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## Message from the Chairman

My dear colleagues:

It is a pleasure to present to you the "Asian Textiles & Garments Council" newsletter, volume IV for 2017. This publication is a compendium of relevant news, reports, and analyses on the textile and garments industry in Asian countries.

The articles contained in this newsletter show new developments along the supply chain, from ethical issues affecting consumers in Australia to more efficient crop production in Turkmenistan.

For example, new technologies saving water will increase production and better protect the environment in Bangladesh as well as new products and new production processes are making the textile's supply chain more efficient.

Bangladesh and India continue improving their factories and mills while large Taiwanese firms expand overseas.

Indeed, dynamism and evolution are evident in every aspect of the textile industry, two essential characteristics to sustain long term growth. Thus CACCI remains a firm believer and promoter of the textile and garments. Enjoy your reading!

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

## How to be an ethical shopper (Australia)

Rebecca David, Leader Community News, December 23, 2016



*Proud Melbourne small business Etiko was founded by Nick Savaidis (second from left) and is a pioneer in ethical clothing. (Picture: Steve Tanner)*

SYDNEY - Chances are what you are wearing right now was made in a sweatshop.

With today's increasing demand for fast, cheap fashion it can be difficult to know where and how your clothes were made.

The 2013 collapse of the Rana Plaza garment factory in Bangladesh, which led to the death of 1134 people, shocked global consumers about the unregulated outsourcing of labour.

The tragedy led to the Bangladesh Fire and Building Safety Accord and rising awareness about conditions in garment factories.

But international progress has been slow with, as recently as in November 2016, at least 13 people dying in a fire at a suspected illegal garment factory in India.

Australian workers are not immune to exploitation, with the Textile Clothing and Footwear Union of Australia saying they found unsafe and exploitative work conditions in Melbourne suburbs on a weekly basis.

National secretary Michele O'Neil said they regularly found garment workers, often migrant women, sewing from home and earning less than the minimum legal wage.

"Safety is also a huge issue - we've got people working in their homes under very dangerous conditions or in factories where the only entrance and exit are a locked roller door, cables and wires that are not earthed properly," Ms O'Neil said.

Ethical Clothing Australia (ECA) has an accreditation program for brands that make their clothes in Australia and abide by legal pay and entitlements for workers.

Brands such as Anthea Crawford, Cue Clothing, Perri Cutten and Akubra make the cut - but this only takes into account the clothes they produce in Australia.

ECA spokeswoman Sigrid McCarthy said ethical fashion did not need to be expensive, and that brands had a responsibility to look after the people who produced their goods.

For clothes that aren't made in Australia, consumers can look to brands that have Fairtrade accreditation.

These included Australian brands Etiko and Audrey Blue, which were highlighted in the Australian Fashion Report as standouts who ensured living wages were paid to workers.

National Public Radio's Planet Money T-shirt Project estimated achieving a living wage for someone making T-shirts in Bangladesh could incur an additional cost as low as an extra 40¢ (US).

"There's an argument that it is too expensive to produce clothes ethically but to that we would say it is your responsibility to ensure your workers are looked after," Ms McCarthy said.

Oxfam Australia's Naughty or Nice list highlights brands that publish at least 70 per cent of names and locations of the factories.

While businesses being transparent about their supply chain didn't guarantee the workers were being treated satisfactorily, Oxfam Australia labour rights expert Joy Kyriacou said it helped rights organisations investigate working conditions and empower workers to raise their concerns.

"We want these people to be able to keep their jobs but we want them working under safe and well-paid conditions," Ms Kyriacou said.

"Some companies' business models are built on exploitation and there are few companies whose behavioural changes in this industry that have come about without public scrutiny," Ms O'Neil said.

### **Leading the way in ethical fashion**

SINCE opening out of the back of a Wantirna home 10 years ago, clothing brand Etiko continues to lead the way in ethically sourced and made clothes.

The brand was inspired by founder Nick Savaidis' own experiences watching the exploitation of his mother and female relatives as they hunched over sewing machines in the living rooms of Melbourne's inner-northern suburbs.

He started asking shops questions about where their clothes were made and, dissatisfied with the vague answers, realised there could be a market for ethically made and environmentally sourced clothing.

Now based in Croydon South, Etiko has Fairtrade accreditation — the first non-food brand to do so in the Pacific region — and works with garment factories in India, Sri Lanka and Pakistan.

The accreditation is rigorous, difficult to obtain and even harder to retain.

"We do our own visits to factories, we don't just rely on external auditors," Mr Savaidis said.

“We only work with a limited number of suppliers, but I have got to know the workers who make the clothes and a lot of the farmers who grow the cotton for our clothes.

“We have a long-term commitment with our suppliers — they tell us what they need in order to guarantee safe and proper working practices.”

On top of paying fair wages, Etiko pays a Fairtrade premium to each factory, which is invested in social and economic projects to benefit workers, their families and communities.

This included benefits such as health insurance for workers or schooling for their children.

Mr Savaidis said it was tough for Etiko to compete with bigger brands more concerned about profit than ethical clothes production, but consumer interest was growing.

He said consumer demand had led to widespread availability of fair trade coffee and ethically grown paper, and he hoped that fair trade clothes would become equally as accessible

“Don’t be a robotic consumer. You need to ask where your clothes came from,” Mr Savaidis said. “The big brands won’t change their ways out of generosity — we need to challenge them.”

This month Etiko was the joint winner of the business category at the Human Rights Awards. For more information visit [etiko.com.au](http://etiko.com.au)

### **Tips for ethical shopper**

- The Good on You app rates brands based on their supply chain impacts on workers, the environment and animals
- The annual Australian Fashion Report, produced by Baptist World Aid Australia, grades brands in terms of supply chain transparency, living wages for workers and how materials are sourced
- For clothes made locally, check out Ethical Clothing Australia’s accreditation list
- Check out Etiko and Audrey Blue designs
- Engage with your favourite brands and question their practices

<http://www.heraldsun.com.au/leader/news/how-you-can-become-an-ethical-shopper-and-help-exploited-garment-factory-workers/news-story/daceebc5d3344a9c7482530a41218260>

## Turkmenistan preparing for cotton sowing

Trend, AzerNews, March 5, 2017



ASHGABAT - Cotton will be sowed in Turkmen Ahal, Lebap and Mary provinces on March 25 and in Dashoguz province - March 29, the Turkmen government said in a message.

