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Message from the Director-General

Dear CACCI members:

It is a pleasure to present to you the eighth 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.

Reports indicate that Azerbaijan and Pakistan are trying to secure raw material’s supply. Simultaneously, India’s apparel market continues growing and its designers joined Moscow fashioning shows.

Iran is exporting more and cooperating with China in the textile area. China is also securing textile links with Iran’s neighbor, Pakistan. Further south, news reports show that Sri Lanka is making inroads in organic manufacturing while Vietnam tries to expand its FTA to further market its textiles and apparel products overseas, and much more.

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.

David Hsu
Director-General
CACCI

Azerbaijan could become member of Cotton Improvement Initiative

AzerNews, Abbas Ganbay, 15 December 2023



AZERBAIJAN - The Research Institute of Plant Protection and Technical Plants of the Ministry of Agriculture hosted a presentation on the country's joining the Better Cotton Initiative (BCI), Azernews reports, citing the ministry.

According to the information, the presentation was held with the support of the institution and the "Azerbaijan Cotton Producers Association". It was organised by

the Public Union. In the presentation the participants were informed about the essence of the "Better Cotton Initiative", directions of activity, benefits for business entities engaged in cotton production, and research institutes.

BCI was founded in 2005 and is the world's largest non-profit organization. Its goal is to create a global standard for more sustainable cotton cultivation. To fulfill this mission, BCI's licensed breeders (i.e. 2 countries 3.23 mln) on five continents > people) are trained to adopt environmentally, socially, and economically more sustainable production methods.

The training aims to use water more efficiently, minimize the use of chemicals, and the negative environmental impact of pesticides, and improve the livelihoods and economic development of cotton farmers.

Participants were told that BCI cotton is grown separately, not mixed with conventional cotton. "Better Cotton"; so-called cotton mills are bought and sold by BCI members. These patterns can be tracked throughout the production and supply chain using a mass (weight) balance calculation system. The Better Cotton Initiative brings together farmers, textile brands, and fashion companies around the world.

Garment factories in SME category to get cash incentive

The Daily Star, 26 December 2023

BANGLADESH - The government has extended policy support to garment exporting factories falling under the small and medium enterprise (SME) category to improve their competitiveness during this time of the coronavirus pandemic.

The Bangladesh Bank (BB) issued a notice stating that such garment factories focusing knitwear, woven items, sweaters, terry towels and home textiles would get a cash incentive.

Factories whose exports amount to up to \$5 million are considered as SMEs in the garment sector. So, they will enjoy the benefit. A 4 percent incentive would be provided on 30 percent value addition even if the garment items were made out of imported fabrics and yarn, the notice said.

The SMEs will even be able to avail the benefit on export receipts of fiscal year 2022, it added. The big units have been enjoying a 4 percent cash incentive on export receipts on use of local yarn and fabrics in production and manufacturing of garment export. The government has been providing it since 2009 when the local factories were suffering from the fallout of the global financial recession of 2007 and 2008.

Now the government has decided to give this benefit to the SMEs to help them grow and create new entrepreneurs in the country. "Our small industries will be benefitted from this move," said Mohammed Abdus Salam, acting president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Currently, the small and medium units cannot compete with the bigger ones. So, the move will improve the competitiveness of the SMEs and one day they will turn into big exporters of the country, he said, adding that the new move would also increase employment.

The export volume and value will also increase, he added. Mohammad Hatem, vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), echoed the same. More than 50 percent or 1,500 of factories are SMEs, he said. "It was our long-time demand from the government," he said.

But Arshad Jamal Dipu, vice-president of the BGMEA, said the SMEs might not be greatly benefited from the new move by the government.

A Matin Chowdhury, former president of the Bangladesh Textile Mills Association, said the local primary textile sector would be affected a little by the move but it was also true that the government needs to assist the local SMEs so that they could expand and grow. "This is a special kind of support to the SMEs from the government," said Matin Chowdhury.

Currently, the local spinners can supply nearly 90 percent of raw materials to the knitwear sector and 40 percent of raw materials to exporters of woven items. The government has already disbursed Tk 10,500 crore to the garment sector for paying wages and allowances to workers since April this year because of the coronavirus pandemic.

Moreover, the government has allocated Tk 33,000 crore for large industrial units, Tk 20,000 crore for the cottage, micro and small and medium industries and other policy support to face the fallouts of the pandemic.

More Pakistani textiles, raw materials expected

The Phnom Penh Post, May Kunmakara, 13 August 2023

CAMBODIA - A senior official of the Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC) expects more imports of raw material from Pakistan to supply the industry, although most of the import is from China.

Pakistan is one of the competitive players in textile and garment production, said Kaing Monika, deputy secretary general of TAFTAC, who just returned from the First ASEAN-Pakistan Business Opportunity Conference 2023 from 7 to 11 August 2023 in Lahore and Karachi.

According to him, TAFTAC and four other Cambodian companies and associations joined the conference held by the Trade Development Authority of Pakistan in collaboration with the Pakistan Mission in Indonesia and ASEAN secretariat to promote trade and investment between Pakistan and ASEAN Region.

The delegates from the Textile sector went to Faisalabad business-to-business (B2B) meetings at Faisalabad Chamber followed by factory visits. "Pakistan is also strong in fabric production especially cotton based fabrics. So far, import of fabrics from Pakistan for garment production is still in small amounts and there is an opportunity to grow more and for further trade between the countries," Monika said.



TAFTAC officials pose for a group photo at the First ASEAN-Pakistan Business Opportunity Conference 2023 from August 7 to 11 in Lahore and Karachi, Pakistan

The delegates from the Textile sector went to Faisalabad business-to-business (B2B) meetings at Faisalabad Chamber followed by factory visits.

“Pakistan is also strong in fabric production especially cotton based fabrics. So far, import of fabrics from Pakistan for garment production is still in small amounts and there is an opportunity to grow more and for further trade between the countries,” Monika said.

Speaking at the 2023 Business Forum organised by the Cambodia Oknha Association (COA) on August 11 2023, Kong Sang, TAFTAC president, said so far, Cambodia has 1,077 factories, of which 802 are garment factories, 140 produce footwear, and 134 make travel goods. Between them, the factories employ a total of 764,358 workers.

