Asian Textiles & Garments
NEWSLETTER
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Message from the Director-General

Dear CACCI members:

It is a pleasure to present to you the seventh edition of “Asian Textiles & Garments Council” Newsletter. 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 reports indicate that the textile industry is entering a technology-led transformation driven by Israeli startups and German invention on dyes, while textile products continue expanding in markets worldwide. Bangladesh remains strong in textile production of all kinds of brands, as well as in accessories. Cambodia is also receiving foreign investment in the textile sector while Indonesia is feeling the threat of foreign competition.

From the Russian side, very beautiful artistic designs of historical significance are applied on modern textiles, while Vietnam continues its boom, overcoming the growing pains of success in this immense market.

We hope that this latest issue of the Asian Textiles & Garments Newsletter will enable you to gain a better understanding of the trends and conditions of the textile market throughout the Asia Pacific region.

Ernest Lin
Director-General
CACCI

Is fabric-covered tech germier than metal or silicon?

The Sydney Morning Herald, Alice Clarke, 5 November 2019

Anyone who has had the pleasure of using a keyboard, laptop or tablet covered in Alcantara has probably enjoyed the luxurious soft feel of the fabric. It's not the harsh cold of aluminium, or the plasticky feel of silicone, but the softness of '70s ultrasuede.

That is, until all the oils from your skin have seeped in, making it feel less luxurious and more like you're resting your wrists on one of the little sponges they have at the post office for moistening stamps.

And all that prompts the question: which of these three popular gadget coverings provides the most hospitable home for germs? Or, to put it another way, which is the grossest and should we touch it?

Microsoft's Surface laptop has a keyboard covered in Alcantara (Credit: Bloomberg)

There have been many studies which have ranked the germ content of keyboards below mobile phones, but above toilet seats. Short of doing as my dad suggests and coating our laptops in pure silver, surely one way to protect our tech (and ourselves) from grossness is to select the most germ resistant finish?

According to Anton Peleg, professor of infectious diseases and microbiology at Monash University, we don't know what that finish is.

"Little research has been done to study microbial attachment of Alcantara, and we are not aware of any study comparing this to other surfaces. We have done some studies on medical grade plastics, including a velour material, and have shown the ability of organisms to attach," he explained.

So, that sounds as though material like Alcantara is bad, case closed. Except he went on to say:

"Among biomedical materials, microorganisms generally have a preference in adhering to silicone based polymeric materials, relative to Teflon or polyurethane."

So, silicone is worse?

Before you throw everything out and replace it with aluminium-covered gear, Peleg continued with:

"In general, aluminium and many other metallic surfaces also support microbial adherence, to a level similar to or even higher than that of biomedical materials."

Huh.

Andrea O'Connor, professor and head of the department of biomedical engineering at the University of Melbourne was a little more upbeat about the germiness of Alcantara.

Many Apple Watch models feature both aluminium and silicon

"It has some things that would make it much better than conventional textile," she said. "This fabric is synthetic and reported by the manufacturer to be water repellent, so that would help to avoid stains and fouling from everyday grease and things, but it could potentially be harder to clean, and I would expect could have some contamination."

One problem in saying whether or not aluminium would be safer is that there isn't just one aluminium surface.

"Aluminium can vary in its surface texture, and so it would depend on the specific material as to how rough it was," O'Connor said. "So, the things that will influence whether bacteria and fungi will stick are the surface texture — so the roughness and the surface chemistry — and then whether it can absorb liquids or grease and other components."

O'Connor's impression was that silicone is safe.

"Silicone polymers are used in medical implants and medical devices, so it's not something that comes up as a major concern, even in that context where it could have really adverse effects if you were using silicones in contact with the body for medical purposes. So, I wouldn't have thought it would be a major problem."

In the end, though, the main message both experts wanted to convey was that it doesn't really matter. We have bacteria all over our skin, and most of it doesn't harm us. O'Connor, an expert in bacteria and germs thinks it is fine as long as we clean ourselves and the surfaces we use.

"I really just don't worry about it very much," she said. "In fact, my colleagues who culture drug resistant bacteria are also reasonably relaxed. If your immune system is healthy, and you don't have particular health issues, it's not really a big problem as long as we wash our hands before we eat and after the bathroom."

Israeli startup aims to create digital revolution in the textile industry

Jerusalem Post, Eytan Halon, 7 October 2019

Driven by issues of environmental sustainability and material waste, Israeli digital dyeing startup Twine Solutions is aiming to transform the mammoth global textile industry.

