was officially declared by Unesco in 2009 as an integral part of Indonesia's cultural heritage.

Uniqlo also launched a charity program to advance the skills and education of the Indonesian workers who are involved in the production of its batik motif collection. The program will run for three years and they hope it will advance the skills and education of 12,000 workers.

The batik motif collection is now available in all Uniqlo stores in Indonesia. Prices range from Rp 299,000-Rp 499,000 (\$22-\$37).

<http://jakartaglobe.beritasatu.com/search/textile/>

## **Japanese apparel industry in high-tech bid**

*The Strait Times, AFP, March 20 2016*

TOKYO - From ready-to-wear knits manufactured instantly to customised dresses produced on inkjet printers, Japan's apparel industry is turning to state-of-the-art technology in a bold bid to cut labour costs and secure its future.

At manufacturing giant Shima Seiki's factory in western Japan, garments materialise in minutes, thanks to digitally-programmed automated machines that can turn out a sample seam-free pullover in half an hour with a push of a button.

The WholeGarment system patented by the Japanese manufacturer and sold to knitwear companies like Italian luxury brand Max Mara includes a digital design system that allows users to choose patterns, colours and cuts.

Originally known for glove-making machinery, Shima Seiki took a technological leap in the 1990s in an effort to revive the flagging fortunes of Japanese apparel manufacturers.



"Everyone was going overseas to cheaper destinations for manufacturing and we wanted to stop that from happening," said Kenji Iwamoto of Shima Seiki.

The WholeGarment system allows one worker to operate 10 machines - thereby lowering labour costs - and uses limited

raw material to create seam-free garments that generate no waste, since they require no cutting or sewing.

After a slow start that saw around a dozen brands from Japan and Italy sign up the first year, today some 800 companies - nearly half of them Japanese - have jumped on board, contributing to Shima Seiki's 60% share of the global market for knitting machines.

The initiative is part of a push by Japan's knitwear industry to capitalise on its technical know-how to create garments that cannot be replicated elsewhere at a lower cost.

For young knitwear designers like Motohiro Tanji and Ken Oe, manufacturing outside of Japan isn't an option.

"It's easier for me to work with Japanese manufacturers," Tanji told AFP after his show at Tokyo Fashion Week.

"My designs are complicated and demand a high level of technical skill which I can find here," said Tanji, who relies on Japanese factories to produce his sculptural, sophisticated knits.

Designer Oe's label Coohem emerged out of a push to save his grandfather's textile company, Yonetomi, which had been in the throes of a decline since the 1990s recession.

Oe joined the company six years ago and introduced an emphasis on using digital tools to create intricate high-fashion tweed suits that are now stocked at leading stores, including New York-based Jeffrey and Harvey Nichols in Hong Kong.

"We use about five yarns at a time to design original textiles... (which) other brands cannot copy," Oe told AFP.

The focus on technique and technology has already paid off, with Japan's knitwear sector registering a 40% increase in exports over a 10-year period beginning in 2006, a rare bright spot in an otherwise dismal picture for textile and apparel exports from the country.

Recognising the need for reinvention in the apparel sector, Japanese textile company Seiren, known more for manufacturing curtains and car interiors, is now fusing fashion and digital know-how to launch a customised clothing line for the masses.

The Viscotecs brand, available to customers at Tokyo's Takashimaya department stores since September, invites customers to try on a sample outfit in a dressing room specially fitted with a camera that downloads their image onto a hand-held device.

They can then choose from a dizzying array of options - including patterns, fabrics, colours and lengths - displayed on the tablet to create a one-of-a-kind dress.

The design data is digitally transmitted to Seiren's factory in central Japan where the garment is brought to life via pattern-cutting machines and inkjet printers before being delivered to the store in three weeks.

The process has the potential to transform the fashion industry by cutting down on unsold inventory, which either ends up in the bargain bin or as landfill.

In addition, the use of inkjet printers slashes the amount of water and energy utilised in conventional dyeing methods by at least 80%, Nami Yoshida, a spokeswoman for Seiren, told AFP.

However, buying into the brand comes at a cost, with dresses priced between 65,000 to 80,000 yen (S\$791 to S\$975).

"It may take time but we are confident that once customers know the brand, sales will follow," said Mayumi Yamakawa, a spokeswoman for Takashimaya.