Sang also highlighted the general challenges experienced by the garment, footwear and travel goods sectors, and proposed several solutions.

“The garment and travel goods sector still plays a vital role in the Cambodian economy. In 2022, the export value of the sector reached \$12.5 billion, equal to nearly 60 percent of the Kingdom’s total export value, while accounting for 10 percent of the Cambodian economy,” he said.

In late March 2023, the Ministry of Economy and Finance officially launched the Cambodia Garment, Footwear and Travel Goods [GFT] Sector Development Strategy 2022-2027, with the aim of setting common development goals, establishing independence and developing the sustainability and inclusiveness of the sector.

Chhay Bora, managing director of Bower Group Asia (BGA), a strategic advisory supporting foreign direct investment in the Indo-Pacific region, said the strategy aims to upgrade Cambodia's apparel production models, diversify raw material sourcing, broaden exports and boost skill development and productivity.

"Businesses should watch out for new opportunities to emerge from Cambodia's shift to higher-value textiles and apparel. The transition from simple cut, make, trim designs to more complex products that align with consumer trends would require investments in modern technology, technology transfers and skills training. In time, Cambodia's textile and apparel industry is expected to create more jobs, boost economic growth and improve livelihoods" he added.

In the first half of 2023, exports fell 18 percent compared to the same period in 2022 due to the downturn of the global economy, TAFTAC stated.

"We predict that the situation would remain stable without notable positive trends due to the economic situation in the US and European countries," they said.

To ensure its recovery and competitiveness, especially with Vietnam, Indonesia, Myanmar, and Bangladesh, Sang said it is crucial that five challenges be solved.

"Labour and logistics costs, productivity, trade facilitation, taxes, investment and the development of the industry must all be addressed, along with social and environmental sustainability," Sang said.

Indian textile & apparel market to reach US\$350 billion by 2030: FICCI-Wazir Report

FICCI, 13 October 2023

Global textile and apparel trade likely to reach US\$ 1.2 trillion by 2030

INDIA - Need transformational changes for textile industry - manufacturing excellence, responsible production, leveraging technological capacities: Roop Rashi, Textile Commissioner, Ministry of Textiles, GoI.

On October 13 2023, FICCI - Wazir Advisors released a knowledge report "Textile Industry's Amrit Kaal: Roadmap for US\$ 350 Billion Market by 2030" during the FICCI TAG 2023 Annual Textile Conference. The report highlights the key global trends, market scenario and opportunities for India in the textile and apparel market. It further elaborates the key initiatives that India will need to navigate towards US\$ 350 Billion by 2030.

The report also highlights that Indian textile and apparel market size is estimated around US\$ 165 bn in 2022, with domestic market constituting US\$ 125 bn and exports contributing US\$ 40 bn. Given the long-term positive outlook, the Indian textile and apparel market size is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030.

The global apparel market is estimated at around US\$ 1.7 trillion in 2022 and expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030. Global Textile & Apparel trade was around US\$ 910 billion in 2021 and is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030.

The report suggested that export competitiveness, attaining manufacturing excellence, strengthening the textile value chain, embracing sustainable practices and circular economy, and leveraging government schemes are the key enablers to attain the US\$ 350 billion market.

The report further suggested that Industry should also focus on automation and digitalization to improve processes and efficiency levels; bring Strong focus on people and skill development, start leveraging FTAs to tap new markets; develop capabilities and build capacities in synthetic textiles and technical textiles and adopt global best practices for manufacturing excellence. The government should bring additional support to the existing textile clusters which will help build capabilities and allow MSMEs to compete globally, highlights FICCI-Wazir Advisors report.

Addressing the 'FICCI TAG 2023', Ms Roop Rashi, Textile Commissioner, Ministry of Textiles, Government of India said that the transformational change for textile industry at large would need to be based on manufacturing excellence, responsible production, embracing sustainable practices, leveraging technological capacities, and developing assurances in product and process by collaborative efforts of us all. The ecosystem is being enabled from raw material end to international market access initiatives during this Amritkaal and we are confident to achieve goal of USD 350 billion target, with sustainability at the core for planet as well as textile enterprise, she added.

Mr Mihir Parekh, Director, Textiles & Apparel, Commerce & Industries Department, Government of Telangana said that with anchor investors, state of the art infrastructure and large land availability in place, Telangana invites Textile and apparel industry to KMTP.

Mr Rajendra Agarwal, MD and Mentor, Donear Industries Ltd said, "Unlocking the potential of India's textile industry is not just a vision; it's an achievable reality. To reach the \$350-400 billion mark by 2030, we must embrace global trends, foster partnerships, manage labor reforms and strengthen our value chain, reducing import reliance. Let's collaborate, innovate, and build a brighter future for the Indian textile & apparel industry."

Ms Sucheta Shah, Immediate Past Chair, MSME Committee, FICCI Maharashtra State Council said that FICCI recommends that the government should focus on developing mini sub sectoral roadmap within the larger macro picture with the support of Industry and help supporting each of the segments, which can not only contribute higher quantum but also provide faster growth to overall Textile Sector.

Mr. R. D. Udeshi, President, Polyester Chain, Reliance Industries Ltd said that in country like India supply side capacities to be built as India has advantage of both domestic and export market. Synthetic fiber industry is equipped to take care of all needs of raw material as industry expands.

Mr Prashant Agarwal, Co-Founder and Jt. Managing Director, Wazir Advisors said that focus on sustainability, digitalization, and manufacturing excellence for profitable manufacturing growth to achieve 350 billion by 2030.

Mr Murugan Thenkondar, President & Global Head Marketing and Business Development, Grasim Industries Ltd said that there is need of creating product development centre and tie-up up with international institutes for new product growth and should focus on international experts in niche areas.

Mr Chetan Bhagat, General Manager – Sales, Oerlikon Textile India Pvt Ltd said that textile and apparel Industry of India has a bright future, and it will be a player to reckon with in next 4-5 years.

