

EXPECTATIONS ON FUTURE TECHNOLOGY FROM ITMA

Ground breaking innovations has taken us from an era operated on steam and heavy load machineries to the generation wherein everything is available on virtual cloud whose size of storage is limitless but the space used on the planet is nearly zero. And the machineries today are not just light in weight but compact in all aspects. There are new attachments or reduction of lot many components in textile machineries. We are also entering a phase of robotics which has brought some time and cost saving in overall productions. Despite such advances there is always a great scope for new developments. As the road to innovation has no end. Years into this sector we have always waited for ITMA to reveal new direction for textile machineries across all the sectors be it spinning, weaving, processing or introducing new technology for the technical textiles being a specialized segment.

ITMA is the center of attraction for showing a new path for textile industry today. Textile industry is in a great situation in recent past. The brands are increasing their quality standards, they are improvising the garments in all respects like durability, experimenting different types of dyes & chemicals, new fibers are being introduced like linen, bamboo, banana fibers, new finishes, promoting green textiles for care of environment. So all the above extraordinary features are offered to the customer at high price levels. However from a customer's point of view the cheapest cost is what they desire with an appropriate quality, variations and something unique and one with a green label. Various technologies are already developed to achieve all the above with a minimal harm to the customers pocket. So, we suggest ITMA as the prime textile machinery exhibition should focus on showcasing the innovative ideas and concepts in this regard as well. As today the consumer is the centre of attraction of all marketing events even in the B2B segment.

If it is possible, we suggest, ITMA to give benchmark figures to its exhibitors to come out with machineries in next editions that will have at least achieved 10% improvement as against the previous edition either in productivity, quality, sustainability or develop models which would be cost effective. They can think of changing the metallurgy as per the latest developments in that sector. Their main focus should be on reduction in operating costs such as power, steam, water consumption, space reduction etc. The technology advancements happening in the fields like nonwovens, disposable textiles & recyclable fibers can be the major criteria on which ITMA show must focus on. Also the show should encourage all machinery manufacturers to come out with technology that will just not increase the productivity but also decrease the operating costs.

Automation will be another major area for focus in ITMA as we know nowadays labour cost is increasing day by day. Especially in India the 2nd largest textile manufacturing country, there are many unpredictable labour issues that affect the total capacity utilization of the plant and lead to huge losses on account of absenteeism.

We have observed that every next edition of ITMA i.e. after 4 years technology advancement is seen. I feel they should also ensure that after 3 editions the entire machine models that were previously displayed should also be changed. This will give emphasis on reducing the machine life by manufacturers and come out with cost effective machines which will be more acceptable to the industry.

Some funds can be kept dedicated for the research and development in this regards by the machinery manufacturers. It should be mandatory for the machinery suppliers to showcase their innovation and costs incurred on research & developments. Especially in India not much is seen in R&D. Subsequently it is the major reason we are only seen manufacturing conventional machineries and almost absent in manufacturing technical textiles machineries or any innovative machines which are being developed in other parts of the world.

Logistic is another important aspect as we know most of the machineries are being manufactured in one part of the globe and are then transported to the destinations scattered all around the globe. Hence, evaluation should be done on finding the best logically suitable manufacturing hub which can work as a sourcing hub for all machinery suppliers in various textile destinations strategically located in various locations thereby giving an advantage to the consumer on reduced transportation cost and much smaller delivery time.

Conclusion:

ITMA is considered to be the role model for textile machinery manufacturers. It has already facilitated funds to carry out research & development as well as taken measures to share the latest knowledge base on the developments with the young learners of textile world. We think, ITMA should come out with bench mark figures for their exhibitors to improve and increase the productivity of their machines by reducing operating cost. ITMA should insist the manufacturers to work on reducing consumption of power. The per kg reduction in power utilization figures can be displayed by the manufacturers in every edition against the one obtained in previous edition. They must also urge the manufacturers to reduce weight of the machinery to save material and reduce cost with cost ef-

fective metallurgy. ITMA must focus more on showcasing new techniques for green textiles, recycled fibers, new fibre developments and revolutionized technology. They can urge the manufacturers to introduce such developments and also promote it with a single objective of fulfilling the end consumer's demand for variety of products especially products like disposable textiles, etc. Also from better logistic management, ITMA may study the various locations and come up with strategic locations for developing sourcing hub near the textile industry. This will reduce the overheads of transportation and will lead to a shorter delivery period. ITMA can also think of promoting developing countries like India to help them increase their dominance in manufacturing of textile machineries.