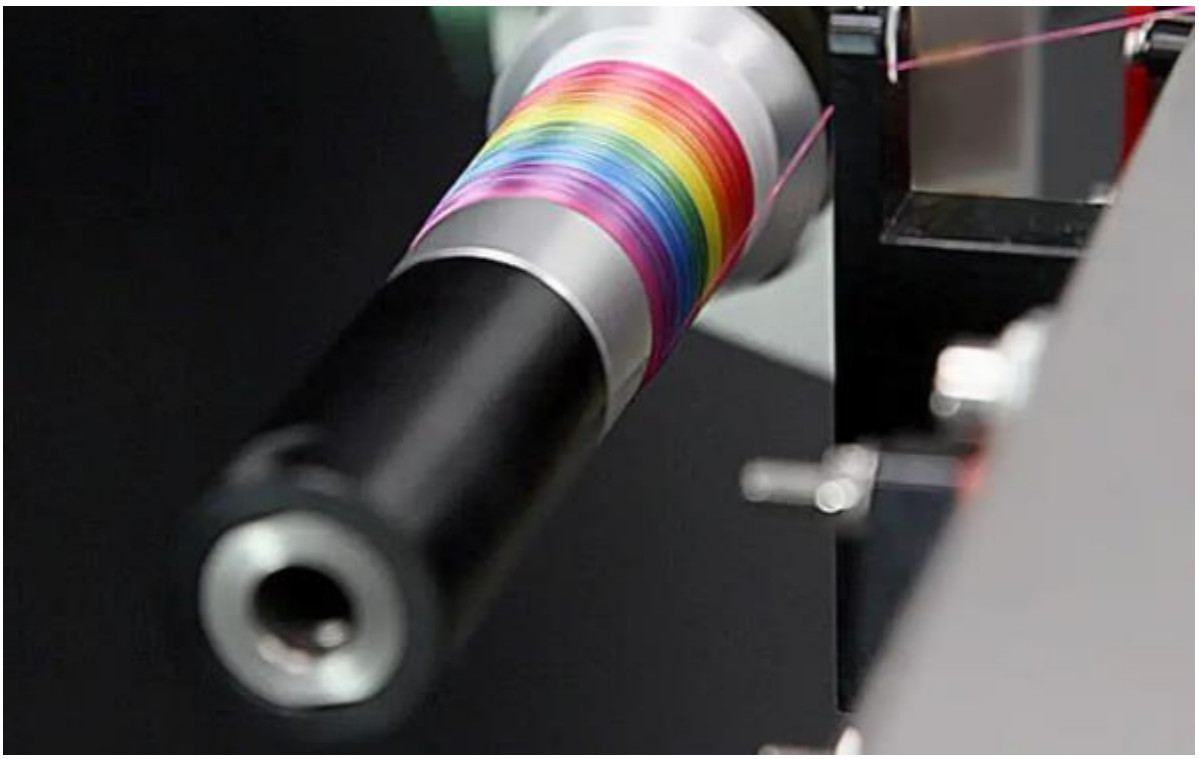
An estimated 17% to 20% of global industrial water pollution results from dyeing and treating fabrics, with toxins from many of the 8,000 synthetic chemicals used for our clothes contaminating the world's vital waterways.

Global fiber and fabric production, powered by the Asia-Pacific region and notably textile powerhouse China, can use as much as 200 tons of water to dye just one ton of fabric for the apparel industry – enough for only 1,400 pieces of clothing.

Driven by issues of environmental sustainability and material waste, Israeli digital dyeing startup Twine Solutions is aiming to transform the mammoth global textile industry from its very foundations: the simple thread.

To date, the company says, there has been no such concept as “digital dyeing.” While digital printing and analog dyeing are well-established terms, Twine is the first company worldwide to develop a technology capable of digitally dyeing threads, penetrating into the fiber itself and giving clothing manufacturers the quality they need.

“The textile industry is the second-largest in the world, but is far behind much smaller industries when it comes to digital technology,” Twine vice president of product and marketing Yariv Bustan told The Jerusalem Post. “Graphic art is very advanced and textile is about 15 years behind. We need to bring digital technology into this industry.”



Twine Solution's TS1800 digital dyeing machine (Photo Credit: Twine Solutions)

The Petah Tikva-based company, co-founded by identical twin brothers Alon and Erez Moshe, offers the clothing industry two digital solutions to increase efficiency, boost sustainability and even enable improved personalization of garments.

The digital thread dyeing machine itself only requires a normal electricity source and ink bought from the company. Unlike existing polluting methods of fabric dyeing, Twine’s machine does not use water at all, and can produce threads for knitting, embroidery and sewing.

With the ability to digitally dye according to exact customer needs, the system also cuts down the huge quantities of textile waste produced throughout the traditional supply chain. In the US alone, an estimated 12.7 million tons of textile waste is sent to landfills annually.

“Dyeing is a long and complicated process that is done in huge vats, and since you dye only one color at a time – and a lot of it – it forces the entire supply chain to demand large minimum order quantities,” said Bustan. “You need to buy a lot of thread and store it. Even if you need a small amount, you have to buy a lot. Eventually, you’ll throw away 20% to 60% of the order.”

The second digital solution is the company’s “SnapMatch” dye-to-match smartphone application, enabling users to identify colors for fabrics.

Currently, brands seeking to identify a special color need to send color samples to the dye house in remote locations, and then wait for a manually mixed fabric sample to return. The process can take weeks, sometimes months.

Twine’s application, however, uses an algorithm to identify colors accurately, and immediately dye the thread according to the desired color to produce a sample.

“We are changing the supply chain, not just the tactic of how you dye, but also the strategy,” said Bustan. “Instead of a remote dyehouse, we move it all in-house with a light infrastructure system. We reduce logistics by permitting a virtual inventory and offer a faster time to market. There’s no stock, so there’s no dead stock and waste either.”

Twine also offers a unique capability that doesn’t exist in the analog dyeing process, Bustan added, with Twine’s digital system enabling single threads to be dyed in different colors.

“This type of threat cannot be produced with any other technology,” Bustan said. TWINE’S TECHNOLOGY has received a stamp of approval from sustainability groups and leading industry stakeholders, securing investments to the value of approximately $30m. to date. Major backers include HP Ventures, Maverick Ventures, New Era Capital Partners and UK-based Coats, one of the largest traditional thread producers worldwide.

Beyond issues of sustainability and waste, a major driver of immediate and small-scale printing is the increasing demand for personalized apparel. While major brands already offer digitalized personalization of clothing, Bustan calls the current production process a “logistical nightmare.”

Brands would previously develop and produce collections and then sell them in-store, he explains, but nowadays they increasingly sell products online and then run to produce them.

“We have already changed the way we buy things in a digital manner, and now we need to change how we produce the textile in a digital way,” Bustan said.

By offering millions of different color combinations without a single pre-dyed spool of thread, Twine’s digital technology enables manufacturers to offer real personalization to customers seeking unique clothing.

While direct costs of Twine-produced fabrics are marginally more expensive than traditionally produced fabrics, the elimination of waste and associated supply chain costs mean that system users are promised a return on their investment within a short time-frame – as quickly as 18 months to two years.

"We are targeting to be a corporate company that will change the textile industry from the very basic element of it: starting from the thread," said Bustan.