New robes for Red Square: India shines at Brics+ Fashion Summit in Moscow

Hindustan Times, Rachel Lopez, 23 December 2023



INDIA - The showing could be a game-changer for Indian handloom and traditional crafts in Russia, a market currently devoid of large luxury brands.

Russia has been at war, attempting to annex Ukraine, since February 2022. Its capital, Moscow, however, shows no battle scars. Crowds skid on icy patches at Red Square in winter, Christmas fairs come with hot

chocolate and carousel included, the Metro is packed at rush hour, the Kremlin museum is full. It's possible to sit down to a dinner of meaty borscht, foie gras, scallops, rabbit, halibut and botanical-infused vodka.

Designers, retailers, franchise dealers and creative professionals at the Summit's B2B showroom. (BRICS+ Fashion Summit)

To see signs of change, look closer. At Gum, the showpiece shopping centre, Louis Vuitton's flagship boutique, which stood for more than 120 years, has been replaced by a local sports brand. Amid international sanctions — the strongest from the European Union — Chanel, Louis Vuitton, Gucci, Hermès, Prada and Burberry have stalled all business here, as have H&M, Ikea, Nike and Apple. Foreign tourists are warned that they must stock up on roubles; credit and debit cards don't work because Visa and Mastercard have halted operations too.

Brazil, Russia, China, South Africa, Argentina and Turkey each showcased a collection by a top designer. India did!

S. Kumars: How a textile company built its brand thread by thread

Hindustan Times, Anjana Vaswani, 26 November 2023

INDIA - It's possible that S. Kumars – founded in 1948 – may never have come to be without an association with Kohinoor Mills, let alone grow into the conglomerate it became. By 2008, when the family business was divided, the group had interests in power, real estate, and entertainment, alongside textiles.

MUMBAI: In the aftermath of India's World Cup disappointment and ensuing discussions about the lack of sportsmanship – marked by our compatriots' boos and muted applause for Travis Head's century at the crease – we present a story that harkens to an era of very different values. This is the story of Shambhu Kumar Kasliwal, the force behind the textile brand S. Kumars, now told by acclaimed biographer Sathya Saran in 'Thread by Thread'. The book was launched by the legendary Kapil Dev who was the brand ambassador for S. Kumars for several years.

Seated at a table in his Pedder Road apartment, he is engulfed in an ambiance marked by the passage of time, amidst furnishings that hint at a once-lavish lifestyle now mellowed with age. "I was blessed to receive guidance from Bhausahab Apte of Kohinoor Mills. His support was a turning point," reminisces Kasliwal whose father originally sold textiles in Indore.

It's possible that S. Kumars – founded in 1948 – may never have come to be without an association with Kohinoor Mills, let alone grow into the conglomerate it became.



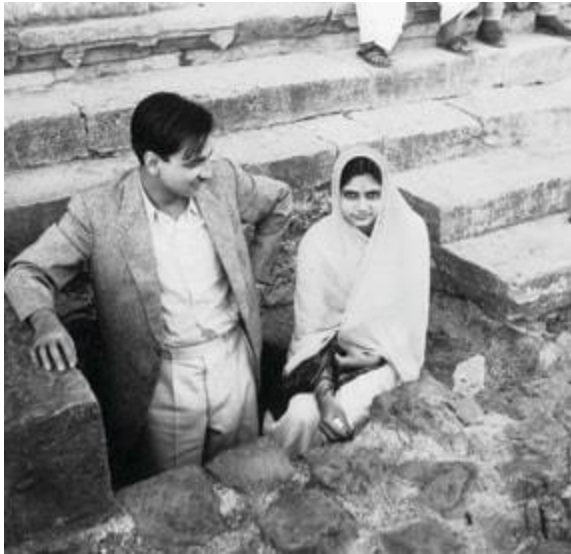
While Shambhu Kumar Kasliwal built the business, his wife Rajkumari is known to have documented family history painstakingly in diaries (Raju Shinde)

By 2008, when the family business was divided, the group had interests in power, real estate, and entertainment, alongside textiles. Although Saran's story is about the man, not about the business, the narrative gains depth through discussions with the company's long-standing employees as well as family members. The most personal insights have, of course, come from Kasliwal's wife, Rajkumari.

"She remembers every date and every detail," says Saran, who unearthed a treasure trove of memories, carefully preserved in diaries Rajkumari has painstakingly maintained since her marriage in 1955. Penned in neat Hindi script, these notes capture everything from small, everyday moments – "Aaj baby bed se gir gayi" (referring to a time when their daughter Neerja—now, the wife of Kumaramangalam Birla, rolled off the bed as an infant) – to casual interactions such as one between Vikas and his father's older brother, the now-deceased Abhay Kumar – who co-founded S. Kumars along with Shambhu Kumar in 1948. Beyond painting a picture of a family intertwined in life and business, the diaries also suggest the 14- or 15-year-old bride may have had an almost prescient awareness that the experiences she was living through would one day be of great interest.

"At one point, there were 16 people living in their family home," says Saran, "Many people I interviewed commented on how, in the Kasliwal residence, in the old days, it was difficult to tell which children belonged to whom." Seated beside his father during

the HT interview, Kasliwal's son, Vikas, laughs: "It's absolutely true. I still refer to my parents as 'Kaka' (uncle) and 'Kaki' (aunt)."



The newly wed Kasliwals in Mandu, in 1955. (HT Photo)

If Shambhu Kumar was the business strategist, Abhay Kumar enjoyed being the public persona. "My brother was the Chairman of FICCI (Federation of Indian Chambers of Commerce & Industry) and led numerous key trade and industry organisations," Kasliwal notes with a touch of pride. His voice quivers occasionally and his hands tremble, but there's an air of calm resolve about him, a contentment that has, perhaps, been shaped by a life full of rich experiences.

Rajkumari leans across and gently smoothens his hair, preparing him for a photograph – a simple action that conveys the depth of their enduring bond, nurtured over 68 years of the shared highs and lows of life. She is noticeably more reserved than him.

Those who know them call the Kasliwals, 'love birds,' Saran writes in her book, and it's evident why. "Both of us never felt the need for a wide social circle – we had each other, and that was enough," Rajkumari says.