Suvin Advisors Pvt Ltd, as management and Engineering consultant, would be happy to get associated with ITMA or Indian government to carry out such studies and help in overall development of the textile world.



AVINASH MAYEKAR

MD & CEO

Suvin Advisors Pvt Ltd

Highlights of Q4 (2018-2019) results of Major Textile Companies.

(Rs. In Crores).

Sr. No.	Name of the Company	Net Sales (Income)	Raw Materials Consumption	% of R. M. to Income	Power/ Fuels	% of Power/Fuels to Income	Employees Cost	% of Emp. Cost to Income	* P/L Before Tax	Net Profit /Loss
(1)	(2)	(3)	(4)		(5)		(6)		(7)	(8)
1.	Grasim Industries Ltd.	5352.27	2475.71	46.25	707.38	13.21	425.05	7.94	755.66	535.90
2.	Arvind Ltd.	1649.26	721.39	43.74	NA	NA	200.12	12.13	76.82	76.97
3.	Century Textiles Ltd.	938.76	460.65	49.07	108.35	11.54	57.71	6.14	243.16	153.50
4.	Welspun Industries Ltd.	1257.42	630.80	50.1	NA	NA	120.09	9.55	69.41?	123.63
5.	Vardhman Textiles Ltd.	1654.28	813.47	49.17	171.94	10.39	134.66	8.14	238.65	164.56
6.	Raymond Ltd.	878.67	163.56	18.61	NA	NA	115.46	13.14	48.44	48.03
7.	Siyaram Silk Mills Ltd.	587.62	207.99	35.39	NA	NA	49.69	8.45	68.02	46.73
8.	Donear Industries Ltd.	157.31	62.83	39.94	NA	NA	17.88	11.36	4.63	2.23
9.	Loyal Textile Mills Ltd.	334.13	197.50	59.10	NA	NA	24.38	7.29	1.17?	3.83

Source – Public Domain

VALUE ADDITION ON APPAREL FABRICS



Avinash Mayekar

MD and CEO

Fashion is for "change" and it changes rapidly every now & then... Nowadays, fashion is not just limited to a country or a community, it is much beyond that. There are seasons for fashion. The well awaited Fashion shows are happening in every town across all the major

fashion hubs. The design collections are born or generated by the icons at these shows and these designs become trendsetters across globe for the entire season. The designs are transferred to various manufacturing hubs overnight and fashionable clothes are seen in market within short time. Such is the global fashion scenario today.

When it comes to fashion trends at domestic level the fashion is changing rapidly, a particular fashion catches the eye of the users and the trend just flows in. In India, recently one such case of the cold shoulder is being seen. It started with cold shoulder tees & tops. But today you are seeing this cold shoulder concept in all types of garments from western dresses to Indian traditional kurtis, to saree-blouses and even in the formal shirts. Similarly in case of bottom wears torn jeans fashion is circulating. Torn jeans are seen in all sizes & shapes. There is no limitation to the extent of torn on denim, on a lighter mode these jeans if were seen by 18th era people they would tag them garments of beggars. As back then only beggars used to wear thrown away ripped clothes. Such is the fashion evolving & revolving today across each & every category of fabric be it apparels or home textiles.

A lot of innovations today are seen from the greener prospective. Fashion has started evolving beyond the aesthetic appearance. It's now considering the impact that apparels are creating on environment. Fashion is now focusing on conserving the natural resources that are available &



is strongly saying 'NO' to synthetic or "against the environment materials". 'Fashion with Care' is the new branding today. A certain class of people now prefers organic labeled apparels. The garment made from natural fiber is the new sensible fashion that is happening. This care for mother earth by fashion industry is not only seen in the form of pictures & slogans of saving environment printed or embossed on apparels but it is seen in the choice of apparel itself. Apparels in which everything from fibre to finished product & the processes involved are all greener & eco-friendly. This trend is an indication that the generations today are expressing care & concern so it might be seen in near future that the excessive use of dyes & chemicals might be reduced in textile. In India however there are decades for this revolution to take place but if this Fashion soon becomes the trendsetter then it will be spread like fire & reach to all corners of world be it rural or urban region.