The issue was discussed at a meeting of the Turkmen Cabinet of Ministers. According to the message, around 1.50 million tons of cotton are planned to be grown in the country in 2017.

Cotton is in demand for tens of modern textile enterprises in the country. The total area of cultivated land is more than 500,000 hectares.

[http://www.azernews.az/news.php?news\\_id=109794&cat=region](http://www.azernews.az/news.php?news_id=109794&cat=region)

## Turkmenistan plans carpet privatization

Kamila Aliyeva, AzerNews, February 27, 2017

ASHGABAT - Turkmenistan is famous for its carpets, which are regarded by carpet experts as descendants of the purest and oldest carpet-weaving traditions in Central Asia.

Experts say these carpets have special shine and velvet, and their color spectrum of sober classic colors starts "flowering" as time goes by, saturating it with more rich and expressive tints. One of the main secrets of beauty and longevity of Turkmen carpets is the natural dyes used by carpet weavers in wool coloring since ancient times.

The Turkmen government plans to give a new impetus to carpet weaving and develop the industry through privatization of carpet weaving enterprises.

Turkmen President Gurbanguly Berdimuhamedov, addressing a Cabinet meeting, stressed that to ensure the most favorable conditions for promoting Turkmen carpet industry, it is necessary to carry out privatization, the Turkmen government reported.

The country also aims to further raise foreign investments, introduce new technologies, and create the most favorable conditions for investors in its textile industry.



The Turkmenhaly Public Association includes a large network of carpet weaving companies across the country, as well as structural units, specializing in the primary processing, spinning, and dyeing of wool.

In 2016, the enterprises of “Turkmenhaly” have produced more than 43,000 square meters of carpets and rugs.

Turkmen carpets and rugs, long renowned for their durability and unique designs, are exported to more than 50 countries such as Italy, the United Kingdom, France, Germany, and others. Among Turkmen carpets well-known in the West are those made by the Tekke, Yomut, Salor, and Ersari Turkmens and called by those names.

Textile industry occupies an important place in Turkmenistan’s economic system, the country is known as a supplier of woolen carpets, as well as cotton and silk textiles of high quality. Tens of textile enterprises worth over \$1.6 billion have been built in Turkmenistan throughout the years of independence.

[http://www.azernews.az/news.php?news\\_id=109520&cat=region](http://www.azernews.az/news.php?news_id=109520&cat=region)

## Millers use water techniques (Bangladesh)

**Refayet Ullah Mirdha, The Daily Star, January 4, 2016**

DHAKA - Textile companies have started adopting water saving technologies as Bangladesh is one of the highest water consuming countries for washing and dyeing fabrics.

Garment factories use more than 250 litres of water for washing and dyeing one kilogram of fabrics while the global best practice is 70 litres.

Bangladesh's textile mills consume 1,500 billion litres of groundwater a year for washing and dyeing fabrics, according to a report -- Bangladesh-The Netherlands: 50 years of water cooperation. The report was published recently by Partners for Water Programme of the Netherlands in cooperation with the Bangladesh government.

The surface water is also contaminated for inefficient use of water, the report said, adding that international fashion brands are increasingly aware of their social responsibility concerning the sustainability of their supply chain to achieve a cleaner textile production process.

“We were able to save more than 70% of water by adopting the water saving technologies,” said Bakhtiar Uddin Ahmed, general manager at Fakir Apparels, a garment maker based in Narayanganj.

Previously, his company used 24.96 crore litres of water for washing and dyeing 1,200 tonnes of fabrics in a month, but the amount of water has now declined to 6.96 crore litres. “We are also saving electricity by adopting similar kind of technologies,” Ahmed said.

The International Finance Corporation, a member of the World Bank Group, now provides water saving technologies to Bangladeshi garment factories under its Partnership for Cleaner Textile (PaCT) programme.

Along with adopting new technologies, IFC suggests factories should use industry friendly machinery and change their water use habits. Mondol Fabrics, a concern of Mondol Group, also adopted the water saving technologies of IFC.

“We have already implemented the first phase of adopting the technologies and the second phase is going on. After the implementation of the first phase, we were able to save 27% of water in washing and dyeing fabrics,” said Momin Mondol, managing director of Mondol Group.

Before adopting the water saving technologies, his company used more than 120 litres of water for washing a kilogram of fabrics, but now the quantity declined between 80 litres and 85 litres, Mondol said.

The company washes and dyes 500 tonnes of fabrics a month, Mondol said.

Once the second phase is implemented, water consumption will fall further, he said. The implementation of the first phase took 14 months, he added.

The PaCT of IFC supports textile wet processing factories in adopting cleaner production, said Yasin Ahmed, resource efficiency consultant of the Bangladesh PaCT.

“To date, PaCT has provided advisory services to around 200 textile factories (washing, dyeing and finishing units) on resource efficiency measures,” Ahmed said in an email to The Daily Star.

Before joining the programme, factories saw their average water consumption for processing each kilogram of fabrics at 201 litres, which declined to 147 litres after the implementation, with a 27 percent fall, he said.

“We do not have country-specific data. However, the global industry best practice is 70 litres of water for per kg of fabric,” he said.

The PaCT programme was initiated in 2014 with 95 textile factories; the number rose to 192 in 2016.

The partnership is based on both brand and factory contributions. Once the PaCT partner brands nominate their supply chain members, factories pay a participation fee of \$2,000-\$6,000 as per the production capacity of the plant, Ahmed said.

<http://www.thedailystar.net/business/textile-millers-go-water-saving-tech-1339855>

## **New technology for textile printing (Bangladesh)**

**The Independent, November 23, 2016**

DHAKA - DCCPrint Vision LLP brings one stop textile printing solution with a vision of capacity building and making expertise in the textile printing industry.

The company made a hi-tech printing studio at Banani in Dhaka, a press statement said. Customers will get one stop solution of digital, sublimation and screen print.