The bedrock of their relationship is cemented by mutual interests: family is paramount, with business a close second (Rajkumari has played a key role since the 1990s and continues to manage a production unit in Indore), followed by their shared passion for travel – "We embarked on 100 tirths after Neerja's wedding," says Rajkumari. It's likely these shared joys and the unwavering support fortified Kasliwal, enabling him to navigate through the challenging times that lay ahead. The 2000s marked a rocky period, as the group was saddled with significant debt and some of their projects were unsuccessful.

At its prime, however, S. Kumars led the way in many ways. Saran talks about the grand fashion shows the brand hosted, not just in the big cities but in smaller towns, home of their target audience. "S. Kumars broke norms by featuring women on the ramp in men's textiles, a strategic move to broaden their clientele." Notable models such as Anna Bredemeyer and Salim Fatehi were featured in their events. By the 1980s, the company was a household name. "Shows they sponsored, like 'S. Kumars ka Filmi Muqaddama' and 'Chitrahaar' on Doordarshan, became cultural mainstays, etching the brand into the hearts of millions," Saran says.

In recent years, the family's narrative has taken on darker hues. Kasliwal's sons, Nitin and Vikas, have been embroiled in legal struggles; setbacks cast a shadow over the family's legacy. While not entirely unfazed by all this, Kasliwal exhibits no signs of bitterness.

"It's been a journey of contrasts," he says, in a matter-of-fact way. "It's okay. We will rise again." He has passed on the leadership of his uniforms business to his granddaughters, Vidhi Kasliwal and Dhvani Kaul, and he's confident they have the potential to surpass his own achievements.

As he speaks, his fingers gently trace over his inscription in the first copy of the coffee table book – which was gifted to him by Vidhi. "Vidhi, I did not know I was so good," he reads, his voice warm with affection. "For her, there's nothing I wouldn't do," he says, pulling up a picture of Vidhi, Vikas's daughter and the head of a film production company. It was Vidhi who encouraged her grandfather to narrate the S. Kumars story. Perhaps, as a filmmaker, she saw in their family's history a narrative teeming with dramatic richness and intrigue.

Textile industry to lay off more workers as export markets continue falling

The Jakarta Times, 22 June 2023



INDONESIA - More workers were expected to head to the chopping block in the Indonesian textile industry in the later part of 2023, as companies face a prolonged slowdown in the export market.

Indonesian Textile Association (API) executive director Danang Girindrawardana said that approximately 12,000 workers from five textile companies would have

been impacted by the cost-cutting measures, which he expected would take place in the third quarter. The measures would have come in three possible forms, namely layoff, contract termination or shorter working hours, the latter resulting in lower monthly wages.

Iran, China ink MoU for textile cooperation

ICCIMA, 25 November 2023



IRAN - Officials from Iran and China signed a memorandum of understanding (MoU) in the fields of textile industry and clothing.

The MoU was inked between the chairman of the Board of Directors of the Iran Textile Industries Association and the head of China International Textile Trade Promotion Council in Shanghai on

the sidelines of the ITMA Asia Exhibition.

The two sides expressed hope that relations between the two countries will expand further with developing investment and sharing the technical know-how and experience of industrialists.

The signing ceremony was attended by senior officials of the two countries including Director General of Clothing and Textile Industries Office of the Ministry of Trade Mohsen Gorji, members of the Board of Directors of China's Supreme Council of Textile and Clothing Industries and activists in the field of clothing and textile industry.

The ITMA is the world's largest international textile and garment technology exhibition which is held once every two years in Shanghai.

Iran's annual garment exports reached \$60m



Tehran Times, 15 October 2023

TEHRAN - The value of Iran's garment exports reached nearly \$60 million during the previous Iranian calendar year 1401 (ended on March 20), the deputy head of Iran Textile Exporters and Manufacturers Association (ITEMA) told IRIB.

According to Majid Nami, neighboring countries including Iraq, Afghanistan, as well as Central Asian countries and the Arab nations of the Persian Gulf are the biggest buyers of Iranian clothing products.

Bangladesh PM rejects further pay hike after garment worker protests

New Straits Times, AFP, 10 November 2023

BANGLADESH - Bangladesh's Prime Minister Sheikh Hasina has rejected any further pay hikes for protesting garment workers demanding a nearly tripled wage increase, after violent clashes with police and factories were ransacked.

But conditions are dire for many of the sector's four million workers, the vast majority of whom are women whose monthly pay starts at 8,300 taka.

A government-appointed panel raised wages by 56.25 percent to 12,500 taka (US\$113) for the South Asian nation's garment factory workers, who were demanding a 23,000 taka minimum wage in all plants.



Activists from different garment workers associations join in a rally demanding further hike in minimum wages in front of the National Press Club in Dhaka, Bangladesh (AFP)

"I would say to the garment workers: they have to work with whatever their salary is increased, they should continue their work," Hasina told a meeting of her ruling Awami League party.

The protests have left at least three workers dead and more than 70 factories ransacked, according to police.

"If they take to the streets to protest at someone's instigation, they will lose their job, lose their work and will have to return to their village," the prime minister added.

"If these factories are closed, if production is disrupted, exports are disrupted, where will their jobs be? They have to understand that."

Hasina said 19 factories were "attacked and destroyed", businesses that "give them bread and butter and food and employment."



Bangladesh's 3,500 garment factories account for around 85% of its US\$55 billion in exports, supplying many of the world's top brands including Levi's, Zara and H&M.

A union leader, speaking on condition of anonymity, said Hasina's speech had created a "climate of fear" in the industry, warning it had given security forces permission to crack down further on protests.

Police have arrested more than 100 protesters including several union leaders over charges of violence and vandalising factories, two police officers told AFP.

The police reported violence in the key industrial towns of Gazipur and Ashulia, outside the capital Dhaka, after more than 25,000 workers staged protests in factories and along highways to reject the wage panel's offer.

Hasina said what was offered to the workers was a bigger rise than what civil servants would get, although union leaders said garment worker wages were meagre in comparison.

"Government officers have got a five percent hike, since there is inflation all over the world – and they (garment workers) will get 56 percent raise," she said.

But unions said they had dismissed the panel's decision, because the pay hike does not match the soaring cost of food, rent, healthcare and school fees for their children.