For Oe, whose label derives its name from a Japanese word, "kouhen", a reference to knitting specialists, the revival of his industry is inseparable from an investment in technique and technology alike.

"It's difficult to explain in words what makes our products special... our products explain it better," he said.

"My grandfather's company was established 64 years ago... and all their technique and our technology is reflected in the items we make."

<http://www.straitstimes.com/asia/east-asia/japans-apparel-industry-in-high-tech-bid-to-secure-future>



## Japanese cows wear 'chill out' jackets to beat the heat

*The Asahi Shimbun, Tomoyuki Izawa, February 6 2016*

An underwear manufacturer is developing a “smartwear” garment for cows to help them cool off during sweltering summers, facilitating their ability to produce milk.

Gunze Ltd. said its “Ushiburu” jacket covers the neck and upper body of a bovine and is made of the company’s trademark Radicool textile, which effectively dissipates body heat. Summer heat can cause stress in cows, which can lead to reduced milk production.

Radicool is used in the company’s best-selling “cooling pajama” products for humans, which provide a cooling effect overnight after being chilled in a refrigerator. The Ushiburu jacket has an embedded sensor that monitors the amount of water that it contains and can control a cow’s bodily temperature.

Gunze applied advanced sewing technologies so that cows cannot shake off the jacket.

Gunze started developing the cooling jacket for cows in summer 2014 after being consulted by the Kyoto Prefectural Agriculture, Forestry and Fisheries Technology Center’s Livestock Technology Department, located in Ayabe, Kyoto Prefecture, where the company was originally founded.



*Cows wear Gunze Ltd.'s Ushiburu cooling smartwear jacket during an experiment in Ayabe, Kyoto Prefecture. (Provided by Gunze Ltd.)*

The center was exploring more effective methods to cool bovines during summer than by using large fans to circulate air inside barns.

An experiment using a trial jacket that summer achieved decent success, and the two parties plan to conduct a larger-scale experiment this summer to put the cow smartwear into practical use in summer 2017.

<http://www.asahi.com/ajw/articles/AJ201602060001.html>

## **Japan to make Thailand a regional textile hub**

*Business Mirror, McClatchy Tribune, March 28 2016*

Japanese investors have expressed interest in producing textiles for medical use in Thailand and making the country a regional hub for innovative garments and medical equipment, says the National Federation of Thai Textile Industries.

Federation Chairman Somsak Srisuponvanit said Japanese textile companies using high technology would seek local partners to invest in the production of special garments and textiles for medical use.

“The government is promoting a new investment policy under the concept of clusters, expecting to bring Thai industries to the next level, focused on added value,” Somsak said. “Thai textiles and garments also have strong potential to grow and add higher value.”

With new investment in innovation, garment and textile businesses could shift to value-added textiles, such as disinfected bed sheets for hospitals and scrubs for personnel, he said. Somsak said he had discussed the idea with Japan’s Ministry of Economy, Trade and Industry and various Japanese companies.

The federation sees an opportunity for the garment and textile industry to take the next step into high-tech garments, he said.

He said the textile and garment industry needs to shift away from the lower market, where competition has intensified with countries that have the advantage of low labour costs, such as Bangladesh, Vietnam, Myanmar, Cambodia and Lao PDR.

Switching to innovative products would help the garment industry enter the upper market with fewer competitors and higher added value, he said.

Apart from elevating the market, Thailand is also working with Sri Lanka on business matching to create new investment in the sector.

Sri Lanka's government recently brought 25 garment companies to meet 60 Thai counterparts in order to create investment.

The Sri Lankan investors are seeking Thai partners to help expand their business in the country as they see strong potential for Thailand to be the centre of ASEAN, where demand is seeing significant growth.

Somsak said he expects the value of garment exports to grow 10% this year to US\$8.6 billion.

<http://www.businessmirror.com.ph/2016/03/28/japan-to-make-thailand-textile-hub-in-region/>

## Korean government to spend 30bn won to boost fashion industry

*Fibre2fashion.com, August 4 2016*



The South Korean ministry of trade, industry and energy has announced that the government will spend 30 billion won (\$27 million) next year to nurture premium fashion and lifestyle brands, The Korea Herald reported.

The government intends to boost export by doubling the R&D budget and support the whole process from design to marketing for export, for seven categories, including

bags, and sports and leisure.