"This is our advantage and vision because it's the most basic element. We are going to digitalize the textile industry."

Bangladesh's textiles need to grow footprint in global markets

The Independent, Md Habibulla, 26 January 2020

The primary textile sector of Bangladesh has witnessed a good expansion with some Tk. 2,500 crore (US$294 thousand) worth of investment in 2019, mainly to install imported machines and set up new factories. Market insiders say local spinners can currently supply nearly 90% of raw materials for the knitwear sector and 40% for the woven sector.

Local garment manufacturers have to import nearly US$ 8 billion worth of fabrics from abroad, mainly from China, India, Turkey, and Pakistan, to make woven items. Mansoor Ahmed, secretary of the Bangladesh Textile Mills Association (BTMA), told The Independent that they were expecting more investment in the primary textile sector this year in areas like man-made fibre and some technical and non-traditional goods. The current total investment in primary textile is US$8 billion.

Mansoor also said Bangladeshi investors made investments of nearly Tk. 10,000 crore (US$1,175,295) in the primary textile sector, which is a backward linkage industry for the readymade garments (RMG) sector, in the last six years. According to BTMA data, local entrepreneurs invested, on average, Tk. 1,667 crore (US$195,921) per year from 2014 to 2019 in the primary textile sector to meet the demand of fabrics and yarn.

Mansoor, however, said that the primary textile sector was in a good position in 2019. However, in the beginning of the new year the market situation has worsened because of adverse conditions in the global textile market. It is unclear when the market prospects would brighten, he added.

PM for diversifying products to boost textile export

Recently, Prime Minister Sheikh Hasina has urged the country's textile sector to diversify products and expand the market to boost export earnings. "I think it's necessary to diversify textile products to match the demands of the world market," she said while inaugurating the 'National Textile Day 2019 and Multipurpose Textile Fair' at the Bangabandhu International Conference Centre (BICC) in Dhaka on January 9.

The Premier also asked the entrepreneurs concerned to add value to their existing products and to "explore new markets to raise the country's export income". Hasina also asked public and private sectors to work together to increase the demand for Bangladeshi products in the world market. She said though Bangladesh held the second position in textile export in the world, the reality was that it had only 6.40 % share of the global market. "We have to work hard to increase the demand for our products in the world market. We have to formulate short-, medium- and long-term plans for achieving this," she added.

How to attract more investment

Stakeholders think more investment can be injected into the sector, something that has not happened as expected due to a lack of infrastructural support and unavailability of utility services. "While around Tk. 10,000 crore (US$1.2 million) is no small amount for the sector, I am very uncertain about the future of the sector in Bangladesh," said Mansoor. "I hope investment in the sector will get a boost in the next five years as the government is setting up Special Economic Zones [SEZs] and developing the infrastructure," she added.

More than 100 garment factories in Bangladesh have recently received the "green building" certificate from the United States Green Building Council (USGBC), an NGO that assesses environmental issues of commercial and residential settlements. Around 500 more manufacturers are waiting for their certificates, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). These efforts to make the industry more eco-friendly are expected to secure for Bangladesh's apparel and textile exports a competitive place in the global market.

Challenges facing the sector

Highlighting some problems regarding investment, the BTMA president Mohammad Ali Khokon pointed out three factors—inadequate gas, shortage of electricity, and inadequate availability of land—as hindrances to textile sector investment. Talking about the prospects of producing high-end readymade garments (RMG), Khokon said that every other country was producing and going after premium products, but inadequate availability of gas and electricity in Bangladesh were hindrances to producing more valuable merchandise. Khokon also said the government had taken the initiative to import liquefied natural Ggs (LNG) to ease the gas supply to the industry. “We urge the government to implement the step immediately to overcome the power crisis,” he added.

Textile sector exports drop by 9.5 %

Exports of textile products fell significantly in the first six months (July–December) of the current financial year (FY2019–20) compared to the same period of the last fiscal year. According to the Export Promotion Bureau (EPB), the sector registered a slightly negative growth rate of 9.5% that resulted in the earning of US$370.1 million. However, this figure was US$408.94 million during the same period of FY2018-19 (July–December).

Fair to boost the sector

In order to showcase textile products, a three-day diversified textile fair from January 9–11 were held at the Bangabandhu International Conference Centre in the capital. The textiles and jute ministry organised the event for the first time in the country on the occasion of National Textiles Day. Prime Minister Sheikh Hasina inaugurated the fair with the theme "Globalisation of Textile Sector: Sustainable Development".

During the programme, textiles and jute secretary Lokman Hossain Mia said the government would felicitate eight associations and a university to encourage innovation and promote excellence and exports of textile goods and products. During the inauguration of the fair, at least nine associations and institutions were honoured with crests for their contribution to the development of the country’s textile sector.

They are: the Bangladesh Garment Manufacturers and Exporters Association, the Bangladesh Knitwear Manufacturers and Exporters Association, the Bangladesh Textile Mills Association, the Bangladesh Garments Buying House Association, the Bangladesh Specialised Textile Mills and Powerloom Industries Association, the Bangladesh Terry Towel and Linen Manufacturers and Exporters Association, the Bangladesh Cotton Association, the National Crafts Council of Bangladesh, and the Bangladesh University of Textiles.

At the fair, a number of entrepreneurs participated to showcase and sell their products. Md Omar Faruqe, owner of Taanti Faruqe, told The Independent: "I have received a huge response from the visitors at the fair. And sales have been good." Shamim Akhter, owner of Siddique Silk House, said: "I came from Mirpur area in the capital. I have attended several fairs like this. As this fair has been organised for the first time, I did not want to miss the chance to display my products."

Bangladesh's apparel: Wild ride ahead?

The Daily Star, Arif Ekram, 5 November 2019

The evening's crawling rush hour traffic came to a complete halt in Kazipara in Dhaka as hundreds of garments workers, most of whom are women, got out of their factories at the end of their shifts. Their relentless hard work, albeit often underappreciated in the views of many, brought US$32.5 billion to the coffer in 2018 alone representing 83% of total export earnings of Bangladesh.