The Netherlands-based Clean Clothes Campaign, a textile workers' rights group, has dismissed the new pay level as a "poverty wage."

"If brands backed the 23,000 taka amount demanded by trade unions and committed to absorbing the cost of the wage increase, workers would not have to go out on the streets and protest," group spokesman Bogu Gojdz told AFP.

"We see living wage-committed brands – such as ASOS, Uniqlo, H&M, C&A, M&S, Aldi and Next – as particularly responsible in this situation," Gojdz added.

"While they claim to be committed to paying their workers fair wages, they refuse to support the bare minimum wage workers need to survive."

Rashedul Alam Raju, a garment union leader, urged Hasina to listen to workers' demands.

"The prime minister can raise the wages after reconsidering the situation," Raju said.

Washington has condemned violence against protesting workers.

The United States, which is one of the largest buyers of Bangladesh-made garments, has called for a wage that "addresses the growing economic pressures faced by workers and their families."

China-Pakistan textile summit strengthens economic ties and collaboration

Daily Times, APP, 24 December 2023

PAKISTAN - The China-Pakistan Textile and Apparel Executive Summit and Business Meetings were held in Kunshan, East China's Jiangsu Province. At least 100 representatives from the Chinese and Pakistani governments, trade associations and textile and apparel enterprises attended the event.

In his opening speech, Deputy Mayor of Kunshan Zhang Feng noted that the year 2023 marked the 10th anniversary of the Belt and Road Initiative (BRI) and the initiation of the China-Pakistan Economic Corridor (CPEC). As a flagship project of the Belt and Road, the CPEC has achieved significant cooperation results, particularly in the textile and apparel sector where there is substantial complementarity and potential for collaboration between the two countries, he said.

He expressed the hope that the summit would further deepen exchanges and cooperation in the textile and apparel industry, Global Times reported. Gohar Ejaz, Federal Minister for Commerce and Industries of emphasized Pakistan's traditional strength in textiles, citing natural conditions conducive to cotton production, a large and competitive workforce, a complete industrial chain, and favorable conditions for international market access.

He highlighted the potential for joint ventures between Chinese and Pakistani enterprises to produce different products along the textile value chain. Pakistan will provide comprehensive support for Chinese businesses investing in the country. During the summit, the China Chamber of Commerce for Import and Export of Textiles (CCCT) and the All Pakistan Textile Mills Association signed a Memorandum of Understanding (MOU). According to a post by the CCCT, the signing of the MOU will further promote and strengthen economic and trade cooperation between the textile and apparel industries of China and Pakistan.

This collaboration is expected to empower and facilitate the development of cooperation between Chinese and Pakistani businesses, pushing bilateral trade, investment, and supply chain cooperation in the textile and apparel sector to new heights.

Indian designers hail Moscow's BRICS+ fashion summit

RT, 23 December 2023

Experts believe the Global South can challenge Western dominance of the industry

INDIA - Indian apparel designers and traders lauded Moscow's efforts in extending the reach of the BRICS group – comprising Brazil, Russia, India, China, and South Africa – to the fashion industry.

Earlier in 2023 at the BRICS summit in Johannesburg, an invitation to join the group was extended to Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates.

Speaking at an event in New Delhi organized by the Russian Embassy following the BRICS+ Fashion Summit held earlier this month in Moscow, experts said the summit, which brought together over 60 nations to showcase the diversity of art and design, was a novel concept in the world of fashion, which has been dominated by Europe.

“BRICS was trying to build the very joint strength of five countries. This is the main thing that the Russians were very successful in doing, because nobody has brought fashion, art, culture, and design together in this big way,” said Sunil Sethi, the president of the Fashion Design Council of India and the head of the Indian delegation at the BRICS+ Fashion Summit.



Models present creations by Russian fashion designer Alena Akhmadullina at the Russian State Library as part of the BRICS + Fashion Summit in Moscow (Sputnik)

Sameep Shastri, the vice president of the BRICS Chamber of Commerce and Industry, also underscored the fact that the Moscow show was the first ever BRICS event dedicated to fashion.

Rajesh Masand, the president of the Clothing Manufacturers Association of India, noted the importance of bringing together designers, entrepreneurs, factory owners, and knowledge partners from various countries in one platform. “The textile fraternity would definitely see a positive outcome in that,” he said.

According to actress and fashion activist Aishwarya Sharma, “fashion is meant to cater to the masses and it has to speak for peace at the end of the day.”

The BRICS+ Fashion Summit in Moscow brought together people from over 60 countries, including over 100 designers, from the Middle East, Southeast Asia, Latin America, and Africa. Fashion brands from BRICS countries, as well as Iran, Cote d’Ivoire, Libya, Morocco, and Tunisia showcased their apparel at 12 shows in various locations in the Russian capital.

Vietnam’s 2023 garments and textile exports likely to drop 5.0%-6.3%: official

The Business Times, Reuters, 30 October 2023



“The global economy hasn’t recovered, keeping consumers from spending on goods including on garments,” Vu Duc Giang, chairman of Vietnam Textile & Apparel Association told Reuters.

VIETNAM - Vietnam's textile and garment exports are expected to fall 5.0 percent to 6.3 percent to between US\$40.5 billion and US\$41 billion this year on the continued weak global demand, the head of the country's textile and garment association said.

Textiles and garments are Vietnam's third-largest export earner after smartphones and electronics, manufacturing items for major high street brands that include Nike, Calvin Klein, Zara, Adidas and Ralph Lauren.

"This is a challenge for the global garment and textile industry, not only for Vietnam," he said. Several garment and textile firms have so far this year been forced to scale down their production and cut thousands of jobs amid the lack of orders.

Giang said there had been signs of recovery, however, a trend he said would continue into 2024, noting that Vietnam's textiles-related exports fell 13.5 percent for the first nine months of the year, a slight improvement from the 17 percent drop in the first half.

"I believe next year (2024) will be a better year for the industry," Giang added.