All said & done the apparel prices are almost constant & steady at the international level & the retailers are pressurizing the supplier to reduce the prices and asking for higher demands as far as the quality, environment norms, and infrastructure & fire safety rules. So on one hand a manufacturer has to invest to meet these high demands & on the other side he has to reduce the prices or keep them steady. This major issue on manufacturer's side can now be resolved with the help of fashion as anything & everything even the fabric faults like "slubs and neps" can be branded as fashion today. The quality aspect can fade away as the deterioration or limitations of technology can be highlighted as fashion.

As the resources today are not cost effective, value addition is the only answer. In India this value addition is been missing for years. Predominately, we have been yarn supplier for entire world holding number 2 position in this category. However, as far as fabric or apparels are concerned we are at a distant position with single digit share in the global market. We are yet to understand the concept of value addition & supplying final apparels to buyers from entire globe in order to reap higher margins. In Indian context, I would like to say value addition in terms of fibre to yarn is almost 50% in case of yarn to fabric it is just 25 -30%. Fabric to process fabric it is another 50% & from process fabric to garment it is almost 30 - 50% & finally at retailer stage it's in multi-folds. This shows the percentage increase that value addition brings.

In India textile entrepreneurs who are for years are only into spinning business need to expand their activities into more value added products. This change at present is happening with negligible pace. Very few entrepreneurs are coming up with their own units with value addition.

COVER STORY

The value addition is however still missing at a country level, there is a grey or weak area as far as good quality of weaving & finishing processes are concerned. In case of garmenting people are importing fabric and then converting it as they find it more appropriate or cheaper in putting up only conversion line as against having their own in-house integrated plant.

The Textile scenario in India is not completely understandable as we are majorly supplying yarn which is highest capital intensive & has lowest profitability. Whereas when it comes to garmenting or apparels it is the highest profitable industry with lowest capital investment. So we need to understand this business tactics & adopt the strategy of our neighbouring country China who has few decades back, completely stopped their yarn exports & started exporting only the finished garments to the world.

Conclusion:

In India we are blessed with abundance of raw materials for textile products. We are almost independent as far as raw materials are concerned. We have abundant cotton

cultivation, viscose & polyester fibre and yarn, all other fibres which are in demand including PET recycled fibers. We need to convert them into complete value addition chain to produce finished goods. We are having all capabilities to our advantage like good textile culture, highly skilled workforce & knowledge base. With such advantages at our side I feel we must channel our strength for the growth of textiles & focus on innovations than being just followers. So, to create innovations we must lay good foundation & generate qualitative textile institutes, fashion designing courses, skill development programs that will ultimately develop innovative leaders in textiles. Our focus on value added finished products will only help us achieve the dream of becoming global leaders in textiles & apparels.

Taking a clue from fashion, it may happen that the entire mankind may think of not using any dyes and chemicals and we will brand ourselves as "eco-friendly products - say no to dyes and chemicals".

Let us build up a new image of India as an innovative and committed country...

SPUNLACE TECHNOLOGY FOR HOME TEXTILES



Avinash Mayekar
MD and CEO
Suvin Advisors Pvt. Ltd.

Home textiles have shown significant involvement in various end uses. If we see our home hotels & showrooms, home textiles have played very important role. It has given liveliness to these places. An additional x-factor is added to the rooms due to the varied colour & designs of home textiles that help to decorate the rooms. The Indian textile industry has fortunately shown flying colours in this segment. It is mainly because of innovative products that are self-designed produced by Indian companies. Let it be bed sheets, curtains or decorative textile materials Innovation & uniqueness is the key driving factor in home textile segment. As a lot of products are already produced in this segment, I would like to concentrate on Innovations which are going to happen in future in this particular segment.