In the fashion and apparel category, the government will help young designers to start their own businesses. It will select 200 promising designers and help them grow their international business by 2020.

The government also has plans to assist 300 brands in showcasing their products on overseas e-commerce platforms.

<http://www.fibre2fashion.com/news/fashion-news/korean-govt-to-spend-30bn-won-to-boost-fashion-industry-190965-newsdetails.htm>

## **Korean scientists develop 'electronic textile'**

*The Korea Herald, Yonhap, June 6 2016*

A team of South Korean scientists have developed an electronic device that can stick to clothing, paving the way for wearable displays and monitoring sensors, the science ministry said.

An electronic device attached to fabric via artificial cilia on its edges is called an electronic textile, said Ko Heung-cho, an associate professor at Gwangju Institute of Science and Technology.

"We are ultimately targeting the development of an electronic device that can be used for a wearable computer though it will take some time. In coming years, we aim to make the electronic textile usable for wearable displays as well as health and pollution monitoring sensors," Ko said by telephone.

The technological achievement by Ko and two other scientists was introduced in the science journal of Nature Communications on June 1, the Ministry of Science, ICT and Future Planning said in a statement.

As the electronic device can be attached to a variety of products, plants and animals using its artificial cilia, it will become a core technology that can promote the "hyperconnected society," the statement said.

<http://www.koreaherald.com/view.php?ud=20160607000813>

## **TPP's positive impact on Malaysian textile industry**

*New Straits Times Online, Yong Hee Kong, April 5 2016*

Much has been written on the pros and cons of the Trans-Pacific Partnership (TPP) agreement and its potential impact on Malaysia and Malaysians. I do not intend to add more to what has already been said but to write more on the textile industry, which is seen to be one of the biggest beneficiaries of this agreement when it comes into force (EIF) in two years time.

Readers could do no harm to read the reports on the TPP by the Institute of Strategic and International Studies Malaysia (ISIS) and PwC that succinctly described the impact, both negative and positive, on Malaysia and Malaysians. Firstly, Malaysia already has seven bilateral Free Trade Agreements (FTAs) with a number of TPP countries: Japan, New Zealand, Australia and Chile. The TPP will add two major countries relevant to the textile industry - the United States and Canada.

The TPP is likely to be a benchmark for other FTAs that Malaysia is currently negotiating, including the Malaysia-European Union FTA (MEUFTA) and Regional Comprehensive Economic Partnership. By being one of the 12 original countries to the TPP, Malaysia has many early-entrant advantages over regional competitors in the textile industry, including Indonesia, Cambodia, Sri Lanka, and the Philippines. Credit has to be given to the Malaysian negotiators (supported by industry players) who won many concessions for the Malaysian textile industry.

The Malaysian textile industry has been around for many years. It was well known in the 1970s when the local players were contract manufacturers to many high-end global brands such as Nike, H&M and Under Armour. Over the years, many of the downstream manufacturers moved up the value chain to manufacturing high-valued textiles. The upstream activities are more capital-intensive, requiring about 10 times more capital. Today, there are more than 1,000 downstream players and more than 900 companies are involved in the upstream activities.



Even though downstream activities are labour-intensive, Malaysian labour productivity is higher than other countries, including Vietnam and Indonesia. Turnover per worker is about RM73,000. This includes foreign workers, meaning each foreign worker is a significant net positive contributor to Malaysia's exports and gross domestic product (GDP). The textile industry was previously perceived to be a "sunset" industry, perhaps due to its declining age contribution to the GDP from 0.6% in 2004 to only 0.3% in 2014. Malaysia exported RM4.8 billion of finished textile products, mainly garments and apparel to TPP countries in 2014.

This is in addition to the upstream yarn and textile products of approximately RM4.5 billion produced. As a result of the TPP, the contribution of the whole industry to GDP is likely to grow significantly. It is definitely a sunrise industry now. The TPP gives Malaysian exporters great advantages over non-TPP countries through removal of most of the tariffs and non-tariff barriers.

The Malaysian Textile Manufacturers Association estimated that the industry could grow by at least 30% upon EIF. There are also many other positive spin-offs for the country.

The potential for "technical textiles" (textiles that incorporate technology) is tremendous. The 11th Malaysia Plan recognised this potential and has allocated funds through the International Trade and Industry Ministry to research, develop and commercialise technical textiles, working closely with the industry. Recognising the acute labour

shortages, the government has allocated funds to research and pilot labour-saving devices for the industry.