RMG sector is by far the top foreign currency earner of the country and has immensely helped Bangladesh maintain an over 6% annual growth since 2011.

Being the sector accountable for the country's over four-fifths of foreign income, RMG's future is strongly linked to the overall health of Bangladesh's economy. To that end, RMG has done remarkably well so far. The country's overall income and share in global clothes exports have increased slowly but steadily over the years. Its global share in apparel export has reached 6.3% in 2016, a net 3.3% increase from 2009. However, as the global fashion industry goes through a seismic shift, many predict the country's RMG is in for a wild ride in the coming years.

Bangladeshi workers' average wage still remains lower than other RMG producing countries (Photo: star/file)

RMG sector is by far the top foreign currency earner of the country and has immensely helped Bangladesh maintain an over 6% annual growth since 2011. Being the sector accountable for the country's over four-fifths of foreign income, RMG's future is strongly linked to the overall health of Bangladesh's economy. To that end, RMG has done remarkably well so far. The country's overall income and share in global clothes exports have increased slowly but steadily over the years. Its global share in apparel export has reached 6.3% in 2016, a net 3.3% increase from 2009. However, as the global fashion industry goes through a seismic shift, many predict the country's RMG is in for a wild ride in the coming years.

The world is spinning faster by the day. We live in a world where its largest taxi company doesn't have a taxi of its own or its largest hotel company doesn't have a hotel of its own. People's tastes are rapidly changing, perceptions are evolving, and methods of availing products and services are shifting. In the process, the established old consumer norms are getting replaced by new alternatives.

The fashion industry is slowly but steadily getting rid of traditional fashion seasons because of a trend called "fast fashion". Like fast food, fast fashion seeks a quick turnaround. Consumers are constantly looking for new designs and denying waiting until another fashion season begins. This trend, unsurprisingly, is driven by the Millennials and Generation Z, who, characterised as impatient generations by their older counterparts, seek instant gratification even in fashion. It is getting further amplified by the ubiquitous presence of social media and celebrity endorsements. For instance, when celebrities like Sophie Turner or Bella Hadid wore cropped hoodies, search for the item skyrocketed. Fashion houses are rushing to tap into these demands before they fizzle. Therefore, the brands are getting increasingly interested in stocks that are smaller, easy to manage and can be produced in a matter of a week or so. As a result, the traditional spring/summer and fall/winter divide is being blurred and now some of the "fast fashion brands may issue as 52-weekly "micro-seasons" per year". To keep up, traditional apparel brands are now debuting around 11 seasons a year.

Far-stretched supply chains with minimum order requirements and production lead time provide little to no maneuverability to the fashion houses to serve fast-fashion hungry consumers. As a result, they are bringing manufacturing facilities closer to the home where they can have greater control over the production process. An array of inventions and developments are influencing those decisions which were not possible even just a few years ago – something that we will continue to discuss in this piece.

Fast fashion has the potential to result in a considerable decline in the number of orders for Bangladesh's RMG in the future and create competing factories in continental Europe, America, and Australia. It is difficult to predict the extent of the actual impact of fast fashion as it gets rooted further in consumer psyche. But one thing is for certain – it is here to challenge the status quo and challenge it aggressively.

Many consumers nowadays are not happy with just what they buy. In this age of the "woke", consumers are also interested in how a product has been produced, what's its carbon footprint, whether it was produced through a process that is fair to workers and the manufacturing process is sustainable and environmentally friendly, and so on. One statistic shows that in 2018, fashion consumers looking for "ethical and style credentials" have increased by 47%. Another research found that "nine out of ten Generation Z consumers believe companies have a responsibility to address environmental and social issues." This goes a step further than the Millennials, who thought of environment preservation as the core issue. The opinions of these two generations are imperative as they account for an overwhelming lion's share of global consumer spending.

And, the brands are listening. Manufacturers like Nike, Levi Straus, Gucci, Uniqlo, ASOS, H&M, Balenciaga and many more are stepping up to support social and environmental causes, which include, amongst others, responsible sourcing and manufacturing practices.

"Woke" mindset has and will continue to have a direct impact on Bangladesh's RMG, which has gone through numerous tumultuous events of its own, including Rana Plaza, in the past. This implies Bangladesh's garment factories will continue to be monitored by consumers and, therefore, by international brands. Safe, ethical, equitable and respectful production process and working conditions will continue to be a major consideration.

In the past, Bangladesh's RMG could increase its global competitiveness by spending considerably less on improving worker safety, disaster preparedness, working conditions, etc than its Chinese or Vietnamese counterparts. However, as "woke" becomes an ingrained part of the bargain, Bangladesh, too, must work hard to avoid any negative limelight. For Bangladesh, this could imply a competitive edge lost and more competition to retain cost leadership.

A key selling point that helps Bangladesh attract many global brands as a manufacturing destination is the abundance of its low-paid labour. However, multiple trends are in motion that could jeopardise it.

Like the rest of Asia, labour cost is rising in Bangladesh. Minimum monthly wages have risen to Tk 10,700 (US$127) recently and there could be more increases in the future. However, Bangladeshi workers' average wage still remains lower than other RMG producing countries like China, Vietnam, Myanmar and Cambodia. But there are countries that can offer even lower wages than Bangladesh. The average monthly wage of a worker in Ethiopia is $50. As a result, many manufacturers are opening shops in Ethiopia. For example, H&M has started to import from the Ethiopian factory which it has set up with help from Bangladesh's RMG player DBL.

As the African countries amass more expertise and experience while offering a lower cost, there could be a paradigm shift in the RMG manufacturing - something that could be substantially disadvantageous to Bangladesh.

The writer is a global development practitioner, currently working at Candid, a NY-based research organisation.

