

because we have had a 40 percent year on year growth in textile exports and our farmer has got 100 percent more on his produce, than last year. Not even a single bale of cotton is left on the farm.

“APTMA will ensure that free market mechanism should provide international prices to the farmer which helps the whole sector unlike India which has let down both the farmers and the textile industry. APTMA has clearly informed the government about a three million cotton bales shortage, but we will still continue exports, so that the farmer is ensured international prices.

“We, the textile mills, buy at international prices and sell all our produce at global prices in the world market and have been successful. In spite of the free market and the three million bales cotton shortage, 500,000 bales were exported, because Pakistani textile industry bought cotton at international price, which did not leave room for our farmers to be unhappy.

“We are expecting a record 50% growth in cotton production this year because of this policy of APTMA and the government because we did not want to protect the downstream textile sector, but we wanted to protect the farmers.

“For the first time in 60 years, APTMA has come forward to make the farmers and the downstream value-added textile industry gather on the same platform and now that the prices have come down, it is doing wonders for the industry”, he wound up by saying.

## LECTRA LAUNCHES DIAMINO® V5R4

Lectra, Paris, now offers its latest-edition Diamino® V5R4 marker-making technology, with solutions for fashion, furniture and technical textile applications. Diamino V5R4 uses a manual method for interactive marker-making and an automated method using algorithms when interaction is not needed. The methods can be combined to make more complex markers.

According to Lectra, manufacturers using Diamino V5R4's rapid Optimizer function on existing markers may reduce material usage by 1 percent on average over a number of markers. The machine also cuts material usage by setting a protection area only around internal notches. Efficient fuse block arrangement leads to time savings. HP-GL and Cutfile export interfaces are directly accessible, as

is the DXF format used for automotive and aerospace applications. In addition, only one interface is needed for printer and plotter management.

## \$20B TEXTILE EXPORTS SEEN IN 2011-12

Chairman All Pakistan Textile Mills Association (APTMA) Gohar Ejaz foresees \$20 billion textile exports provided the government ensures energy and single digit mark up rate during 2011-12. He was commenting on Federal budget 2011-12 right after the budget speech of Federal Finance Minister Dr Abdul Hafeez Sheikh on. He appreciated the government for focusing on bringing more people to the tax net, while maintaining status quo on tax structure. According to him, the tax to GDP ratio of 9 percent is worrisome and there is an urgent need of a better enforcement mechanism. He added that more focus on tax collection is the best solution. He also expressed his satisfaction over government's focus on Public Sector Development Programme (PSDP), allocating Rs 730 billion with Rs 60 billion for energy projects, and pointed out that more allocations are needed to meet existing energy shortfall in the country. He said the textile industry was running its operations with 43 percent curtailment both on electricity and gas supplies and the government should exempt industry from loadshedding on both ends. He urged the policymakers to sit down with textile industry to chalk out energy policy for the industry ahead.

Gohar said the textile industry has registered 40 percent growth during outgoing fiscal year, adding \$4 billion to exports comparing with last fiscal. It may be noted that the textile exports have reached to \$14 billion during 2010-11 against \$10 billion during 2009-10. He said the textile industry has also benefited cotton farmers with the availability of free market mechanism in the country and a total of Rs 900 billion is being injected to the cotton economy during last three years.

On single digit mark up rate, Gohar expressed the hope that the bank mark up should come down to 9 percent next year once the government overcomes inflation in the country. He said the textile industry was expecting a single digit mark up by meeting budget deficit through tax collection instead of borrowing from the banks.

load shedding, as the affected textile units have no option but to lay off. According to him, this situation may lead to a serious law and order situation in the concerned areas.

APTMA spokesman has also questioned the partiality towards textile industry and said the textile industry has failed to understand that why it is being subjected to 10 -12 hours load shedding when shortage/gap has considerably been overcome.

He said the government should provide uninterrupted power supply to textile industry consumers on independent and grouped feeders, enabling it to achieve production mainly meant for exports.