Collaboration will be forged between the industry and local universities, including Universiti Teknologi Mara (UTM), to pilot a number of these initiatives. However, successful implementation of these initiatives will take time and in the meantime, the foreign workers' shortage issue has to be addressed urgently if Malaysia is to optimise the contribution of the industry to export earnings and the GDP. Perhaps, a comprehensive strategic plan based on Public-Private Partnership between the government and industry players to address this issue can be developed and implemented.

<http://www.nst.com.my/news/2016/04/137382/tpps-positive-impact-textile-industry>

## Pakistan's textile ministry plans to train thousands of cotton farmers

*The Express Tribune, July 16 2016*



ISLAMABAD - The Ministry of Textile Industry has devised a strategy to train about 20,000 cotton growers across sowing areas of the country in an attempt to enhance production of the major cash crop of the season.

The initiative is being undertaken in order to enhance per acre crop productivity by applying innovative and modernised planting methods, said Dr. Khalid Abdullah, Cotton Commissioner in the Ministry of Textile Industry.

### **The rebirth of farming in Gujranwala**

Talking to APP, he said about 6,000 master-trainers had already been trained under the programme in collaboration with the partners and stakeholders to increase cotton production that fell about 35% in the previous season.

The master-trainers, who had been selected from villages and union councils, will impart training to the cotton growers at their doorsteps besides creating awareness of the crop.

They will also educate the farmers about how to improve crop sowing, management, use of quality seeds, fertilisers and pesticides for minimising the input cost and maximising the income.

Abdullah said the farmers would be educated and trained in post-harvest crop management and clean cotton-picking, which would give a positive boost to the price of their harvest with the production of pollution-free crop.

The ministry is also starting a short messaging service (SMS) to inform the farmers about weather conditions and prevailing price trends in domestic and international markets.

### **For better produce: Training launched for farmers in G-B**

The cotton commissioner revealed that electronic boards would be installed for updating the farmers about daily changes in local and global prices of the commodity.

Giving an overview of the cotton crop, he said Sindh had achieved its cultivation target for the current season, whereas sowing decreased 14% in Punjab.

However, he stressed that with the improving price trend in the domestic market where raw cotton rate reached Rs3,000 per 40 kg and with better crop management, the gap would be bridged.

The government had reduced prices of different crop inputs including fertilisers and pesticides and a notification to that effect had also been issued, he said and voiced the hope that the step would help enhance crop output in the country.

<http://tribune.com.pk/story/1142759/cotton-planting-textile-ministry-plans-train-thousands-farmers/>

## **New revitalization strategies for the Philippine's textile industry**

*Business Mirror, Mia Mallari, February 1 2016*

The revitalization of the Philippine textile industry was one of the major points of discussion at a stakeholders' conference held in Taguig City by the Philippine Textile Research Institute (PTRI) on January 28.

PTRI, which functions under the Department of Science and Technology (DOST) as the lead textile research facility in the country, was appointed to undertake development and exploration work for textiles and textile-affiliated industries.

Textiles Empowering Lives Anew (Tela) Nation conference was stitched with the theme “One ASEAN: Beyond Borders, Beyond Boundaries, Beyond Bounds, an active endeavor to contribute to the ASEAN Economic Community.”



Science Secretary Mario G. Montejo urged the thrust for innovation and sustainable development in the textile industry, following previous predicaments the Philippine textile industry has faced in the previous years. These include the collapse of hundreds of commercial mills; the waning number of local manufacturers; inflow of imported clothing and textile products; and the advent of global brands that dominated the local market.

“We have realized that the solutions have to emanate from within us—they must be Filipino-centric, responding to the needs and wants of Aling Maria and Mang Juan,” he said.

“We cannot solve everything, but we can start somewhere,” Trade Undersecretary Ceferino Rodolfo said.

He noted that, despite the country having an open market to the European Union and ASEAN, the question as to whether we have quality products to offer remains the biggest challenge. If the fashion and textile industry flourishes, he said this is bound to generate jobs, further boosting the economy.

Rodolfo added that the Philippines lost a major Japanese textile mill investment to Thailand and Indonesia in the 1980s when martial law was declared. It also missed out on foreign direct investments inflows because of the country’s foreign ownership restrictions.