Bangladesh's accessories see bright prospect

The Independent, Sharif Ahmed, 4 July 2019

Tk 1,200 crore was invested in 2018: BGAPMEA president

Makers of garment accessories and packaging have made an enormous investment of about Tk. 1,200 crore (US$141,035) to push up export earnings and meet the demand of the apparel sector.

Accessibility of the workforce at reasonable wages, duty-free market access in major export destinations, and preferential location at the heart of the Asia-Pacific region have lured foreign investment to the textile and apparel industry, said Abdul Kader Khan, president of the Bangladesh Garments Accessories and Packaging Manufacturers' and Exporters' Association (BGAPMEA).

Around 100 newly built factories are coming up each year to manufacture accessory products. In 2018, investments worth Tk. 1,000–1,200 crore (US$117,529 - US$141,035) were made in this sector. Even more projects are now waiting in the pipeline, Abdul Kader Khan said.

Talking about the reason behind the huge investment, Khan said since Bangladesh is the world’s second largest exporter of apparel products after China, there is a huge investment opportunity in the textile and garments industry. So far, Tk. 40,000 crore (US$4,701,180) has been invested since the inception of this sector, he added.

“We have urged the government to reduce corporate tax to 10–12% from 35% to ensure more growth in the garment accessories sector. We have seen how the government's decision to reduce corporate tax rate from 15% to 12% in the readymade garments (RMG) sector eventually inspired local investors to make investment decisions,” said Khan.

Since the demand for accessory products is growing at a faster rate at both home and abroad, around 100 new factories have started their operations this year. Presently, around 1,200 factories are producing accessory items in the country. Most of them are compliant factories.

Talking about fully compliant accessories factories, the BGAPMEA president said: "Dekko Accessories Ltd, Babylon Group, Montrims Ltd, KDS Accessories, Mastex Accessories are some of the fully compliant factories in the accessories industry."

“We have to put more emphasis on producing high-quality accessory items. We must establish this sector separately and not as the backward integration of the readymade garments (RMG) industry,” he also said.

“However, the new investment will focus on direct export of accessory items because we can meet approximately 95% of the local demand,” he added.

He said Bangladesh produces and exports accessories like woven labels, leather badges, stone and metal motifs, rubber patches, gum tapes, satin and cotton ribbon hangers, price tags, buttons and zippers.

Indirect contributions have always made up 15–20% of the net export earnings of the RMG sector. Export earnings from the RMG sector in FY2017–18 totalled US$30.61 billion. This includes approximately US$7.1 billion from accessory items used in the RMG, leather, pharmaceutical and other export-oriented sectors.

Currently, the export contribution of accessory items is US$7.10 billion, among which US$1.42 billion comes from direct exports to the Middle-East, South Africa, Sri Lanka, Malaysia, Europe, Vietnam, Cambodia, and Laos.

Some factories are already exporting accessory items directly, Khan said. “Bangladesh yearly exports basic polo shirts, which are worth US$6 billion, among which our contribution stands at US$1.2 billion,” he added.

Export Promotion Bureau stats show that exports of yarn and fabrics rose by 20.16% to US$141.12 million between July and May of FY2018-19 compared to the same period in FY2017-18. This scenario clearly depicts that Bangladesh could be a major source of garments raw materials, said Khan.

China’s textile group created to boost garment sector in Cambodia

The Cambodia Daily, MDS, 30 October 2019

The Chinese Textile Association in Cambodia (CTAC) aims to increase Chinese investments in the garment industry in the country of Southeast Asia. China bets for the Cambodian textile industry. Several Chinese textile companies have created the Chinese Textile Association in Cambodia (CTAC), with the aim of encouraging Chinese investment in the country.

The organization, which includes Chinese textile companies, including manufacturers and suppliers, provides legal advice to investors who are interested in entering Cambodia. In addition, the CTAC will also promote the contact of Chinese companies with the Cambodian government, according to Khmer Times.

In full: https://www.themds.com/markets/china-textile-group-created-to-boost-garment-sector-in-cambodia.html

Persistent decline in India's export of cotton yarn has traders in a spin

The Hindu Business Line, 26 October 2019

Cotton yarn is the only product not to get export benefits
- Dropped 39 % in the first six months of this fiscal

The continuous fall in cotton yarn exports of India since the started in 2018 raised concerns in the textile industry. In fact, shipments logged a negative growth in all months from April 2018. The export of cotton yarn in the first six months of this fiscal year declined 39 %, and in value terms, it almost halved to US$1.28 billion, against $2.09 billion in the same period in 2018.

KV Srinivasan, Chairman, the Cotton Textiles Export Promotion Council, said that the continuous fall in export of cotton yarn is a matter of deep concern, with shipments to leading markets such as China, Bangladesh, Vietnam, South Korea, Colombia and Turkey falling significantly. Moreover, export of value-added products, such as fabrics and made-ups, have grown just 2% this fiscal. "The falling exports along with lukewarm domestic demand has led to closure of many spinning mills," he said.

Multiple disadvantages

Cotton yarn is the only product which has not been granted export benefits, including those available under the Merchandise Export Incentive Scheme (MEIS) and the 3% interest equalisation scheme.

In addition, exporters of cotton yarn are at a serious disadvantage compared to competing countries due to differential import duties in leading export markets.

The import duty ranges from 3.5-5% on cotton yarn exported from India to major markets such as China, EU, Turkey and

South Korea as against zero duty paid by exporters from competing countries such as Bangladesh, Cambodia, Pakistan, Indonesia and Vietnam.

Cotton yarn exporters also bear the incidence of State and Central taxes; no rebate is given for these as done in the case of made-ups and garments.

The government should include cotton yarn under the MEIS, 3% interest equalisation scheme and the ROSCTL (Rebate of State Levies & Taxes) Scheme to boost exports and benefit farmers, he said.