It may be noted that President of Pakistan Asif Ali Zardari has declared 2011 as the Year of Textile. The industry is therefore keenly looking forward to achieve record export target of \$14 billion this year. The APTMA spokesman has urged the Federal Minister for Water and Power to direct LESCO for observing exemption from load shedding for textile industry across the country, enabling it to meet the high expectations of President of Pakistan from the industry.

## ITALIAN YARN EXPORTS UP 20%

The Italian yarn industry is recovering strongly from the global recession, with recent figures pointing to a significant upturn in sales, and several key factors leading to a renewed confidence in the sector.

According to a report by business information company Textiles Intelligence, the production of wool, cotton and linen yarns in Italy rose by over 18% in 2010 after a fall of nearly 18% in 2009. In terms of sales, 2010 marked the beginning of a recovery for Italian yarn manufacturers after several years of steadily decreasing turnover, with exports lifting by 20%. The report added that the majority of Italian spinners believe that these better results will continue into the spring/summer 2012 season.

Between 2002 and 2009 the Italian yarn sector suffered a steady loss of sales which accelerated during the global economic downturn.

The report said: "The Italian spinning industry now believes that it has returned to a state of pre-crisis

normality. Admittedly, sales and exports are still well below 2007 levels, and some of the increase in value in 2010 must be accounted for by increased prices. But the data would appear to show that the long-awaited recovery from the effects of the global economic downturn has begun.

The report said that production by the textile and clothing industries in most EU countries recovered in 2010 having fallen at double digit rates in the previous year, and that this was reflected in an increase in exports.

In the first ten months of the year, exports of textiles and clothing grew by 7.9%. Most of the growth was in the textile industry rather than clothing. Textile exports were up by 13.3%, while exports of fibres increased by 20.2%. Production of clothing rose by 4.0%

The report added that the recovery in the West European textile industry has been helped by the move of some knitwear manufacturing back from China to Europe - to Italy in particular, as well as to Turkey and Eastern Europe. "Many buyers are reporting that Chinese knitwear manufacturing is becoming less competitive as a result of higher prices and demands from suppliers for high volume orders," it said, adding that the recovery in EU textile and clothing production and trade apparent in 2010 is set to continue in 2011 and 2012.

APTMA vouches for free market mechanism

"APTMA will ensure that free market mechanism should provide international prices to the cotton farmer which helps the whole sector, unlike India which has let down both the farmers and the textile industry, said the Chairman of All Pakistan Textile Mills Association (APTMA), Mr Gohar Ejaz.

APTMA is one of the most influential textile bodies in Pakistan and represents the organised spinning, weaving, and composite mills sector totaling to 396 textile mills. The total installed capacity of APTMA member mills amounts to 9.66 million spindles, 61,608 rotors, 10,452 Shuttleless/Airjet Looms and 1,897 conventional looms. The Association's members produce spun and open-end yarn, grey, printed dyed fabrics and bed linen.

Speaking to fibre2fashion, he informed, "It has been the best year ever for our farmers and textile mills

# WORLD Textile News



## EGYPT - MAJOR SPINNING AND WEAVING COMPANY REDUCES YARN PRICES

The Holding Company for Spinning and Weaving has decided to reduce the price of yarn by LE4 for the local market, according to company Chairman Mohsen al-Jilani.

The company, which is the largest yarn producer in Egypt, has recently had difficulty competing with foreign imports due to its higher prices.

In statements to Al-Masry Al-Youm, Jilani said the price would be reduced from LE31.5 a kilo to LE27.5.

Meanwhile, Tareq Amer, president of the Ahly Bank of Egypt, said his bank would extend the grace period for Mahalla's spinning and weaving companies to pay off their loans. He also said it would provide increased credit to companies that currently suffer from local market stagnation, greater raw material prices and the loss of some export markets.

At a meeting with investors and factory owners in Mahalla in Gharbiya Governorate, Amer said his bank is ready to adopt non-traditional solutions to support the industry and provide the liquidity necessary to operate the factories.