“Sri Lanka’s Apparel Industry Aims for Vertical Integration and Stronger Trade Ties,” says FAAMA Chairman

Sunday Times, 19 September 2023

SRI LANKA - The newly appointed Chairman of the Fabric Apparel Accessory Manufacturers Association (FAAMA), Sahan Rajapakse, has highlighted the importance of strengthening vertical integration and import substitution of textiles as the way forward for the industry.

Speaking at the 16th Annual General Meeting of the Association in Colombo, the Chairman of FAAMA noted that the country currently imports most of its fabric requirements and raw materials, amounting to US\$2 billion annually.

"We have tremendous potential in the country. Most of our fabric requirements are imported, which include 10% synthetic fabrics and approximately 50% cotton. Only roughly 10% is produced domestically. When we look at it from a numerical perspective, there's a significant market share we can capture. But it's not just about the numbers; it's about how we redefine the industry, position our country, and introduce innovation. It's about creating true vertical integration, encompassing lead times, pricing, and industry flexibility. At FAAMA, we can seize this potential, establish true vertical

integration, and expand into the global market and supply chain," Mr. Rajapaksa stressed, in comments that were released to the media by the association.

FAAMA also highlighted the sector's risk brought about by the removal of SVAT, citing that it will lead to apparel manufacturers seeking to import more raw materials rather than purchasing them locally from FAAMA membership. This could result in 15% of their purchase costs becoming entangled in a lengthy refund process.

Meanwhile, the outgoing Chairman of FAAMA, Pubudu De Silva, thanked the membership for their commitment and resilience showcased amidst the economic crisis and COVID-19 pandemic. He noted that the country has immense potential to strengthen its ability to source materials closer to home.

"I believe that we can contribute even greater value to addressing the challenges within the industry. At FAAMA, we aspire to go beyond simply promoting Sri Lanka as a destination. We aim to position the apparel industry as a comprehensive vertical solution. In every solution we offer, we must emphasize our country's identity as a hub for this industry."

Chairman of the Joint Apparel Association Forum (JAAF), the apex body of the apparel sector, Sharad Amalean, noted that while the industry is facing a drop in orders, the importance of vertical integration cannot be overlooked. Strengthening Free Trade Agreements (FTAs) with neighbouring countries like India is essential if the sector is to develop and compete with the likes of Bangladesh.

"We mustn't overlook the opportunity to engage in trade with our close neighbour, India. There's a substantial market right there, and we need to strategize on how to become an integral part of it. Currently, we import a significant amount of Indian yarn and fabric, yet our access to duty-free trade with India is severely restricted. This is a challenge that we at JAAF have taken head-on, engaging directly with the President and the Chief Negotiator to strengthen our Free Trade Agreement (FTA) with India."

As part of FAAMA's commitment towards sustainability, the AGM also saw the signing of an MOU with MAS Foundation for Change to work collaboratively on the "Ocean Strainer Project."

The Association for 2023/2024 will be led by a newly appointed executive committee, with Sahan Rajapakse, the newly appointed Chairman (CEO, Trischel Fabric Pvt. Limited) at its helm.

Other key appointments include Vice Chairmen of FAAMA Ashiq Lafir (CEO, Noyon Lanka Pvt Ltd) and Niroshan Samarasingha (CEO, Stretchline Pvt Ltd), Secretary of FAAMA Shahid Sangani (MD, Dynawash Ltd), Treasurer of FAAMA Samal Dissanaikie (CEO, T&S Buttons Lanka Pvt Ltd) and Immediate Past Chairman Pubudu De Silva (CEO, Teejay Lanka).

The board also includes executive committee members Beauno Fernando (Chairman/MD, Shore to Shore Pvt Ltd), Rohan Goonetilleke (MD/CEO, Hayleys Fabric Plc & South Asia Textiles Ltd), Sanjay Chandraratne (Director, A & E Thread Pvt Ltd), Suranga Gallage (Group COO, Antler Fabric Printers Pvt Ltd) and Vasu Wijegoonawardena (CEO of PRYM Intimates Lanka Pvt Ltd).

SLAEA seeks FDI for Green Fabric Production

Ceylon Today, 8 November 2023

SRI LANKA - Sri Lanka Apparel Exporters Association (SLAEA) President Indika Liyanahewage said, the country's apparel sector had placed sustainability and compliance at the core of its agenda, with the majority of its members embracing WRAP, LEED, and GOTS certifications, an SLAEA statement stated.

"The sector has over 70 MW of installed rooftop solar power capacity, and we continue to invest in renewable energy. We are passionate about sustainability, a commitment that is driven by a top-down approach.

A number of apparel manufacturers are truly dedicated to circularity, with many green factories emerging and material recycling becoming an important aspect of our efforts," he said at the 16th Global Textile and Apparel Supply Chain Conference held in Shanghai, China, recently with a focus on innovation and the development of national high-end textile advanced manufacturing clusters.



Representing Sri Lanka at the annual conference, President Indika Liyanahewage spoke on 'green dynamics and intelligent empowerment' with special emphasis on sustainable fabric manufacturing.

"Apparel is a significant industry in Sri Lanka, accounting for 6 percent of our country's GDP and providing employment to 350,000 individuals," stated Liyanahewage. "Despite challenges brought about by Covid-19, followed by the economic crisis that led to double-digit inflation, the industry continued business

operations."

Providing an overview of the current state of Sri Lanka's economy, Liyanahewage noted that with domestic debt restructuring now completed and the second tranche of the IMF being worked on, the country is on the path to stability.

SLAEA also called for further collaboration in fabric manufacturing and innovation. "While most of the yarn and materials are imported from China, the growing demand for organic or recycled fabric necessitates a stronger partnership. The Eravur Fabric Park on the east coast of Sri Lanka will play a pivotal role in this.' We invite investors and fabric manufacturers to collaborate, as this will enable faster turnaround times and increase our production capabilities, he said.

Spanning over 300 acres, the zone offers opportunities for various verticals related to textile manufacturing. Manufacturers can establish plants in the zone and reduce material lead times with locally sourced fabric, thereby reducing input costs. Some of the key incentives for manufacturers include 5- to 10-year tax holidays for exports, zero percent duties and taxes on imported raw materials, tax exemptions, and 100 percent repatriation of profits.