Indonesian government mulls plan to impose temporary duties on imported textile

The Jakarta Post, Marchio Irfan Gorbiano, 15 October 2019

Merchants and buyers pack the Tanah Abang Skybridge that connects the railway station to the famous Tanah Abang textile market in Central Jakarta (The Jakarta Post/Dhoni Setiawan)

The government is mulling a plan to impose temporary additional duties on imports of textile and textile products (TPT) as a safeguard measure to protect the domestic upstream industry from a recent surge in imports.

The Finance Ministry's fiscal policy head, Suahasil Nazara, said the government had identified 121 products, including yarn and curtain fabric that would be subject to the safeguard measure.

"Lately, we have seen a jump in imports of TPT. In line with the existing rules, we are considering to impose a safeguard measure, which is a type of measure that can be officially taken by Indonesia if there are increases in imports that could potentially harm the domestic industry," said Suahasil in Jakarta.

The move was taken after the government imposed antidumping duties for polyester staple fiber imports from India, China and Taiwan as well as Chinese imports of spin drawn yarn following an investigation by the Indonesian Antidumping Committee (KADI). The duties came into effect in early August and will last for three years.

Suahasil said detailed discussions on the safeguard measure were held on October 17 to determine the rates, among other things, following a quick assessment by the Trade Ministry.

The Indonesian Trade Safeguard Committee (KPPI) launched an investigation into the upturn in fabric imports after a complaint was filed by the Indonesian Textile Association (API).

"From the preliminary evidence put forward [in the complainant], KPPI found a sharp increase in fabric imports. Moreover, there was a preliminary indication of serious damage or potentially serious damage to the domestic industry due to the sharp increase in import volume," KPPI head Mardjoko said in a recent statement.

The volume of fabric imports rose from 238.22 tons in 2016 to 413.81 tons in 2018, according to Statistics Indonesia (BPS) data.

Similar investigations have also been undertaken by the KPPI for staple synthetic and artificial yarns since September 2018 as well as for curtain fabrics since June, among other products.

Iran’s textile exports signaling strength

Iran Daily, 20 August 2019

New policies to control illegal import of garment and textile products have led to an increase in the country’s domestic production and exports of the items.

Afsaneh Mehrabi, the caretaker for textile industry at the Iranian Ministry of Industry, Mine and Trade, said that the total exports of garment and textile products in the last Iranian year (ended March 20, 2019) totaled US$1.1 billion, reported shatanews.ir.

She added that Iranian products were mostly exported to Iraq, Afghanistan, Pakistan, Turkey and Azerbaijan.

The official said that increasing exports came amid tightened government controls on imports of products with sufficient manufacturing capacity inside Iran, including some clothing items, bedding accessories and floor covering.

Mehrabi said that Iran was seeking an overhaul in the textile and garment sector which accommodates around 8,000 production units across the country with an employment capacity of 260,000 people.

She said a main element of government plans for supporting the industry was to devise mechanisms that could prevent smuggling of apparel and textile items into the country.

Iran has a rich tradition in production and export of textile and fabrics, including silks, to various parts of the world.

Pakistan’s policy shifts mars textile exports

Dawn, NasirJamal, The Business and Finance Weekly, 2 December 2019

With its share fluctuating between 55% and 60% in the country’s exports for several decades, the textile and clothing industry is the dominant source of foreign exchange earnings.

There are examples where the textile and clothing sector was used as a ‘starter’ industry by countries pursuing export-oriented industrialisation. However, Pakistan has utterly failed to use this opportunity for sustained economic growth because of ineffective and inconsistent government policies, which are required to build on this investment. Another reason is the unwillingness of investors to become more efficient and diversify their products to meet demand.

In comparison, other low-income countries like Bangladesh, Cambodia and Vietnam have successfully developed their textile and clothing industries to create jobs and rapidly increase their export receipts. For instance, Pakistan’s textile and clothing exports have stagnated at US$13-13.5 billion as opposed to Bangladesh’s US$37 billion although the latter has a relatively young industry. Bangladesh, in fact, is targeting US$50 billion in textile and clothing exports over the next few years.

‘We are far ahead of Chinese companies in technology. We have more efficient European and Japanese machines. Chinese companies depend on huge subsidies for survival’

Why is Pakistan left far behind in the race? “The reason is very simple: inconsistent government policies that pull investments away from the manufacturing industry into the real estate sector and stock exchange, regional political and security situation that keeps our foreign buyers from visiting Pakistan, energy shortages for the industry in the past and so on. On top of that, the people who have never exported anything are called to advise the government to formulate policies to boost value-added exports,” says Umer Mansha, chief executive of Nishat Mills Ltd (NML), the country’s largest textile and clothing — exporting company.

NML Executive Director Ahmed Jahangir adds that value addition requires a lot of effort. “When you move from basic textiles into value-added textiles, you feel returns are not commensurate with the kind of effort you have to put in. But once you are in value-added manufacturing, you realise you can get much high returns with a better strategy and efficiency.”

The Nishat Group has invested heavily in value-added textiles — fashion apparel, home textiles and technical textiles, which form a big portion of its US$341 million textile and clothing exports — for top American and European brands. The continuous upgrade of technology has allowed the group to cut its labour cost by 20-30%c and electricity expense by 30-40%.

Mr Mansha points out that only the large groups that have been in the textile business for a long period are investing in capacity expansion and increasing their footprints in the downstream, value-added textile industry.

“Such companies learned the tricks of trade because of the textile quota protection and were able to establish close, enduring relationships with their foreign buyers. New investors are reluctant to invest in the value-added segments because they are scared of competition with larger companies already in this business.

Mr Mansha is not very optimistic about the promised Chinese investment in Pakistan’s textile and clothing industry. “I don’t see Chinese firms relocating their manufacturing units to Pakistan. If they wanted to relocate here, what could possibly have stopped them until now? And why would they invest in Pakistan? What do we have to offer them? On top of that, there are cultural and social differences, political unrest etc. Then we do not have enough quality raw material or variety. We are far ahead of Chinese companies in technology. We have European and Japanese machines, which more efficient. They sell volumes and depend on huge subsidies from their government for survival.”