If we take the case of textile curtains, these curtains perform the basic function to block the sun heat & rays from entering the room in addition to the aesthetic appearance of the room. With new developments in nonwoven industry especially by using spunlace nonwovens we can produce these curtains by using much cheaper raw material as curtains do not need much strength. The curtains are usually hung from one end and stay in one position so they should have the self-weighting properties hence we can reduce the weight of the curtains by using spunlace technologies. The spunlace curtains would take care of the aesthetic look of the fabric having the inherent capability of creating various structures & shapes that can be embossed on the fabric. Thereby the manufacturing cost of the curtains can be minimized drastically by using spunlace technology. So the curtains which were once being used for months or years can now be replaced after specific days or as per occasions or events due to the price benefits and even additional set of curtains can be kept to replace them alternatively.

The raw material required for producing curtains using spunlace technology can also be the by-products of textile industry like spinning waste and the short staples. The major requirement is that the fibre length must be upto 15mm. So the cost incurred on raw material using spunlace technology is much low as compared to woven curtains. Similarly the entire spinning weaving & then fabric processing i.e. bleaching & dyeing technologies will be completely eliminated as the fibres will be directly converted to fabric by using the spunlace technologies. This

technology is now getting popular worldwide & replacing most of the applications in which strength is not the major criteria but we need a fabric or felt which can be used as enhancing factor for that particular application.

In home textiles the second major product is towels. Towels are of various types and they are produced by using various types of raw material e.g. if we are catering to American markets open end towels are much famous. Whereas in case of European market towels having pile loops with high quality combed yarn are preferred which makes towels softer & good looking as various design/patterns can be incorporated on them.

With the recent trend of optimization of raw material and using very low cost of production, I think we need to start using disposable towels which can be produced by using nonwoven technology. With this method we can use 100% cotton or the by products of cotton like comber noil or flat strip. Such towels will not be very strong but will be having the essential property of absorption. Due to this It can easily absorb water or moisture & wipe or clean the body parts. These towels may use cotton or any natural raw material so it is skin friendly & will not cause any allergies to skin. There is no need to color them thereby eliminating the use of dyes & chemicals as they will be for use & throw purpose. However the aesthetic look can be taken care by the self-embossed technique used in nonwovens technology. Many developments for using this technology to produce towels are already being done. This will not only reduce the manufacturing cost but will also reduce the carbon foot prints & hence will be more environmental friendly. The other innovation is using bamboo fibre as raw material for producing towel. Still there is not much research done in this area but I am confident bamboo fibre can be used in place of cotton and have good functional properties and it can be transformed into bamboo towels which are in a great demand.

HOME TEXTILE FOCUS



In other products like bed linens, table covers, table napkins or wall covering a lot many innovations have taken place. We can also use disposable textiles for these products. Various types of patterns and structures can be the design elements for the self-developed fabric.

Conclusion:

The ease of use & cost effectiveness is the major reason for growth of disposable textiles in home textile. To avoid any infections, allergies & contamination most of the hospitals also promote use of disposable pillow covers, curtains & bed sheets. Five & Seven star hotels have also started adopting disposable textile in the form of napkins, towels to provide hygiene & quality products. The hotel brand labeled personalized goodies likes wipes, napkins entrust the customers with high standard products. Disposable textiles having main feature of "use & throw" is

highly demanded by travellers. Today monthly trip or weekend outing is the phenomenon widely practiced by Youths & even mid-forty population. This constant travelling has urged the use of disposable textiles like towels which are cost effective.

From the Restaurant, cafes, hotel chefs, panipuri stall vendors in mall's & sophisticated outlets all are using hats, gloves & aprons to maintain hygiene standards although at maximum places the conventional cotton aprons or hats are still noticed along with disposable plastic caps & gloves at local outlets, time is not behind when these will be replaced by nonwoven disposable textile due to stringent ban on plastic & for maintaining highest level of hygiene. These kitchen disposable textiles are even used by individual for day to day task like flour kneading, batter preparation etc. to keep their hands safe & neat.

The use of spunlace technology in hometextiles will give a different dimension to this segment. We can reduce dyes & chemicals totally as most of the products are usually preferred in plain white shade. Disposable textiles using no dyes & chemicals can be used especially in Hospitals, hotels & offices thus contributing a small share for saving the environment.