Amer urged the government to ease restrictions on the textile industry, and suggested lowering the sales tax on production materials and equipment while adopting measures to protect the sector's investors.

He expressed readiness to work closely with both businessmen and the government to look at ways of revamping the industry.

Amer also suggested establishing a fund to provide factories with better technology, adding that the bank is ready to grant credit facilities of over LE500 million to modernize the industry.

## INDIA - CARPET EXPORTS UP 19 PERCENT IN APRIL

Carpet exports grew by about 19 percent to USD 56.53 million in April 2011, due to demand surge from the western markets.

The exports stood at USD 47.80 million in April last year, according to the latest data provided by the Carpet Export Promotion Council (CEPC).

"There is a demand surge at the moment. The US and European markets are performing better," the CEPC's Chairman, O.P Garg told SME Times.

He also mentioned that the new markets are performing well, as demand flow is increasing particularly from Middle-east and Latin America.

The exports of major carpet items have witnessed growth in April which includes products such as handmade woollen carpets, rugs, druggets, durries, etc. In fact, cotton carpets have also witnessed growth in April.

While, other segments that include handmade woollen tufted carpets, handmade silk carpets and handmade staple/ synthetic carpets have also surged as compared to the same period in the corresponding year.

According to the Council, India's carpet exports increased by 24 percent to USD 653 million in 2010-11 against USD 525 million in fiscal 2009-10. CEPC has also targeted to reach USD 800 million of carpet exports in this financial year.

Huge losses due to 12 hours a day load shedding, APTMA

Spokesman of All Pakistan Textile Mills Association (APTMA) Punjab said Tuesday that 12 hours a day load shedding to the biggest cluster of the textile industry situated at Manga – Raiwind Road, Multan – Bhai Pheru under LESCO jurisdiction is causing huge production losses on daily basis.

He said a sizeable workforce is being hit hard during

# IRAN Textile News



## IRANIAN SCIENTISTS DEVELOP ECO-FRIENDLY NANOSTRUCTURES TO REPLACE TOXIC GREEN PIGMENTS

Iranian researchers at the Institute of Color Science and Technology (ICST) managed to prepare non-toxic corrosion-resistant green nanostructures with prospective application in ceramic industry, using microwave technology.

"We sought to synthesize nanostructural green pigments to substitute for chromium and possess favorable corrosion resistance as well," Susan Rasouli, faculty of ICST, said.

"Conventional green pigments being used in ceramic industry are based on chromium compounds, chromium oxide in particular, and have hazardous impacts on environment. Therefore, searching for alternative replacements is of significant importance and highly granted," she added.

In brief, Rasouli synthesized the aforementioned structures through doping of cobalt into zinc oxide structures. The fabrication process exploited the liquid phase thermal method which entails microwaves.

According to Rasouli, the employment of microwaves not only reduces the reaction time down to less than one minute but also guarantees a high quality product with desirable green color.

The researcher has utilized a mixture of citric and glycine fuels in the thermal technique to benefit from the synergy involved.

Rasouli stated that the sizes of the nanocrystalline range from 38 to 61 nm. "The morphology of the particles change from rod to sphere with glycine content," she added.

## IRAN INCREASES NON-OIL EXPORTS BY OVER 30%

An Iranian official announced that the country's non-oil exports have increased by 32% in the first two months of the new Iranian year (March 21-May 21, 2011).

"Iran's non-oil exports experienced a 32% growth in the first two months of the current year compared to the similar period last year," said an Iranian Trade Promotion Organization (IPO) official, Fathollah Kermanshahi.

He said non-oil commodities accounted for \$26.5bn of the \$40bn worth of goods that Iran exported in the year ending March 20, 2011.

Kermanshahi expressed the hope that the figure could reach \$45bn by March 2012 as domestic exports grow.

On Saturday, Iranian First Vice-President Mohammad Reza Rahimi underscored that Iran has the capability to further decrease the role of oil in its budget revenues, and said Tehran plans to boost non-oil exports to \$45bn this year.