Renowned designer Jeanne Goulbourn agreed, saying the country has lost countless of opportunities in the past decade for its failure to uphold its blooming textile industry in the 1950s when it was the leading textile manufacturer in the ASEAN region. Her brand, Silk Cocoon, is mostly prized by European customers because of its modern twist on traditional handloom methods.

Having worked with international luxury brands, like Chanel, Christian LaCroix, and even the Queen of Pop, Madonna herself, Gouldbourn said not all hope is lost. Nevertheless, an overhaul is needed due to local brands not entirely being local because much of what we consider local brands are manufactured in foreign countries, particularly in China.

She called for the support of schools to invest in the youth, as well as capitalizing on machinery that will bring the textile industry of the Philippines back up to the global market.



Through fashion, Goulbourn said the country can promote its identity by creating modern versions of the traditional Filipino attire that is wearable every day.

Zooming in on small and medium enterprises, postmodern brand Anthill (Alternative Nest and Trading/Training Hub for Ingenious/Indigenous Little Livelihood Seekers) Fabric Gallery started incorporating indigenous woven textiles into clothing, bags and countless everyday items like ID straps and toys for children.

Social entrepreneur Anya Lim heads the Cebu-based lifestyle store that taps indigenous communities around the archipelago to produce weaves, providing the tribes easier access to the local market.

Lim believes that this will pave the way to preserve cultural prints through modern measures. "There is an infinite quantity of market that you can tap. You just have to be creative and know how to innovate," she said.

PTRI boasted of the modernization of geotextile-testing facilities that provides lower testing fees for clients compared to testing sites in foreign countries, and their innovation centers for yarns and textiles that will enable small-volume production of indigenous yarns, which are inputs to textile development.

Geotextile-testing facilities reported 96.8% growth of clients since its establishment in 2010. Meanwhile, natural dyeing was also promoted as its process reduced duration and has conducted more comprehensive and natural dye properties and performance evaluation.

A collaboration with Komisyon ng Wikang Filipino was also publicized for a bilingual technical manual for handloom weaving, which will be available in three local languages.

The final part of the conference gathered DOST regional directors, non-governmental organizations and representatives from partner state colleges and universities in a roundtable for a discussion woven around the drive for Regional Yarn Innovations Centers.

A "fiber map" of the country was presented by the Philippine Fiber Industry, noting the key places for sustainable development within the industry.

An assessment from procuring handloom products across the archipelago was given by Culturaid Inc.

<http://www.businessmirror.com.ph/2016/02/01/stakeholders-discuss-strategies-to-revitalize-phi-textile-industry/>

## Philippine's indigenous textile designs recognized

*The Manila Times, April 30 2016*

Seven designers in different categories were awarded at the first ever NCCA Ready to Wear (RTW) Clothing Design Competition spearheaded by the National Commission for Culture and the Arts (NCCA), Department of Trade and Industry (DTI) and Center for International Trade Expositions and Missions (CITEM) held in conjunction with Design Week Philippines 2016.

Three categories were opened for the design competition: student, professional, and fashion and clothing companies.

For the professional category, AJ Bernabe's "bul-ol" inspired adaptation of the classic Barong Tagalog paired with a geometrically structured denim skirt bagged the first prize.

Jinggay Serag's Balangay inspired piece crafted out of the Iloko's inabel textile with kusikos or whirlwind pattern won the second prize while Daryl Maat's Igorot inspired creation with its woven cloth from the Bontoc tribe was awarded third prize.

Among the notable creations for the professional category are Rosalie Norico-Mediola's take on the Pan-ay Bukidnon traditional attire, dubbed "Hinabal Bukidnon" and Evangeline Rosales Badulis' Pinya Inabel Hand made for men.

For the student category, Kimberly Baydo's "Tree Hugger" was given sole recognition. Her creation features a modern take on the Hanunuo Mangyan's ramit weave.

Among the 62 entries, Bernabe's creation also received the "Peoples' Choice Award." A special citation was given Harvic Dominguez of CORDI Apparel and Accessories as the sole entry under the Clothing Line Category

<http://www.manilatimes.net/indigenous-textile-designs-recognized/259312/>

## Turkey & Russia's normalization raises textile sector's expectations

*Daily Sabah, July 4 2016*

Steps taken towards the normalization of relations between Turkey and Russia have raised expectations in the Turkish textile and apparel sectors that commerce with Russia will speed up.