“The opportunities of textile printing industries are huge in Bangladesh but there is no one stop solution provider. Due to continuous request of Bangladesh textile industries they have decided to launch their operation in Bangladesh,” said H N Ashiqur Rahman, country manager, DCC.

<http://www.theindependentbd.com/printversion/details/69482>

## **Textiles sector’s role in industrialisation lauded (Bangladesh)**

**The Independent, February 23, 2017**

DHAKA - The primary textile sector (PTS) in Bangladesh has made significant progress, with textile mills meeting around 80 to 85% of the demand for knit fabrics and 35 to 40% of that for woven fabrics of the readymade garments (RMG) industry in the past three decades, Bangladesh Textile Mills Association president Tapan Chowdhury said.

Chowdhury was speaking while inaugurating the 14th Dhaka International Textile and Garment Machinery Exhibition (DTG) at the Bangabandhu International Conference Centre (BICC) in the capital.

Chowdhury said the DTG was not just an exhibition to display the latest technological advances in textiles and garments machineries and accessories; but it was also an exhibition to showcase and demonstrate the progress in the country’s industrialisation efforts in the textiles sector.

The four-day annual exhibition was organised jointly by the Bangladesh Textile Mills Association (BTMA), Chan Chao International Co. Ltd, Taiwan and Yorkers Trade and Marketing Service Co. Ltd.



*State Minister for Textiles and Jute Mirza Azam, Bangladesh Textile Mills Association (BTMA) President Tapan Chowdhury were present at the inaugural ceremony of 14th Dhaka International Textile and Garment Machinery Exhibition at the Bangabandhu International Conference Center in the capital. (Independent photo)*

Some 1,000 textile machinery manufacturers from 33 countries participated in the exhibition, spanning 18 halls comprising 1,200 booths, BTMA officials said.

Bangla Cat, a textile machinery and accessories solution provider company, took part in the expo to showcase its products.

Manager of Bangla Cat's product support division, Ezaz Hossain, said the company provides accessories for the textiles industry, including gas generators and forklifts. Forklifts are generally used for

material handling and for lifting materials or goods from one place to another inside the factory, Hossain added.

Suzhou Imagin Machinery Company Ltd produces textile machinery. The firm showcased its product, 'Smart Twister', at the expo. The process cost of soft winding fabric yarn is less compared to other kinds of textile machinery, he explained.

The textiles industry has been playing a significant role in building a robust and sustainable backward-linkage industry. The BTMA officials added that the investment in Bangladesh's textiles sector has topped USD 6 billion.

This year the RMG sector has contributed 86% of the country's entire export income. Hence, the contribution of textiles to the country's gross domestic product (GDP) is approximately 13%, said the BTMA officials.

Textile machinery worth Tk. 8,322 crore was imported in FY 2015–16, while the figure was Tk. 7,489 crore for FY 2014–15, a growth of 11%.

The DTG is the biggest exhibition in the textile and garments sector. It is also known as a mini International Textile Machinery Exhibition (ITME) in South Asia.

<http://www.theindependentbd.com/post/82360>

## Asian textiles: Yeh Group's breakthrough technologies (HK)

Discovery Report, South China Morning Post, December 7, 2016

*Yeh Group uses facilities across Asia to make functional fabrics for top leisure brands*

*Country Business Reports interviews and articles by Discovery Reports  
www.discoveryreports.com*



Two leaves connected to a single node. This company logo represents brothers David and Jimmy Yeh, managing directors of the family-owned Yeh Group, which provides integrated, end-to-end sportswear and functional fabrics solutions to top athletics and leisure brands worldwide.

From knitting and dyeing fabrics to finishing, printing and manufacturing

apparels, the company uses the latest technologies to create products with optimum performance, and envisions its continued success through the lens of sustainability.

“Being on the ball with the changing consumer trends and demands enables us to bring innovation, while our sustainability initiatives help ensure the survival of our business and the entire textile industry,” says Peter Decorte, CEO of Tong Siang, the group’s main business specialising in performance fabrics for the sportswear industry.

The group’s other core subsidiary is Penn Asia, which focuses on the lingerie and the swimwear market.

Being on the ball with the changing consumer trends and demands enables us to bring innovation

### **Peter Decorte, CEO of Tong Siang**

The Yeh Group was the first textile mill to implement DryDye technology, which eliminates the use of water in the dyeing process.

Unlike conventional dyeing, which requires large amounts of water, DryDye uses supercritical carbon dioxide fluid to dissolve the dyestuff, which is then distributed efficiently through the fibre.

“By 2025, our aim is to manufacture all our fabrics through waterless technology, reduce our carbon footprint, and adopt a zero-waste policy,” Decorte says.

Another landmark technology that the group develops is 3D printing of shoe uppers and apparel in collaboration with Britain’s Loughborough University. This technology allows

creating personalised, ready-to-wear fashion with almost zero waste material, with the goal of 3D printing garments at the consumer level on store sites.

Active in Asia, the group has facilities in Vietnam and Indonesia to shorten lead times and improve services. It also plans to establish a digital printing facility in the Philippines.

“Our vision is to be the best textile supplier to work with and to work for, and we expect the same passion and commitment from our partners,” Decorte says.

<http://www.scmp.com/country-reports/country-reports/topics/thailand-country-report-2016/article/2051101/asian-textiles>

## ZARA mill planned in Guria (Georgia)

**Georgian Journal, October 29, 2016**



OZURGETI - ZARA textile plant is planned to be built in Ozurgeti city of Georgia's Guria region. Turkish company ENA Textile is primary producing clothes for ZARA, world famous Spanish label and a special mill precisely for the popular brand is intended to be opened in Guria. If the agreement is achieved between the company and Georgian side, the company will invest several million dollars in the region and around 1000 locals will be occupied. In relation to this issue Governor of Guria Gia Salukvadze and Mayor of Ozurgeti Beglar Sioridze met with the representative of ENA Textile.

<http://www.georgianjournal.ge/business/33016-zara-textile-mill-planned-to-be-opened-in-guria.html>

## Georgian socks sold worldwide

Georgian Journal, November 28, 2016



TBLISI - Socks with beautiful daisy patterns produced in Georgia's Nukriani village, in Signaghi municipality, are sold throughout the world in the USA, Austria and many other countries. The demand on these type of socks sewed in Georgia is increasing day by day.