"Sri Lanka's strategic location in the Indian Ocean is an advantage we must harness," Liyanahewage stressed.

The 16th Global Textile and Apparel Supply Chain Conference had the participation of high-ranking officials from the Chinese Government and key stakeholders in apparel manufacturing, including fabric, yarn, trim suppliers, and apparel manufacturers from around the world. The three-day event also witnessed the appointment of an expert committee for high-end textiles.

Sri Lankan apparel embracing organic manufacturing – GOTS

Ceylon Today, 19 October 2023



SRI LANKA - The half-a-billion USD global organic textile market is set to grow at a compounded annual growth rate of 40% within the next five years and with eco-consumption on the rise, it is evident that apparel companies too, are gearing for the shift in consumer patterns. Sri Lanka, known for its ability to produce high-end niche apparel, is now focused on enhancing its capacity to produce eco-friendly clothing using

organic textiles, where compliance remains a key component.

The Joint Apparel Association (JAAF) notes an increase in Sri Lankan companies obtaining the Global Organic Textile Standard (GOTS), indicating an increased awareness within the industry of the importance of adopting international best practices and sustainable manufacturing. South Asian Representative of GOTS Ganesh Kasekar reveals a 21% increase in certified facilities compared to 2022 in Sri Lanka, with 74 factories currently holding certification for the period of 2023/2024. Amongst these Sri Lankan companies, local apparel giants including Hirdaramani International Exports, MAS Intimates and Brandix have also obtained GOTS certification for the sustainable production of children's wear, ladies' wear, men's wear, and baby wear.

GOTS is recognised as the world's leading processing standard for textiles manufactured using organic fibres. It defines high-level environmental criteria through the entire organic textiles supply chain and requires compliance with social criteria as well. The successful completion of GOTS certification by an approved certifier provides companies with the right to participate in the GOTS programme, including using the standard and the GOTS logo on GOTS-approved goods. With the standard being renewed annually, GOTS 7.0 was launched in March 2023, with full implementation required for all certified entities by March 2024.

GOTS key compliance factors

Built on the three pillars of social responsibility, environmental sustainability and ethical business practices, GOTS covers the production process end to end. "Simply claiming to be sustainable is not enough," asserts Kasekar. "GOTS has developed standards that cover the entire production process, based on the use of organic fibres, from textile processing and manufacturing up to licensing and labelling. The certification process is rigorous and requires compliance with all criteria, but ultimately leads to an internationally recognized organic certification," he added.

The certification demonstrates a company's commitment to providing sustainable, ethical and high-quality products to stakeholders, partners and consumers. Therefore, to earn a GOTS certification, textile products must contain a minimum of 70% organic fibre, reflecting a commitment to environmentally friendly materials.

Additionally, stringent criteria govern the use of chemical inputs – ensuring that dyestuffs and auxiliaries meet strict environmental and toxicological standards. Even the choice of accessories is guided by ecological considerations. Notably, a functional waste water treatment plant is mandatory for any wet-processing unit, underscoring the importance of responsible water management.

Kasekar further said, "Because of the substantial impact of the textile industry, proper environmental stewardship is imperative. Emphasis on wastewater management and energy conservation is not new. Among the many inputs used in processing, GOTS only allows those with minimum or no ecological impact."

Under GOTS, social responsibility is strictly based on the ISO, OECD and ILO conventions and stringently adhered to throughout the supply chain. GOTS 7.0 places additional emphasis on due diligence as an integral component of certification.

Worker welfare has been a core priority of all GOTS -certified Sri Lankan companies, with a commitment to preventing and opposing any form of human rights abuse within the supply chain. These companies uphold strict policies against forced and child labour and measures to combat discrimination, harassment and violence. GOTS places special emphasis on safeguarding the rights of female workers, supporting collective bargaining and ensuring occupational health and safety standards.

Moreover, companies are required to address fair compensation and assess any disparities in living wages. The GOTS Human Rights and Social Criteria are firmly rooted in international labour and human rights standards, drawing from the United Nations Guiding Principles on Business and Human Rights, OECD guidelines, International Labour Organization (ILO) Guidelines and other relevant frameworks.

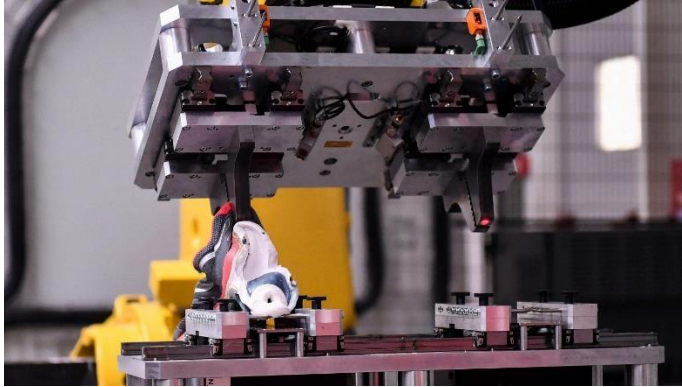
Sustainability at the centre of GOTS

Sustainability is becoming a crucial aspect of the textile industry, with certified organic products offering a practical solution for retailers and consumers to make verifiable sustainability claims. The demand for organic products is strong in the US and EU markets, driven by environmentally-conscious Gen Next consumers. The textile industry holds promise in Sri Lanka, and compliance certifications play a pivotal role in integrating with global supply chains and international trade.

Benefits of compliance certifications include risk reduction in supply chain management, providing independent credibility as a third-party certification, ensuring quality through on-site inspection and product testing, building investor and public confidence, enhancing efficiency and productivity through wastewater management and improved eco-efficiency, reducing company costs in supply chain tracing, increasing value addition compared to conventional products, and aiding companies in adapting to increasingly stringent regulatory climates. As Sri Lanka Apparel looks to the future, it fully acknowledges the advantages offered by the GOTS certification, aiming to uphold GOTS standards in sustainable textile production and trade, contributing positively to the global sustainability agenda.

Tech to recycle clothes only just being invented

Daily News, 2 November 2023



FRANCE - The vast waste and pollution caused by the fashion industry has made recycling clothes a top priority, but only now are simple tasks like pulling the sole off a shoe being done by machines.