Speaking with Anadolu Agency (AA), Laleli Industrialists and Businessmen Association (LASIAD) President Gıyasettin Eyyüpkoca said Turkey was a really good producer, and

Russia a very good consumer, stressing that the two countries have been partners for nearly 25 years.

Indicating Turkey's shared interests with Russia, Eyyüpkoca said: "We knew that the problem with Russia would not last too long. The steps taken towards the normalization of the relations are quite healthy and positive. The greatest love sees fighting. Our relations with Russia sit on a firm basis, and I can say that relations between us will be healthier, and commerce will be along international norms."

Stating that steps towards normalization would directly contribute to tourism, exports of fruit and vegetables, as well as the textile and apparel trade, Eyyüpkoca foresees an increase in apparel sales of 15-20% over the short term.

Istanbul Apparel Exporters' Association (IHKIB) President Hikmet Tanrıverdi said the apparel sales played an important part in economic relations between Turkey and Russia, and was among the sectors most affected by the cooling in relations. "We aim to rapidly move up to our former position in relation to the recoveries in economy along with the new period. Starting from 2017, we expect exports of between \$400 million to \$500 million."

Recalling that during the 2009 global crisis, Turkey exported \$182 million worth of apparel to Russia, a number that reached \$412 million in 2013, Tanrıverdi said Russia was one of Turkey's top ten markets, but the problems emerging in the Russian economy and problems in bilateral relations had caused export to slide back to where it was six to seven years ago, dropping to \$204 million for 2015. Tanrıverdi said apparel exports to Russia during the first five months of 2016 hit \$45 million, marking 49.5% of Turkey's apparel exports.

Russian Federation National Security Academy Foreign Economic Relations Vice President Talat Enver Çetin said he believed the relations between Turkey and Russia would continue and strengthen in the coming period.

<http://www.dailysabah.com/money/2016/07/05/normalization-steps-between-turkey-russia-raises-expectations-in-textile-sector>

## Fast fashion to ethical couture: Vietnam's design evolution

*The Sun Daily, AFP, April 6 2016*



*Fashion designer Thao Vu works at her home studio in Hanoi. — AFP*

Long a bastion for cheap, fast-fashion manufacturing, a new crop of designers are trying to transform the Made in Vietnam label and save the country's rich ethnic heritage in the process.

In the remote hills of Cao Bang, some 300 kilometres north of the capital Hanoi, Vietnamese designer Thao Vu is gleefully dropping swaths of hand-spun cotton into a large bucket of fermented indigo leaves.

Her label, Kilomet 109, is at the forefront of Vietnam's new 'ethical fashion' movement — an approach to design that seeks to maximise benefit to communities while minimising environmental harm.

The 38-year-old designer has been tapping into this growing global trend by working with some of Vietnam's 54 ethnic minority groups, each of which have their own unique textiles and traditional clothing designs.

"I learn the techniques from them," Thao told AFP, explaining how she has drawn inspiration from Nung women in Phuc Sec village, who use natural dyes and weave on hand looms.

She then adds "a more modern, contemporary touch" to style garments that will appeal to clients in fashion capitals like Berlin and New York.

But bridging this divide isn't always easy.

Thao said the Nung women were shocked when she suggested experimenting with colours outside of their traditional dark indigo shade.

"They looked at me like 'what'? And they said: 'if you lived here you wouldn't find a husband,'" Thao told AFP, explaining that crafting the perfect dark indigo fabric dye is a prerequisite for marriage in their community.

Thao persevered, and now uses traditional roots and leaves to colour organic silk, cotton, and hemp, which are also manufactured from scratch, in a range of hues from deep indigo to pale grey, and earthy oranges and browns.

### **Returning to the roots**

Vietnam has in recent decades become a hub for massive garment factories that churn out reams of cheap clothes as quickly as possible for fashion giants like Zara, Mango and H&M.

The multi-billion dollar sector has helped drive impressive economic growth but also drawn criticism for weak environmental and labour rights regulations.

Yet products made by the country's traditional fabric spinners are inherently eco-friendly — made with natural dyes and textiles, not harsh chemicals or synthetic fibres. And there is not a sweat shop in sight.

The designer has already attracted accolades, winning international design awards and selling her wares to high-fashion buyers.

The local women who work with her, such as Luong Thi Kim, 40, say they too have benefited from the collaboration.