"Nukriani Workshops" is a social enterprise that consists of 10 women who create these beautiful garments. As the company told Georgian Journal, the enterprise was established in 2006 within the framework of a regional project carried out by a center for cultural relations called Caucasian House. "Originally 150 women learned how to craft through this project and few of them who acquired this skill best were selected to work for the enterprise.

"Nukriani Workshops" is a social enterprise that consists of 10 women who create these beautiful garments. As the company told Georgian Journal, the enterprise was



At first we used to produce woolen socks with Georgian patterns, but after we created new models with daisies, the demand has increased sharply. The very first order came from a Georgian girl based in the USA. After a week the sock was already there. Almost every day we receive new orders from different parts of Georgia as well as from abroad", - a representative of Nukriani Workshops said in the interview.

The price of socks is 30 GEL and anyone can order them through the Facebook page of the enterprise. It is noteworthy that besides woolen socks Nukriani Workshops also produces traditional Georgian hats with colorful national patterns as well as various handicraft items, Christmas tree decorations and souvenirs made from wool and other textiles that are extremely popular with tourists. In addition the enterprise is famous for producing their natural Georgian honey, jams and churchkhela, Georgian candy made with grape juice and nuts.

<http://www.georgianjournal.ge/business/33108-woolen-socks-produced-in-georgian-village-sold-throughout-world.html>

## A 'failed' student saved a failed textile unit (India)

Virendra Pandit, The Hindu Business Line, March 7, 2017



*Ruhi Pradhan, an entrepreneur, cites better capacity utilisation and teamwork as factors for success.*

NEW DEHLI - As a teenager, Mumbai-based Ruhi Pradhan was utterly confused as to what she intended to do in her life. When she failed in the 12<sup>th</sup> standard, she plunged into 'great depression'. But her parents supported her in this hour of personal crisis. In particular, her banker father encouraged her to overcome this grief. This worked miracles: she passed out of school and topped her college for graduation.

Then, without informing anyone, not even her parents, she cleared the tests to enter the Ahmedabad-based Entrepreneurship Development Institute of India (EDII). While still a student at EDII, she acquired a sick textile unit at Vapi, South Gujarat, turned it around, and attracted attention of others

facing similar problems in the industrial district. Now, another sick unit in Vapi and one plastic-maker in Daman also want her to turn them around.

Her unit's products are now being supplied to biggies like Big Bazaar and ONGC.

"Since the time I joined EDII, the spirit of entrepreneurship just keeps getting bigger and bigger. The 'greed' of achievement keeps on increasing. The environment motivates me a lot, day in and day out, and entrepreneurship keeps building within me," says the 24-year-old student-entrepreneur, who divides her time between Ahmedabad, Vapi and Mumbai on a weekly basis. Excerpts from the interview:

### **What difference did EDII make in your life?**

I became more focused and started taking things very seriously. On the very first day at EDII, I was taught that entrepreneurs are the ones who first identify a problem and then set out to provide the best solution.

That was how I began to look for a problem I could solve and came across the sick ready-made garment unit, Podoval Garments, 20 km from Vapi. It was being run by a Malayali businessman for about 10 years.

It had good infrastructure - 15 sewing machines and 10 skilled workers, plus 35 on contract work - but had fallen sick due to many reasons, particularly financial.

### **What were the problems being faced by it and how did you sort them out?**

When I acquired 60% stake in it for 3 lakh by signing a partnership deal in August 2016, it was making only 100 garment units per day against the installed capacity of 400. It had only a few local orders for garment supply. It was in default of a 5 lakh bank loan plus the owner had to pay 14 lakh to others.

In order to get over these bottlenecks, I reached out to other units and got work outsourced to my unit from other garmenting and textile units in the same area to maximise use of our infrastructure. We began to manufacture units for exports as well. I am regularly paying in monthly instalments all the balance dues and hope to break-even in some 18 months.

Subsequently, I acquired the remaining 40% stake in the unit and renamed it Ruhi Kishore Pradhan Garments. Now we are making around 350 units per day. And workers are being paid regularly. Besides, we have vastly improved human resource relationships through a number of measures to make our workers rededicate themselves to production work wholeheartedly.

### **How did you convince the factory workers for this turnaround?**

The 'formula' I used was that of teamwork and friendship. And I convinced them with my working performance. Now, I am able to successfully run a garment factory with almost 100% work efficiency. Convinced with our new work culture, a local garment unit outsourced work to us for supplying garments for exports as well as for Big Bazaar and ONGC.

### **Where do you go from here? Any new plans up your sleeve?**

Yes. Within four months, I have employed more than 50 people, of whom, 10 are on our own staff. And I am looking to expand and employ as many women as I can. And I am also toying with the idea of launching our own brand of garments for local consumption.

Besides, I am also talking with another garment unit in Vapi and a plastic unit in Daman for undertaking a similar turnaround.

<http://www.thehindubusinessline.com/specials/how-a-failed-student-turned-a-sick-textile-unit-around/article9574282.ece>

## **Textile Ministry keen to improve jute quality (India)**

**Pratim Ranjan Bose, The Hindu Business Line, January 26, 2017**

NEW DEHLI - The Union Textiles Ministry proposed to widen the scope of Jute I-CARE (Improved Cultivation and Advanced Retting Exercise) programme to improve the quality of raw jute and farmers' yield in India as part of jute product diversification drive.

The programme was launched by the Agriculture Ministry in 2015 as a pilot scheme in five jute growing States, including West Bengal, which produces 80% of total raw jute supplies.

It aims to reduce the time of retting jute fibre from 22 days to eight or nine days by using specific micro-organisms. Farmers were offered certified seeds at 50% subsidy, farm implements and training on improved agronomics.

Though India is the world's largest raw jute producer, 60% of the produce is rated as average (CD-5) or below, which is not suitable for producing diversified products. With 75% of raw jute supplied to mills enjoying purchase protection from the Centre under a mandatory packaging order, the sector suffers from limited interest in diversifying jute goods beyond sacking products.