China went to Vietnam and Bangladesh to take advantage of cheaper labour and market access these countries enjoyed in the United States, according to Mr. Jahangir.

“China invested in Vietnam in the hope of taking advantage of the now defunct Trans-Pacific Partnership (TPP) agreement. Then there’s also the factor of close proximity and cultural and social similarities.”

He believes the Chinese are successful because of massive subsidies they enjoy. “Their objective is to create jobs; exports are the by-product of that policy. In Pakistan, on the other hand, we have to work in an uncertain business environment. For example, the government gave us subsidised power and gas but withdrew the zero-rating regime for export-oriented units and imposed sales tax. If the refunds are not disbursed quickly, most of our liquidity will remain stuck with the government. What will be the use of cheaper energy then?

“Because of tax issues, exporters are diverting their businesses to the domestic market. This is why local textile and clothing market has grown so fast in recent years. I see a 30pc loss in exports by February if we don’t fix our export refund system. Much of our time is spent on fulfilling unnecessary documentation, which adds to our costs and affects our competitiveness. If the government wants to boost exports, it should get out of the way of exporters.”

Berlin designers develop natural dyes based on algae

Philstar Global, Agence France-Presse, 26 January 2020

BERLIN - While lead, phthalates and other chemicals are used in the manufacture of clothing, especially low-cost ones, two designers have developed natural dyes made from algae that can replace chemical dyes when printing on clothing.

They source the algae from wholesalers and reduce their raw material to a powder before mixing it with water.

Essie Glomb and Rasa Weber met during their studies in Berlin and formed the Blond&Bieber studio to combine fashion, design and science. In cooperation with institutes, they are exploring new avenues in textile development.

They were at the Berlin Open Lab at the University of the Arts in Berlin, testing the printing of their dyes on clothes by the articulated arm of a robot.

"There are many different kinds of algae and every species has a different colour, red, blue, yellow algae and many more to experiment with and that's where we wanted to start printing fashion with," Weber said.

Eleven Centuries of Russian Patterns, Now Online

The Moscow Times, Anna Belokur, 5 February 2020

Russia has become home to the world's largest digital archive of decorative patterns.

The archive, Ornamika.ru, was launched by Maria Loleyt, a former project manager and marketing expert. It contains more than 7,000 authentic decorative patterns created by the national groups that have lived in Russia, the Soviet Union, and the Russian Empire. The ornamental patterns have been preserved in a wide variety of textiles and mediums and span eleven centuries of Russian history.

In a comment to The Moscow Times, Loleyt explained that the idea for the archive sprang from her own desire for such a platform to exist. “Two years ago I studied specialized literature on decorative and applied arts in various regions of Russia.

This cloisonne enamel pattern has been reimagined for interior design (Ornamika / mosaika.io)

I realized that this information was scattered all over and preserved in an inconvenient format for the modern user. That’s where I got the idea to create a single, convenient resource for navigating and working with these materials, and I knew that I wanted to make it available in several languages so that it wouldn’t just be available to Russians.”

An architectural interpretation based on the pattern of an Udmurt apron. (Ornamika / mosaika.io)

It took a team more than two years to process all the materials and assemble the collection. The team included 26 specialists, including designers, illustrators, and developers, who collected patterns of 20 types in more than 200 styles. The pieces come from library resources, museums, and private collections. The archive will be launched in Russian, with English and Chinese versions to follow in the next six months.

Each piece is accompanied by a detailed description, and narrow searches can be made based on geography, pattern, technique, and the type of object upon which the design was applied. The platform assigns each entry more than 100 unique properties, building a hierarchy between originals and subsequent reproductions and interpretations. Each piece and its description has been validated by two specialists.

Loleyt hopes that the archive will allow design experts, illustrators, and those more casually interested in decorative and applied arts (both within Russia and abroad) unparalleled access to Russian patterns.

A carpet woven in 19th-century Dagestan.Ornamika / mosaika.io

"Of course, the decorative and applied arts of Russia are very niche interests outside of the country, but they do exist, and most of the books that cover the topic are very difficult to find abroad," she says.

Loleyt speaks of the fascinating potential of the archive, admitting that at this point it's impossible to know what people will use the materials for or how they'll be inspired by them. "In contrast to starting a business, where there is a clear product model and target result, here we can afford to have experimentation and uncertainty."

The creators hope to build exhibition projects, to partner with design manufacturers, and to use the technology of the archive itself to gain insight into how knowledge bases work.

Sri Lanka's apparel industry eyes US$8B in exports by 2025

Ceylon Today, Seetharam Rajiesh, 30 July 2019

Sri Lanka's apparel industry will be targeting US$8 billion in annual export value by 2025, according to Sri Lanka Apparel Exporters Association Chairman, Rehan Lakhany.

Noting that Sri Lankan apparel exporters achieved an era of stabilisation in the last five years despite challenges like the abolition of the Multi Fibre Agreement (MFA) ,GSP+

(2011-2016) and achieved US$5 billion in export turnover in 2018, Lakhany said, Sri Lanka is targeting US$8 billion export turnover by 2025.

He made this observation at the Indian International Textiles Expo Colombo 2019. Lakhany further requested the Government to create a special zone for apparel and related industries.

Joint Apparel Association Forum of Sri Lanka (JAAF) Chairman, Sharad Amalean said that the apparel industry suffered lesser damage from the Easter Sunday attacks compared to other sectors like construction and leisure, as ports and airports worked uninterrupted, and JAAF was effective in communicating with international stakeholders to see smooth functioning of the industry.

Amalean added that Sri Lanka was a hub with visitors from Pakistan, Bangladesh and Europe, and encouraged the Powerloom Development and Export Promotion Council (PDEXCIL) of India to utilise Sri Lanka's strategic location to develop their businesses.