"Creating 2.5m job opportunities all across the country and increasing Iran's non-oil exports to \$45bn are on the agenda of the government (this year)," Rahimi said in the Northern province of Semnan.

Stressing that attaining the aforementioned goals needs hardworking and industriousness of the people and government, the Iranian vice-president praised Supreme Leader of the Islamic Revolution Ayatollah Seyed Ali Khamenei's initiative in naming the Iranian new year (March 21, 2011 to March 20, 2012) as 'the Year of Economic Jihad'.

In a Nowrouz (Persian New Year) congratulatory message Ayatollah Khamenei called for concerted efforts by the Iranian nation and officials to prepare the grounds for a decade of economic growth.

Iran had earlier announced that it plans to boost its non-oil exports to \$80bn within the next five years.

According to a cabinet approval signed and issued in March by a number of cabinet ministers who are also members of Iran's High Council for the Promotion of Non-Oil Exports (HCPE), the country's non-oil exports in the current Iranian year will raise to \$43bn out of which \$31bn will be gained through exporting goods and \$12bn through exporting services.

The approval also predicted a gradual growth for Iran's non-oil exports in coming years, and said the country's non-oil exports will increase to \$43bn, \$50.5bn, \$59bn, \$69bn and \$80bn in the next five years, respectively.

According to official reports, Iran's non-oil products are exported to 160 countries of the world. China, Iraq, United Arab Emirates, India, Afghanistan, Turkey, Pakistan, Taiwan, the Republic of Korea and Belgium are the main destinations and markets of the Iranian products.



unprocessed form. Dyed fabric is only 20% of the total fabric exports. Export of fabrics in unprocessed fabric results in low unit value realization. Major markets for Pakistan s fabric are Turkey, Spain, Bangladesh, Sri Lanka, Germany, USA, Italy and China. Country-wise export of cotton fabrics from Pakistan is given in Table-4.

**Table 4: Country-wise export of Cotton Fabrics**

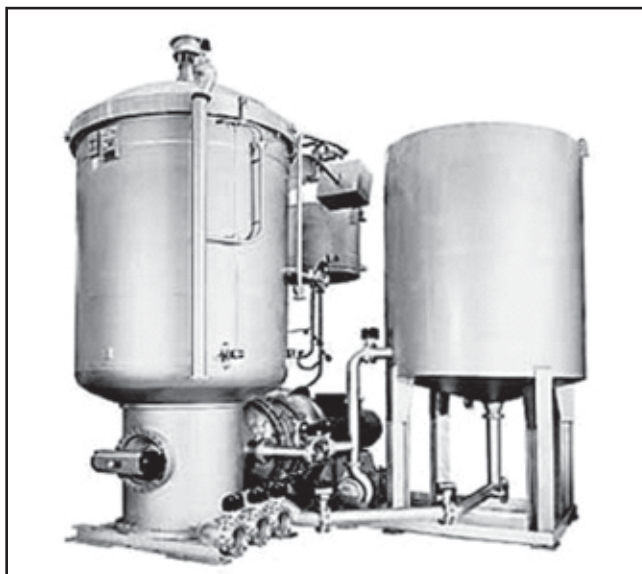
Country	2009-2010	2008-2009
Turkey	237,780	201,592
Bangladesh	199,576	176,396
Italy	138,591	152,590
Sri Lanka	92,269	78,410
USA	82,255	97,417
China	77,474	79,418
Germany	73,831	77,964
Spain	69,926	58,978
Belgium	50,528	55,841
UK	48,141	46,064
Egypt	43,094	43,720
India	33,362	26,510
Portugal	33,893	39,675
The Netherlands	32,856	31,429
U.A.E	31,176	62,398
Korea, Rep.of	30,816	25,976
Hong Kong	26,587	41,062
All other Countries	497,720	659,489
<b>Total</b>	<b>1,800,055</b>	<b>1,955,289</b>

Source: Trade Development Authority of Pakistan

#### Problems faced by the finishing sector

Pakistan textile industry is facing challenges due to social and environmental compliance issues from US and European buyers. The impact of environmental regulations on the textile sector of Pakistan can be classified according to many parameters. However, the major area of concern for the textile-processing sector is wastewater. Textile processing is a water intensive process.