### **Quality push**

While phasing out of the protection remains a debatable issue, the Textiles Ministry is keen to increase supply of better-quality raw jute to encourage production of diversified commodities.

The Ministry held a meeting with the Union Agriculture Ministry to discuss ways and means to involve State governments in the project and to expand the scope of the programme.

"The quality of raw jute should be improved to encourage production of diversified jute products," Textiles Minister Smriti Irani told BusinessLine on the sidelines of a recent conference in Delhi on Indo-Bangladesh co-operation, organised by the Institute of Social and Cultural Studies.

Drawing a parallel with Bangladesh, she said: "India tops in raw jute production but, Bangladesh earns six times more export revenue."

Bangladeshi jute mills do not enjoy any purchase protection from the government. Nearly 80% of the country's 10-12 lakh tonnes of jute products are exported. A sizeable chunk (150,000 tonnes) of total exports is shipped to India.

Responding to questions about the anti-dumping duty imposed by India on Bangladeshi jute products, Irani said it was imposed following due procedure and after one-and-a-half-year-long enquiry proceedings.

According to sources, Bangladesh was exporting jute products to India at prices lower than its domestic rates.

<http://www.thehindubusinessline.com/todays-paper/tp-agri-biz-and-commodity/textile-ministry-keen-to-improve-jute-quality-boost-diversified-products/article9503344.ece>

## India looks to technical textiles as \$17bn 'sunrise sector'

Kiran Sharma, Nikkei Asian Review, January 23, 2017

*Nation aims to boost sector's manufacturing, export earnings in 'Make-in-India' initiative*



*Technotex 2017, an international conference on technical textiles, will take place in Mumbai in April. (Photo: Kiran Sharma)*

NEW DELHI - The Indian government is vigorously promoting its technical textiles industry.

With measures such as tax concessions, special financial packages and allowing 100% foreign direct investment, the government is hoping to boost the "sunrise sector," which is projected to grow to 1.16 trillion rupees (\$17 billion) by March next year from 736.8 billion rupees in 2014.

Technical textiles are engineered fabrics with specialty fibers and functionality. They are used in sectors such as autos (seat belts, air bag and tire cord fabrics,

upholstery); agriculture (greenhouse and crop covers, mulch mats, ground water management shade nets); healthcare (surgical cloth, bandages, extracorporeal devices like artificial kidneys and lungs, soft tissue implants); sports (parachutes, artificial turf); and construction (hoardings, scaffolding nets, tarpaulins).

Overall, the country's textiles industry is worth \$108 billion and is expected to reach \$223 billion by 2021. It contributes over 14% to India's industrial production, 5% to GDP and 11% to exports earnings, and employs over 45 million people directly and 60 million indirectly. From March 2014 to March 2016, the FDI equity inflows in the textiles sector totaled \$427.55 million, according to the "Textiles & Apparel Sector Achievements Report" released last November 2016.

The application of technical textiles in agriculture sector "has led to increased productivity and increased income generation for our farmers," India's Textiles Minister Smriti Irani said. There is potential in India to expand the use of agricultural technology and "the need of the hour is conversion of efforts," she said.

She was speaking at a curtain raiser event of Technotex 2017, the 6th International Exhibition and Conference on Technical Textiles in Mumbai April 12-14 which was jointly organized by the Ministry of Textiles and the Federation of Indian Chambers of Commerce and Industry.

The theme of the three-day event was "Advantage India -- Emerging Global Manufacturing Hub for Technical Textiles," and it aimed at providing innovative solutions, identify new business opportunities and create an environment congenial for growth.

### **Players**

Reliance Industries is the single largest supplier of fiberfill-based technical textiles in India, catering to over 50% of the market. In addition, it has its own line of mattresses and pillows under its Recron brand, and has diversified into other technical textile areas, including high tenacity polyester and industrial rope, and agro-based polypropylene netting.

<http://asia.nikkei.com/Politics-Economy/Economy/India-looks-to-technical-textiles-as-17bn-sunrise-sector>

## **New clothes can save motorists' lives (Japan)**

**Ayumi Shintku, The Ashahi Simbun, February 8, 2017**

TOKYO - Underwear developed jointly by Toyobo Co. and Union Tool Co. could help prevent car drivers from falling asleep at the wheel (Provided by Toyobo Co.)

Japanese textile companies have developed fabrics that could become potential lifesavers for drowsy drivers and overheated construction workers.

The fabrics, when worn, can collect and transfer biological data to smartphones and other devices, triggering an alarm if the information indicates danger.

Electronics in eyeglasses have caught the attention of consumers, but an increasing number of fabric-based systems that can be worn anytime have been developed.

These clothes are also aimed at monitoring and improving the performance levels of athletes.

However, new uses are being explored for the cloth electronics market, which was worth 80 million yen (\$715,000) in 2016 and is expected to expand to 21.1 billion yen by 2020, according to the Yano Research Institution.



Textile maker Toyobo Co. and medical device manufacturer Union Tool Co. said Jan. 11 that they have jointly developed underwear that can issue warnings to motorists--especially bus and taxi drivers--when they are nodding off at the wheel.

Officials said they expected the underwear to be marketed this year. The Toyobo underwear measures the heart rates of drivers.

If changes in heartbeat waveforms indicate the wearer is sleepy, a warning will be issued after the data is transmitted to an outside device.

Existing wearable devices fix electrodes with belts or gel material. But Toyobo's special fabric, called Cocomi, uses thin film-like electrodes and wires, and the special underwear is as comfortable as an ordinary undershirt.

Toyobo is currently conducting verification tests of the underwear with a bus company.

Many fabric-type wearable systems were developed after Toray Industries Inc. and others released the hitoe textile in 2014.



Most of those cloth products are electrically conductive so that electrodes and wires can be placed on them. The biological information of the wearer is collected and sent to smartphones and other apparatuses through a tiny transmitter attached to the chest or elsewhere.

In December last year, special fiber manufacturer Mitsufuji Corp., based in Seika, Kyoto Prefecture, began selling hamon, a wearable system that records an electrocardiogram and other vital data.