"Before I weaved for personal use but now ... our weaving products can go to other countries. I want to earn money to raise my children," Kim told AFP.

Over in central Hue — the former imperial capital of Vietnam — another label is also helping local artisans market their skills to the global fashion industry.

Fashion4Freedom founder LanVy Nguyen, a former refugee who fled post-war Vietnam in a wooden boat and forged a successful Wall Street career, returned to Vietnam in 1998 and decided to use her venture capital acumen to save ancient artisanal techniques.

Fashion4Freedom stepped in to help, teaching traditional woodworkers, who carve ornate pillars in pagodas or local houses, to learn how to make platform shoes that cost some US\$600 a pair.

Do Quang Thanh, a carpenter, said the idea of making shoes initially struck him as "strange" but he is glad he gave it a try.

## Foreign buyers keen

Jimmy Lepore Hagan, vice president of strategy for high-end US clothing line Nanette Lepore, said he's considering a collaboration with Fashion4Freedom, which also sells luxury jewelry and apparel.

"Taking a brand's idea (and) design aesthetic, and matching that with people who have an incredible culture and history and are trying to build something new and exciting for US market is a real opportunity," he added.

The head of Vietnam's handicraft export association, Le Ba Ngoc, sees linking Vietnamese artisans with overseas fashion designers as a chance to embrace more sophisticated designs — what he says is the weak link in the handicraft chain.

"It's the major factor holding back foreign and domestic sales," he told AFP. Ensuring consistent quality is also a problem.

But his organisation is working with ethnic groups to modernise their techniques - such as developing an Indigo powder dye - while still remaining true to their style.

<http://www.thesundaily.my/news/1752089>

## Vietnam's Thua Thien-Hue province plans garment hub

*Fibre2fashion.com, August 4 2016*

Thua Thien-Hue province in central Vietnam is planning to spend nearly \$300 million over the next five years to become a garment hub, according to Vietnamese media reports.

As the province's plan for 2016-20 period, it will focus on developing the domestic market while expanding export markets. It will also give priority to boosting research, product design, brand-building and promotion. The plan aims for developing a professional apparel industry to change the rural labour structure.

In order to develop the sector sustainably and ensure enough supply of materials for production, the province is working with the Vietnamese government's board of key economic zones to build a centre for supplying apparel materials. The centre would be set up over 400 hectares in the Phong Dien Industrial Zone.

Thua Thien-Hue currently has six industrial zones, which together house 50 textiles and garment enterprises.

<http://www.fibre2fashion.com/news/apparel-news/vietnam-s-thua-thien-hue-province-plans-garment-hub-190963-newsdetails.htm>

## Vietnamese garment & textile industry seeks technological solutions

VCCI, Thu Ha, July 1 2016



Seen as one of the greatest beneficiaries from new generation free trade agreements (FTAs), the garment and textile industry is still, however, importing up to 80% of input materials from other countries, mostly from non-TPP and non-EVFTA countries. Improving manufacturing technologies, localising input materials and cooperating with countries with developed

manufacturing technologies is considered a right direction for the garment and textile industry to take advantage of preferential tariff treatments.

This information was released at the “Belgian Technology Solutions for Vietnamese Textile Industry” roadshow which was recently held in Hanoi by the Vietnam Textile and Apparel Association (Vitas) in coordination with the Flanders Investment & Trade Agency (FIT) and the Belgian Textile Machinery Association (Symatex).

Vietnam now has about 4,000 garment and textile companies, including 650 foreign-invested firms. Specifically, 70% are garment companies, 17% are textile companies, 6% are spinning companies, 4% are dyeing companies and 3% are supporting companies. This structure is disproportionate because Vietnam is very strong in the final stages of “cutting - sewing” while it is very weak in spinning, weaving and dyeing and is unable to supply enough of inputs for domestic garment and textile companies.

According to information at the forum, the domestic garment and textile industry needs about 10 billion square metres of fabric but it can produce just over 3 billion square metres a year due to weak capacity and technology. Applying advanced manufacturing technologies, increasing localisation ratio and improving productivity is vital for the industry to control material resources and take advantage of tariff preferences generated by free trade agreements (FTAs).