Deputy Minister of Petroleum Resource Development, Dr. Anoma Gamage said that Sri Lankan manufacturers and exporters should not see this exhibition as a challenge for their businesses, but instead look at how they could utilise it for an effective supply chain. She further urged Sri Lankan entrepreneurs to utilise the 4,000 product lines that enjoy duty-free access to India. As Sri Lanka enjoys greater access to EU Markets, she urged the visiting Indian industrialists to utilise Sri Lanka for value-addition and re-export related business.

Uzbekistan's cotton processing enterprises to be privatized

Tashkent Times, 29 January 2020

Shavkat Mirziyoyev signed the Measures to Implement Tasks Outlined in Uzbekistan's Agriculture Development Strategy for 2020–2030 Decree.

The strategy, in particular, includes a section "Decreasing the state's participation in the sector, enhancing its investment attractiveness":

Starting from March 1, 2020, a system of gradual specialization of the districts will be introduced based on the soil-climatic conditions and market conditions of the lands non-used in the production of raw cotton and cereals;

A draft regulation will be developed to improve the mechanism of crediting and insurance in line with the strategic priorities and needs of the agricultural and food industries.

Proposals for privatization of grain and cotton processing enterprises with state shares in, shall be submitted to the Cabinet of Ministers before April 1, 2020.

Vietnam's garment-textile expects boom in 2020

Vietnam Business Forum, NDO/VNA, 12 February 2020

Vietnam's garment-textile sector is expected to make breakthroughs in 2020 thanks to the Fourth Industrial Revolution.

Other factors including free trade agreements (FTA) that will take effect in 2020 and the penetration of international brands like Zara, H&M and Mango will also favour the industry's growth.

The sector has made significant progress, especially in yarn and dyeing, through IT applications, as reflected in improved productivity, accelerated production and reduced labour force.

According to Truong Van Cam, Vice President of the Vietnam Textile and Apparel Association, more than 2.5 million tonnes of yarn were churned out in 2019, of which over 1.5 million tonnes valued at about US$4 billion were exported.

Fabric output also increased six times and export value clocked up US$2.1 billion, he added.

The Fourth Industrial Revolution's impacts on production mindset and methods are tangible. An example is Duc Quan Investment and Development JSC in the northern province of Thai Binh, which has doubled its yarn output to 17,000 tonnes per year through the application of Big Data in production and management.

Garment 10 Corporation JSC has also used online business management software DIP BMS.NET to better monitor transactions of distribution chains.

Members of the Vietnam National Textile and Garment Group (Vinatex) such as Hoa Tho Textile-Garment Joint Stock Corporation, Viettien General Garment JSC and Nha Be Joint Stock Corporation have joined the trend.

Vinatex General Director Le Tien Truong said technological applications offer workers stable jobs with higher incomes while helping the group double its profits.

Optimising the achievements of the Fourth Industrial Revolution has become an inevitable trend. However, this has met with a range of difficulties, especially a severe shortage of labourers who can use the new equipment.

Humans, particular technicians, play a key role in the process, said Vinatex Managing Director Cao Huu Chien, adding that the group has mobilised different resources for personnel training.

The Prime Minister has also agreed to upgrade the Hanoi Industrial College for Textile, Garment and Fashion to the Hanoi Industrial Textile Garment University, creating a major personnel training channel for the sector, he said.

Vietnam's textile, rubber-plastic brace for raw material shortage

Vietnam News, VNS, 12 February 2020

HANOI - Vietnam's key industries such as textiles, rubber and plastic must take measures to prepare for a shortage of raw materials as a result of the outbreak of the novel coronavirus in China, warned industry leaders and economic experts.

Firms may still have some breathing space having stocked up before the Lunar New Year holidays, but things could get tricky soon. Some 80% of raw materials used in Vietnam's rubber and plastic industry were imported from China, said president of HCM City's rubber and plastic association, Nguyen Quoc Anh.

If China's industries could not resume operations by the end of February, firms must start looking to alternative sources, possibly S Korea and the EU. Longer transport distances and higher prices, however, would likely result in higher costs and massive disruption to operations.

Anh said the outbreak had already started hurting a number of Vietnamese firms such as automakers Hyundai and Kia.

Anh said looking for other partners at this point was near impossible as firms would be unable to negotiate new contracts within a short amount of time due to the auto industry's complexity and numerous technical barriers.

Workers at a textile company in Gò Vấp District, HCM City (Photo: VNA Thanh Vu)

Similarly, textile firms might start experiencing a shortage of raw materials by the second quarter, said Phạm Xuan Hong, president of HCM City's textile association.

Chinese firms had already said there would be no outgoing shipments before the end of February. As Vietnamese firms rely on China for 30 to 40 % of input materials, production would likely be hampered.

Hong advised firms to pool their resources to keep their workshops running through March and April while talking to suppliers in Malaysia and India.

"This is, however, only a temporary solution as it will be extremely difficult to replace China as our main supplier of raw input materials," he said.

The Vietnam Textile and Apparel Association has urged members to compile reports on the impact of the virus outbreak on their operations and to keep up to date with the latest developments.

About CACCI:

Founded in 1966, the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) is a regional non-governmental association principally composed of the national chambers or associations of commerce and industry in Asia and the Western Pacific. Its current membership of 29 countries and independent economies cuts across national boundaries to link businessmen and promote economic growth throughout the Asia-Pacific region. CACCI holds Consultative Status in the Roster Category of United Nations' Economic and Social Council (ECOSOC)

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Ernest Lin - Director General; Amador Honrado Jr. - Editor; Mig Moreno - Assistant Editor

7F-2, No. 760, section 4, Bade road, Songshan district, Taipei 10567, Taiwan; Tel. (886 2) 2760-1139, Fax (886 2) 2760-7569

Email: cacci@cacci.biz Website: www.cacci.biz