Textile companies expect those fabric systems to prevent drivers from falling asleep and construction workers staying outside in sweltering heat from suffering heatstroke.

<http://www.asahi.com/ajw/articles/AJ201702080008.html>

## **Analysis: Is PM's textile package the answer to falling exports? (Pakistan)**

**Ali Salman, The Express Tribune, January 15, 2017**

ISLAMABAD - When the pro-business, experienced economic team of PML-N took reign of Islamabad in 2013, Pakistan had recorded an export of 25,078 million dollars, which were 1.1% higher than 2012.

In January 2017, the SBP reported exports for 2015-16 were recorded at \$21,977 million. This is a decline by 12.36% during the time period, when a 1% decline is observed in the global level of exports of goods and services. This decline is despite the acclaimed GSP Plus status that Pakistan had obtained in December 2013, suggesting that PML-N has comparatively enjoyed an advantage over its predecessor's government in terms of market access.

The government is obviously not sitting idle over this historical decline—as this has weakened the confidence of its core constituency of traders on the economic policies. When the prime minister announced “Trade Enhancement Incentives” with the price tag of Rs180 billion at the beginning of the year, he presented it as the panacea to declining exports.

### **It is not the first example of a package for exporters.**

Earlier, the government had already reduced the power tariff for the industries from Rs15-16 per unit to Rs11 per unit. Similarly, the government is providing uninterrupted power supply to the industries in the country.

In addition, the government had already given zero-rated facility to five export sectors in the budget. Thus, it's not that the PML-N does not have ideas to boost exports. Rather they have plenty of bad, impractical and ineffective ideas. Let's analyse the recent Rs180 billion package.

### **Incentives and flaws**

Essentially, the government will implement the package from January 2017 to June 2018 by abolishing customs duty and sales tax on import of cotton, man-made fibre other than polyester and sales tax on import of textile machinery.

As a result of these measures, the government expects gain of \$2 to \$3 billion in exports by June 2018.

The net gain – difference between the loss in trade tax revenue of \$1.8 billion and the marginal expected gain of \$2 billion – is \$200 million. This \$200 million additional benefit assumes 100% probability of an increase in the exports.

Part of the deal is that there will be no condition on getting duty drawback in the first six months (January to June) of the scheme. However, exporters will have to record 10% growth in exports during the next fiscal year 2017-18 as compared to the ongoing financial year.

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BOOST

**\$2-3b**

is the gain in value of exports the government expects from these measures by June 2018

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This will open a new Pandora box, where the exporters will try to outsmart the system by showing false increases in the exports.

In July 2016, the finance minister confidently announced that exports will receive a boost with zero-rated facility for five export sectors. The exports actually declined even between July and December of 2016, when compared on a month-to-month basis with 2015. The zero-rated facility proved ineffective in boosting exports.

From 2005 to 2008 Pakistan's government spent Rs50 billion in research and development of subsidies for the textile sector. Hardly any money was actually spent on research and development and most of it ended up at a price transfer the buyers benefited at the cost of tax payers.

There is also the issue of tightly controlled exchange rate by the finance minister. It has been observed that Pakistani rupee is a bit artificially over-valued, thus keeping the price of exports high.

The real issues underlying the decline of textiles and broadly export sector are: low productivity owing to poor quality of human resource at design and quality stages, uncertainty in energy supply, an inward looking protective tariff regime, artificial support from the government and a general lack of competitiveness in the business firms.

The package is hardly the answer to these deeper problems. It will only help delay our attention from realistic diagnosis. Worse, these packages, because of the power dynamics often benefit large and well-connected textile firms. In other words, the Rs180 billion package is a part of the problem, not the solution.

The writer is founder and executive director of PRIME Institute, an independent free market think tank.

<https://tribune.com.pk/story/1296018/analysis-pms-textile-package-answer-falling-exports/>

## New plastic clothing cools people (USA)

**AFP, The Strait Times, September 2, 2016**

WASHINGTON: American researchers have created a low-cost textile made of a plastic base that could cool the body when woven into clothing.

The engineers suggested in the US journal Science that the textile could become a way to keep people living in hot climates cool without using air conditioning.

“If you can cool the person rather than the building where they work or live, that will save energy,” said Yi Cui, an associate professor of materials science and engineering and of photon science at Stanford.

Scientists blended nanotechnology, photonics and chemistry to develop the material, which cools the wearer in two ways.



Like cotton, the textile allows sweat to evaporate through the material, but the new development allows it to also let through heat the body gives off as infrared radiation.

The latter is a characteristic of polyethylene, the clear, clingy plastic already used as kitchen wrap.

All objects – including our bodies – discharge heat as infrared radiation in the form of invisible light wavelengths.

Clothing traps those wavelengths close to the body, but the new plastic textile lets them through.

“Forty to 60% of our body heat is dissipated as infrared radiation when we are sitting in an office,” said Shanhui Fan, a professor of electrical engineering. “But until now there has been little or no research on designing the thermal radiation characteristics of textiles.”

To test the cooling capabilities of the experimental material, researchers put swatches of the plastic material and cotton fabric on bare skin and compared skin surface temperature.

“Wearing anything traps some heat and makes the skin warmer,” Fan said. “If dissipating thermal radiation were our only concern, then it would be best to wear nothing.”

The cotton fabric made the skin 3.6 degrees Fahrenheit (2 degrees Celsius) warmer than the new material, suggesting that wearing the “cooling textile” might make people less likely to resort to turning on fans or air conditioners.

<http://www.nst.com.my/news/2016/09/170139/new-plastic-clothing-material-could-keep-people-cool>

## Fashion brands fear Trump will disrupt production and profits

**Bloomberg, South China Morning Post, January 17, 2017**

Clothing manufacturers await Trump presidency with bated breath, worried he could spark a trade war with China and other countries and force them to choose between producing more in the US or paying import penalties



When LVMH’s chief executive officer was seen in Trump Tower’s lobby in early January 2017, the fashion industry held its breath.

Bernard Arnault runs the world’s largest luxury goods company – a sprawling empire that includes Louis Vuitton, Fendi and Dior – and here he was, meeting with a president-elect who has threatened to roil the industry with trade restrictions.