Mr Truong Van Cam, Vice President of Vitas, said that Vietnam has signed several FTAs, including very important ones like the EU - Vietnam FTA (EVFTA) and the Trans-Pacific Partnership (TPP). The garment and textile industry has been seen as a top beneficiary of these FTAs when tariffs are brought to zero. Nevertheless, to be beneficial, domestic enterprises must meet the complex rules of origin, e.g. “fabric forward” in EVFTA and “yarn forward” in TPP. Meanwhile, the industry is importing 80% of materials from foreign countries, mostly from non-TPP and non-EVFTA nations. Improving product quality and increasing localisation ratio is the core issue of Vietnam's garment and textile sector.

He added that Vietnam has attracted many new foreign-invested garment and textile projects while domestic companies have spent more in the sector too. However, he noted that they face many land-related difficulties when they invest in Vietnam. Most localities turn down dyeing textile projects on fears of considerable environmental pollution.

Remarking on Belgian textile technologies, he pointed out that Belgian textile technologies are now not strange since many Vietnamese businesses are using them, especially textile equipment. The Flanders region produces the world's fastest air jet looms and always pioneers in electronic and digital technologies applied in garment and textile production inspection, monitoring and control.

Mr. Joroen Vist, Director of Symatex, added that Belgium has established cooperation in garment and textile technologies with Vietnam for over 10 years and the country now wants to expand the presence in the Vietnamese market amid rising demand in this industry, especially when Vietnam joins new generation free trade agreements, including EVFTA.

Sharing this point of view, Mr. Wouter Vanhees, Trade Counsellor of Flanders Investment and Trade Agency of Belgium (FIT), affirmed that the Belgian textile machinery industry is mainly engaged in production of interior cloths (floor coverings, carpet, upholstery, velvet, tablecloths), textile fabrics and technical textiles. Flanders textile machinery manufacturers always pursue cutting-edge technology strategies. As a result, they are always ranked Top 5 companies with most patents.

In addition to applying advanced technologies and cooperating with countries with advanced garment and textile technologies such as Belgium, delegates to the forum also underscored that Vietnam needs an appropriate dyeing textile development plan for localities. The formation of textile industry clusters will help increase the localisation ratio and reduce costs. Localities also need to prepare good infrastructure for industrial zones like land fund, water drainage and water supply systems.

Also at the forum, Vietnamese companies were informed of the latest development and solutions for weaving and Jacquard weaving, finishing and coating devices, weft insertion systems, production management and garment and textile parts.

[http://vccinews.com/news\\_detail.asp?news\\_id=33634](http://vccinews.com/news_detail.asp?news_id=33634)



## Vietnamese ministry proposes large textile production zones

*Vietnam.net, July 18 2016*

The Ministry of Industry and Trade (MoIT) has proposed the development of large textile and garment industrial zones (IZs) to attract investment in dyeing, and fabric and yarn production.



*Employees of Vinh Oanh Garment Co Ltd in Nam Dinh Province's Y Yen District produce protective gear for export. The company earned VND120 billion in revenue last year.*

The 500ha to 1,000ha zones would attract local and foreign investment for high-end products.

The ministry has also proposed that the Government provide full support for the building of textile and garment industrial zones located in provinces and cities experiencing socio-economic difficulties in order to create conditions for the success of small and medium startup enterprises, according to the ministry.

The proposal also targets the development of transport infrastructure connecting the large industrial zones to ports and logistic centres and reduce transportation costs.

The ministry reported a six-% export increase in the first half of this year to US\$12.8 billion.

The industry also saw growth in export value to its major markets, including the US, increasing by 5.9% to \$4.29 billion; Japan with an increase of 2.9% to \$1.04 billion; South Korea with exports 15.58% higher at \$764.9 million.

Several trade deals, including the Trans-Pacific Partnership (TPP) and the Vietnam-EU Free Trade Agreement, have not yet come into effect so that Vietnam's garment customers could not benefit from a preferential tax regime and turned to other foreign manufacturers with more tariff advantages.

Many of Viet Nam's traditional customers shifted their orders to Myanmar, Laos and Cambodia, which enjoy reduced import duties in the US and the EU, the two largest buyers of Vietnamese garments, said the Chairman of the Viet Nam Textile and Garment Association (Vitas), Vu Duc Giang.

Viet Nam's 2016 textile and garment exports are expected to reach a total value of \$31 billion.

<http://english.vietnamnet.vn/fms/business/160593/ministry-proposes-large-textile-production-zones.html>