Rising cost of production coupled with high interest rate, is the big factor in making the products uncompetitive. On the other hand Pakistan offered the lowest unit price for its textile and clothing products even lesser than Bangladesh, India, China in international market.



The government gave out a number of incentives in textile packages, research and development (R&D) support and swapping of costly loans to this sector. According to the State Bank of Pakistan financial institutions have disbursed Rs836 billion to textile sector during the first-half of the current fiscal year against Rs657 billion in the corresponding half last year, depicting a growth of 27%. Major chunk of Rs768 billion disbursed for the manufacturing of textiles, including spinning, weaving and finishing, manufacture of made-up articles, knitwear and carpet and rugs. The remaining Rs68 billion was disbursed on manufacturing of wearing, apparel, readymade garments and dressing.

Due to shortage of gas and electricity textile industry — from spinning and weaving to value-added garments and made-ups and home textile units have begun downsizing workforce to save the costs. The industry is laying off part of its workforce from skilled and semi-skilled labour to junior and mid-career marketing and sales executives to cut the costs and reduce their losses.

Recently government has agreed with the business community to continue zero rating facility for textile sector and 0% Federal Excise Duty, however it will impose withholding tax of 1% on this sector, 6% tax at yarn and 6% tax at dyed fabric. This scheme would be only for registered entities, companies and exporters. However, duty on import of raw materials would also remain zero.

sq. meters in 2005-06 to 1,009 million sq. meters in 2009-10, thus showing an average increase of 2% per annum. Out of total production of cloth during 2009-10 in mill sector, 57% produced in grey form, 30% dyed and printed, and 13% blended and bleached. Production of cloth (mill-sector) is given in Table-1.

**Table 1 : Production of Cloth**

Table 1 : Production of Cloth	
Year	Production (Million. sq mtrs.)
2003 - 04	683.4
2004 - 05	920.7
2005 - 06	915.3
2006 - 07	1,012.9
2007 - 08	1,016.4
2008 - 09	1,071.0
2009 - 10	1,009.4

Source: Textile Commissioner’s Organization Government of Pakistan.

**Import of Machinery:**

At present Pakistan s textile sector has made considerable advances in production. Over the last ten years (1999-2010) this sector has invested more than \$ 7.0 billion in modernization and higher value addition. Import of textile printing and finishing machines increased from Rs 587.85 million in 2008-09 to Rs 1.41 billion in 2009-10, thus showing an increase of 140% in terms of value. Import of textile printing and finishing machinery into Pakistan is given in Table 2.

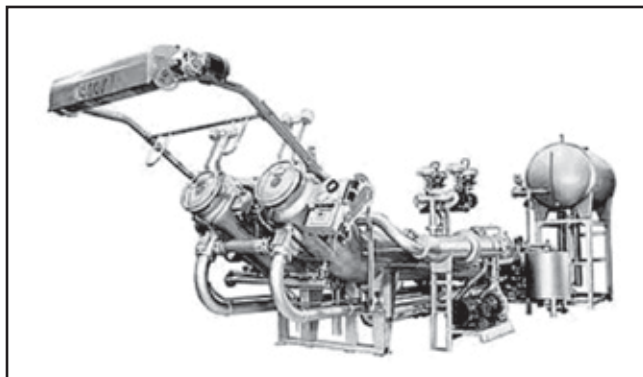
**Table 2: Import of Textile Finishing Machines**

Quantity: Numbers

Machines	2009-2010		2008-2009	
	Quantity	Value	Quantity	Value
Drying Machines	349	157.51	251	121.21
Bleaching Machines	61	149.71	24	66.07
Dyeing Machines	331	940.68	239	234.02
Coating or Lamination Machines	20	20.22	193	104.36
Dressing Finishing Machines	53	145.78	46	62.19
<b>Total</b>	<b>814</b>	<b>1,413.90</b>	<b>753</b>	<b>587.85</b>

Source: Federal Bureau of Statistics, Government of Pakistan

Due to withdrawal of custom duties and taxes and introduction of concessional financing and LTFF on the import of textile machinery, the new investment in the textile sector has started coming in.