Following Arnault’s sit-down with Trump,

LVMH said the French company was considering expanding its production in the US.

The encounter underscores a challenging moment for apparel makers, most of which had written off America as a major source of production. Other countries manufacture 97 per cent of the clothes sold in the US, but Trump has threatened to rip up trade agreements and impose tariffs in a bid to bring domestic jobs back.

That’s led many clothing giants to freeze their overseas expansion plans – and to pay lip service at least to the idea of making more of their wares in America.

“You’re not going to have a big expansion until you know what’s going to happen,” says Julia Hughes, president of the Fashion Industry Association, which represents names such as Ralph Lauren and Under Armour.

LVMH already has a factory in San Dimas, California, where it has made Louis Vuitton products for 25 years. The company is considering expanding that plant, as well as opening another facility in the South or Texas. But the decision has more to do with meeting local demand, says Sonia Fellmann, a Paris-based spokeswoman.

“The success of Louis Vuitton in the American market makes it necessary to increase production capacity,” she says. “The location has not been decided.”

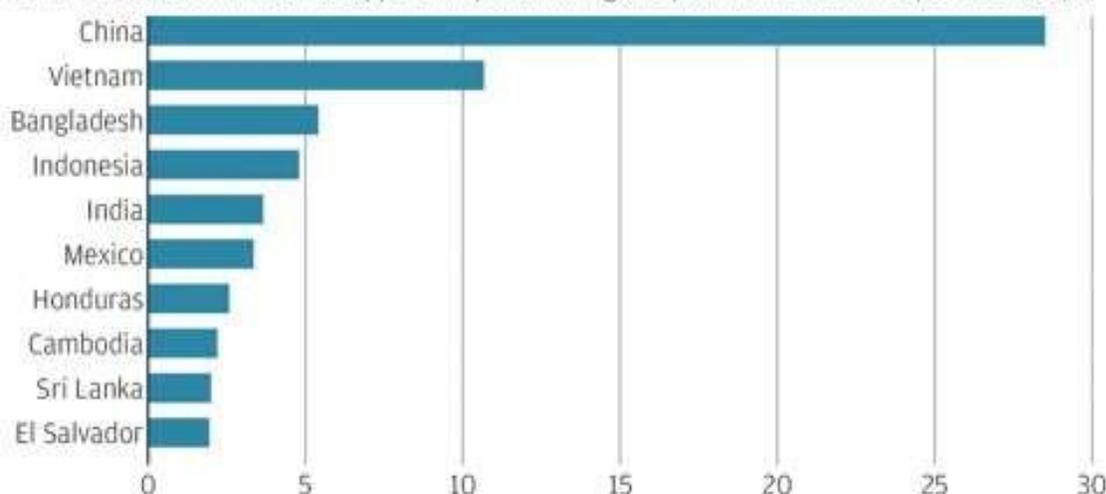
PVH chief executive Manny Chirico, whose company makes Tommy Hilfiger and Calvin Klein clothing, acknowledged in a recent interview that industry executives are nervous. So too are stockholders. Despite a market rally, PVH and Ralph Lauren are both down more than 13 per cent since Trump’s victory – though slow retail sales have contributed to the slump.

“It causes volatility that you have to deal with,” Chirico says. “But on balance you try to do the same thing, try to take a long view.”

The concern is that Trump’s rhetoric and tweet storms will escalate into a trade war with China and other countries. That would leave apparel makers with a dilemma: continue to produce in those countries – and pay margin-squeezing tariffs and other penalties – or attempt to rebuild US clothing infrastructure.

### Made outside the US

China accounted for most US apparel imports during the year that ended in September (US\$b)



Sources: Bloomberg, Office of Textiles and Apparel at the US Commerce Department

SCMP

The early signs from the president-elect point to some kind of confrontation with China. He has hired Peter Navarro, a frequent critic of China’s trade practices, to lead the newly formed White House National Trade Council. He also chose Robert Lighthizer, another China trade critic, to head the US Trade Representative office.

Trump’s own history with the apparel industry spotlights the challenges of making clothing domestically. The 70-year-old relied on offshore manufacturing to produce his line of businesswear, which was sold in Macy’s until a split in 2015. His daughter Ivanka’s clothing line, made by G-III Apparel Group, comes from China.



In all, the US imported about US\$82 billion worth of apparel during the 12-month period that ended in September, according to data from the Commerce Department. More than 40 per cent of clothing shipped to the US is made in China, with seven of the top 10 importers located in Asia.

Ascena Retail Group, the women's apparel seller that owns the Lane Bryant and Ann Taylor brands, has been assessing its operations in the wake of Trump's victory.

That includes holding off on expanding overseas sourcing agreements, according to Linda Heasley, chief executive of the company's plus-size division.

"We've been positioning ourselves to take advantage of whatever might happen," Heasley says.

Americans do say they want more domestically manufactured clothing, but they may not be willing to pay the higher prices. Made-in-the-USA products could double retail costs and potentially hurt the economy, says Hughes, of the Fashion Industry Association.

But advocates of domestic manufacturing are more optimistic. By investing in US factories – and relying on automation – the clothing industry could make 30 per cent of its products at home within the next 15 years, says Harry Moser, founder of the Reshoring Initiative. He points to the hidden expenses and hassles of Asia-made clothing, including shipping, duties, extra inventory costs and having to travel across the world to check on suppliers.

Of course, using factory robots wouldn't require an army of workers, but a resurgent US apparel industry could still bring plenty of dollars and jobs, he says.

"We are talking about hundreds of billions of dollars," says Moser, who consults with Wal-Mart Stores on its Made in the USA programme. "And maybe a million jobs."

What could happen is that big brands will avoid Asia and shift production to Mexico and Central America, where there is already a robust apparel industry, says Augustine Tantillo, president of the National Council of Textile Organisations.

That would still help boost employment at US textile companies, which make the yarns, fabrics and fibres purchased by clothing producers. The American textile industry has 580,000 workers, down from about 1.8 million in the late 1990s when production shifted to Asia, according to the trade group.

Dov Charney knows as much about domestic clothing manufacturing as anyone. He founded American Apparel, which sewed its wares in a Los Angeles factory and touted that fact in a chain of stores nationwide.