CETIA, a company in the southwest of France is finally offering some mechanical solutions to the challenges of recycling clothes.

Its research team has invented a machine that uses artificial intelligence to scan garments, identify hard elements like zippers and buttons, and use a laser to cut them out.

It has also built a machine that grabs shoes in a large mechanical arm and yanks off the soles. In a world of space travel and vaccines, that may seem a relatively rudimentary piece of technology, but it had simply never been done before.

"It was a chicken and egg question. No one was recycling soles because we couldn't separate them from the shoe, and no one was separating them because there was no recycling," said Chloe Salmon Legagneur, director of CETIA.

Previously, recyclers had to bake the shoes for many hours to melt the glue and then pull the sole off by hand.

"There's nothing spectacular in what we've done," Legagneur said. "But we've done it."

For now, barely one percent of textiles in Europe are turned back into new clothes.

Most end up as housing insulation, padding or asphalt for paving roads.

That is because clothes are usually a complex mix of materials that must be separated carefully to keep the fibers in good condition if there is any hope of respinning them into new garments.

Usually done by hand, CETIA says its AI-laser machine can do this at a much faster rate that is rapidly evolving as it perfects the technology. It also has machines that can sort clothes by color and composition at a rate of one per second.

The reason these inventions are finally emerging is that tough new European rules are imminent that will force clothing companies to use a set amount of recycled fibers in their garments.

CETIA's work is backed by big retailers like Decathlon and Zalando who are urgently looking for industrial-scale solutions.

There are also political incentives. The French government sees the potential for new manufacturing jobs if recycling technology allows it to deal with some of the 200,000 tons of textile waste currently being shipped abroad each year.

CETIA's focus is on preparing textiles for reuse. Other companies must now start melting down the separated soles and turning them into new ones.

But it is an important first step. "As long as we do not have systems to prepare materials for recycling, we will not have a recycling sector in France," said Veronique Allaire-Spitzer, of Refashion, which coordinates waste management.

It injected 900,000 euros into Cetia with a similar contribution from the regional government. "None of this is a magic idea. It's just common sense," said Legagneur.

"But it's about putting together the engineers and the financing and the companies who need these solutions, and it's only now that these things are coming together. Ten years ago, no one wanted it."

Viet Nam's textiles and garments yet to fully unlock FTA's advantages and potential

Viet Nam News, 26 December 2023

VIETNAM - The Ministry of Industry and Trade, as the leading agency for FTA negotiation and enforcement, has been enhancing connections with ministries, localities, associations, and stakeholders to establish a collaborative ecosystem to help the textile industry effectively leverage FTAs.

Viet Nam's textile and garment industry has not been able to fully capitalise on the advantages and potential of FTAs, according to the Ministry of Industry and Trade (MoIT).

To address this issue, the MoIT, as the leading agency for FTA negotiation and enforcement, has been enhancing connections with ministries, localities, associations,

and stakeholders to establish a collaborative ecosystem to help the textile industry effectively leverage FTAs.

According to Ngo Chung Khanh, deputy head of the multilateral trade policy department under the MoIT, the Vietnamese government has signed various FTAs with many markets around the world, with a key focus on reducing tariffs to the lowest and quickest levels and simpler rules of origin for Vietnamese goods, especially in the textile and garment sector.

In a recent survey by the Vietnam Chamber of Commerce and Industry (VCCI), while most enterprises had some understanding of the FTAs, only about 8 percent possessed a clear understanding.



*Workers at a textile and garment factory in the northern province of Bắc Ninh (VNA/VNS
Photo Tran Vie)*

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According to the ministry, Viet Nam's trade balance has been significantly in deficit in the East Asian markets, amounting to nearly US\$129 billion in 2022, with \$60.5 billion in trade with China, \$37.9 billion with South Korea, and \$13.42 billion with ASEAN.

Meanwhile, the Southeast Asian economy registered a substantial surplus with the US and the EU in 2022, \$95 billion in surplus with the US, \$31.4 billion with the EU, and \$5.2 billion with the UK.

However, the market share of Vietnamese textiles in FTA markets has not increased in the past 4 years and remained relatively modest. In the EU, Vietnamese textiles account for only 4 percent in the UK, 2 percent in Canada, and 13 percent in Mexico.

The proportion of raw processing in Vietnamese enterprises is still too large, with cut-make-trim (CMT) accounting for about 65 percent, OEM production about 30 percent, and ODM production about 5 percent.

Difficulty in accessing capital remained a major challenge for enterprises in making further investments and improving competitiveness. The VCCI's survey showed the percentage of enterprises concerned about credit access has been increasing over time. In 2020, only 40.7 percent of enterprises were concerned, in 2021, this figure increased to 46.9 percent, and in 2022, it reached 55.6 percent.

In addition, Vietnamese businesses have yet to embrace development and lack collaboration.

However, Khanh said sustainable development was not only a requirement of foreign management agencies but also of consumers. Failing to meet consumers' demands would likely result in losing orders.

He said in the FTA implementation plan, the government had set up a framework for Vietnamese and FDI businesses to enhance collaboration but so far, it had not been able to minimise unhealthy competition within the industry.

Tran Hoang Phu Xuan, CEO of HCM City-based FASLINK Fashion, said there were still few Vietnamese businesses that actively participate in international trade fairs to understand end-users and target markets, preferring to receive orders directly in Việt Nam through intermediary companies.

Factors that have been hindering stronger growth include a global economic slowdown, resulting in fewer orders being placed.

The MoIT proposed a number of solutions, aiming to widen the search for new partners and seek new customers.

However, the ministry said the long-term plan was to build an ecosystem for the industry, one that would connect farmers to manufacturers, exporters, associations, regulatory agencies, consulting companies, logistics, and importers.

The Prime Minister's Office has also instructed the ministry to coordinate with ministries, localities, and associations to develop a plan for each province to develop key product lines.

Khanh said Vietnamese businesses must start positioning FTA markets as keys in their export strategy. To enter these markets, enterprises needed to research and understand the market information and policies, devising an access and brand-building strategy.

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 27 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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David Hsu, 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