**Export of Cotton Fabrics:**

The global trade in woven fabrics can be classified into two broad categories, cotton and blended fabrics and synthetic and artificial fabrics, commonly referred to as man-made fabric. Asia is fast emerging as major source of exports, especially of textiles, to the USA, EU and other countries of the world. Pakistan has emerged as one of the major cotton textile product suppliers in the world market. Pakistan s textile products have become less competitive in the international market owing to tough competition from Bangladesh, India and China.

Export of cotton fabrics decreased from 2.63 billion sq meters worth US \$ 2.11 billion in 2005-06 to 1.75 billion sq meters worth US \$ 1.80 billion in 2009-10, thus showing decline of 15% in terms of value.

**Table-3 shows export of cotton fabrics.**

Year	Quantity (Million sq. meters)	Value (US\$ Million)	Average (\$ sq. Meter)
2003-04	2,49	1,711	0.71
2004-05	2,399	1,863	0.78
2005-06	2,634	2,108	0.80
2006-07	2,211	2,026	0.90
2007-08	2,035	2,010	0.99
2008-09	1,882	1,955	1.02
2009-10	1,753	1,800	-

Source: Export Promotion Bureau, Government of Pakistan.

About 40% of the fabric exported from Pakistan is in

# Pakistan - Textile Finishing Industry Facing New Challenges



The textile sector contributing 67% to the country's exports, 40% to employment and 8.5% to the GDP - has shown substantial development during the last few years.

The exact number of factories, having high-speed rotary textile printing and processing units, is not known. However, most of the available units working on Hi-Tec machines are owned by big industrial and commercial cartels such as Adamjees, Gul Ahmeds etc. At present there are more than 700 independent processing units working in and around Faisalabad, Gujranwala and Karachi, in which about 70 integrated units with complete finishing facilities. These integrated units have complete finishing facilities i.e. bleaching, mercerising, dyeing, calendaring and printing. These textile printing and processing units have been classified into three categories i.e. A, B and C.

Category-A integrated units have complete finishing facilities i.e. bleaching mercerizing, dyeing, calendaring and printing. These units from the power loom sector procure cloth and after processing they marked it under own brand names. At times, these units also provide finishing facilities to the traders on charge basis.

Category-B units directly compete with the products of integrated units. In terms of quality, design and colour, their products are in no-way inferior to the products of integrated mills. Like the integrated mills these units also sell their products in wholesale market.

Category-C units are those, which do not have complete

finishing facilities. These are either engaged in bleaching and dyeing. In comparison with Type-A, these units perform more work on job order basis. Besides, they also procure cloth from the market and after processing market in under their own brand names.

Fabric is nothing but a clothing material which is made up of threads or yarn. It is a process of knitting, weaving, crocheting, and knotting. Fabric is used everywhere in daily needs. It is used in curtains, bedding, clothing, apparel, fashion industry, furnishing etc. Fabric is used in textile industries.

Synthetic fabric is not a natural material but it is an artificial process. It produces the nylon, polyester, and acrylic. These materials are mainly used in clothing. Fabrics make our life very colourful. The fact that most folks recognize how fabric can change frame of mind is the reason for the popularity of its colours, materials.

## Production of Cloth:

The weaving and made-up sectors have three different sub-sectors in weaving viz. integrated, independent weaving units and power loom sector. Cloth is being produced in both mill and non-mill sectors. Pakistan's fabric range from coarse to super varieties, with coarse and medium varieties consumed locally. The use of coloured cotton being unique and attractive has the potential to become a part of cotton fabric and apparel market, but there are some limitations to it. The natural coloured cotton is low in yield usually short staple and weaker in strength.

There are a large number of vertically integrated units, where production is controlled from fibre to the end product, and marketed abroad directly.

Production of cloth (mill sector) increased from 915 million