Charney was forced out of the company, which then went bankrupt twice, but he's now working on a new LA clothing startup. Apparel production in the US is becoming more feasible because of the advances in automation and technology, he says.

The US doesn't offer the same kinds of financial incentives as China, Charney says. But he thinks companies could make a lot more stuff at home if they had the know-how – and perhaps a bit of a push.

"It's highly efficient to make clothing here, but a lot of people don't understand how to do it," Charney says. "American manufacturing is underrated."

<http://www.scmp.com/lifestyle/fashion-luxury/article/2062779/clothing-manufacturers-await-trump-presidency-bated-breath>

## South Asia textiles expand substantially (Sri Lanka)

**Ceylon Today, November 1, 2016**

COLOMBO - As one of Sri Lanka's leading textile manufacturers, having completed the initial Rs1 billion expansion programme, South Asia Textiles will embark on another ambitious expansion programme to infuse the latest state-of-the-art textile technology and machinery into its existing factory.

This investment is likely to exceed US\$ 3 million at the initial stage. Some of the machinery to be introduced will be the aerodynamic air-flow textile dye machines with absolute minimal usage of water, a continuous washer which saves water consumption up to 40% of the regular usage and a modern fully-automated 10-chamber stenter which enhances efficiency and quality of fabrics produced.

South Asia Textiles CEO/MD, Prithiv Dorai said the plan was to make the entire factory a green project within one year, thus making South Asia Textiles the first Textile Manufacturer to go green. Two large bio-mass and fossil fuel fired THERMIC & STEAM boilers have already been installed providing steam and heat generation for dyeing and finishing divisions.

Whilst recording a strong growth rate, several areas of expansion coupled with installation of latest technology and a process improvement has been the company's main objective. Success in achieving Zero Discharge of Hazardous Chemical (ZDHC) has added strength in keeping with international requirements and standards.

According to South Asia Textiles CEO/MD Prithiv Dorai, the year 2018 will be landmark year for the company as the ground work has begun for absolute Zero Discharge be achieved.

South Asia Textiles is the only weft-knitted fabric manufacturer in Sri Lanka to produce over 400 qualities with a specialty in achieving the lowest shrinkage standards in the Industry. Its customers comprise world-leading brand names such as Victoria Secret, Next Plc, Marks & Spencer, Tesco, Calvin Klein, Decathlon and Adidas, to name just a few. South Asia Textiles is a subsidiary company of LCI Group.

<http://www.ceylontoday.lk/print20161101CT20161231.php?id=8424>

## **Taiwanese firms to produce in US**

**Liberty Times, CNA, February 13, 2017**

TAIPEI - Several major textile manufacturers are to make products in the US, echoing US President Donald Trump's pledge to push for goods labeled "Made in the USA."

Everest Textile Co. a subsidiary of the Far Eastern Group, is one of the Taiwanese firms responding to Trump's advocacy. The company, which has bought a plant in North Carolina and repurposed the production lines, is scheduled to start production by the middle of next month.

Everest, which specializes in functional fabric production, said that the North Carolina plant would mainly manufacture fabrics, although some of the production lines would produce ready-to-wear garments.

The company said the repurposing of the US plant has proceeded smoothly, with production set to begin one month ahead of schedule.

Apparel maker Makalot Industrial Co. said that it is studying the feasibility of setting up a plant in the US as part of its plans to expand overseas. Makalot is also considering investing in Haiti and the Dominican Republic.

Li Peng Enterprise Co Ltd., the largest nylon chip and yarn producer in Taiwan, said that it is planning to open warehouse facilities in the US in the second half of this year to store the nylon chips it produces in Taiwan and Southeast Asia to meet demand in the US market.

Li Peng said that the US warehouses would be large enough to store about 2,000 tonnes, but they would not store nylon chips from China there, as they have been slapped with anti-dumping tariffs by the US government.

The warehouse business aims to better serve US customers by taking advantage of proximity to the market, the firm said.

This latest approach by textile makers represents a major shift in the sector's production focus, as goods have largely been made in China and Southeast Asian countries in recent years.

The Ministry of Economic Affairs has warned that Trump's protectionism could affect Taiwan's exports, while economists have urged the government and local exporters to come up with measures to counter the possible impact of Trump's policies, as the US is one of the largest buyers of Taiwanese textiles.

<http://www.taipeitimes.com/News/biz/archives/2017/02/13/2003664860>

## Large textile firm expand overseas (Taiwan)

**CNA, China Post, February 27, 2017**

TAIPEI - Lealea Enterprise Co., one of the largest polyester filament yarn and polyester chip makers in Taiwan, said it will set up its first overseas factory later this year in Indonesia.

Lealea Chairman Kuo Shao-yi, has made investing in Indonesia one of the firm's strategic priorities and set the goal of launching operations at the production site in the second half of this year, the company said.

Lealea signed a memorandum of understanding with PT Taroko Indonesia and will spend up to US\$50 million to acquire PT Taroko's production facilities located in Bandung, the third largest city in the Southeast Asian country.

PT Taroko is a joint venture between Taroko Textile Co., another textile firm in Taiwan, and Nan Ya Plastics Corp., one of the main subsidiaries of the Formosa Plastics Group.

Because Taroko wanted to diversify its interests beyond the textile sector and Nan Ya did not want to continue its investment in PT Taroko, Lealea seized the chance to acquire the facility, which it plans to upgrade, to start its business in Indonesia.

<http://www.chinapost.com.tw/taiwan/2017/02/27/492473/Major-textile.htm>

## ADB issues textile loans (Bangladesh)

ADB, November 29, 2017



MANILA - ADB will provide a 5-year senior unsecured term loan to Eastern Bank of up to \$20 million. The proceeds will be used to finance socially and environmentally sustainable projects in the textile and garment sector. In particular, the proposed loan will finance the construction or expansion of textile and garment factories

that meet the high structural, fire, and electrical safety standards required by the accord or the alliance. All sub-borrowers will be required to consider energy efficiency and be encouraged to select energy efficient designs and equipment for the sub-projects.

<https://www.adb.org/projects/50197-001/main>

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