Is Maharashtra Textile Policy Going In Right Direction???

Timing of Maharashtra textile policy will be the game changer for the textile industry today. It is going to be the tide shifting event that will further boost the Industrial investments in Maharashtra. It will help overcome all the setbacks faced due to recent financial slow down. The textile industrial stalwarts were on a still mode avoiding any new investments in this sector post GST announcements thus an extra push in the form of policy was needed for the industry. This Maharashtra textile policy therefore kicks in exactly at the right time acting as a booster dose for the industry to take a chance & expand their business in multifold.

On analyzing the table 1.1 providing details of Maharashtra policy we will notice that the policy has been perfectly laid out to overcome the current shortcomings faced by the textile industry of Maharashtra. The policy ensures providing support in the form of subsidy to the concerned & less developed sectors of textile. The policy has taken care of the entire value chain. It provides 25% capital subsidy to ginning, spinning & weaving due to the fact that these sectors are already well established in the state whereas a capital subsidy of 40% to knitting, processing, yarn dyeing, garmenting & technical textiles to create value added products currently not much developed in the state.

The policy further take care of the least developed textile regions of the state mapped into 3 zones which are Vidarbha, Marathwada & North Maharashtra by providing additional subsidy. So if at all an entrepreneur is putting up a unit in the three zones identified above they will get an additional subsidy of 10% to 20% depending on their segment in addition to the percentage of subsidy that is already mapped for each segment as stated above. So ginning, spinning, weaving will get additional 10% subsidy i.e. total 35% in these three zones whereas knitting, processing, yarn dyeing, garmenting & technical textiles will get additional 20% subsidy i.e. total 60% capital subsidy to the units established in these areas. This policy of government will thus ensure employment generation to the local public of the region. Moreover the abundant availability of land in these regions will avoid overcrowding of existing textile zones.

An important & unique feature policy is that there is no upper capital limit to the amount of subsidy that will be sanctioned thereby giving the textile entrepreneurs a free hand to invest into larger projects as well. Despite the favorable government policy the other issue for textile investment in Maharashtra is the high power cost of the state compared to other states. This adds to the burden of textile industry specifically as power is the 2nd major cost factor in textile industry. The policy has addressed this is-

sue by offering power subsidy of Rs. 2/KWH for the textile units established in the state that will be using more than 107HP.

The benefits offered by the Maharashtra government for the textile industry is a great initiative as the state is a predominately cotton growing region. This policy will thus benefit both the cotton growers giving good value to their yield by means of forward linkage & to the industry by ensuring easy availability of raw materials. Seeing at the overall structure of the policy there is a great opportunity for entrepreneurs to venture into textile sectors.

Bringing textile policy is one step towards boosting the industry but for successful running of the textile units there is a greater need to have supportive infrastructure. The state government understanding this necessity has moved one step ahead and is working towards developing world class infrastructure. The Maharashtra industrial development corporation has already provided the necessary infrastructure in industrial belts like Kolhapur, Amravati to name a few & many new infrastructure development projects are lined up in coming future. This supportive infrastructure is not in the form of only highway connectivity to major cities & ports but is also designing & setting up common effluent treatment plants (CETP) along with basic utilities needed for the industry. During recent magnetic Maharashtra they have displayed their model of smart infrastructure development which would take care of the effluent treatment, requirement of water, sanitation & excellent road networking.

For providing readily available CETP, testing facilities, electricity, roads, water etc. MIDC will set up Integrated Textile Hubs / Parks at Amravati, Aurangabad, Beed, Buldhana, Jalna, Jalgaon, Nanded, Parbhani, Yavatmal and Wardha. At least 100 ha land at each of these mega integrated textile hubs will be developed as per the textile policy 2018-22. The promising factor from the policy is that the Maharashtra textile policy will also give special incentives to textile projects implementing environment friendly solar and wind energy projects.

The other major challenge for the Maharashtra government while serving to the textile industry will be ensuring & promising the necessity like water, power consistently for a longer duration. The government however has ensured that current MIDC centers are well equipped with technologies to calculate current water capacities & total water load that can be provided by them. The capacities installed in common effluents are also having capability to treat the effluent to a certain predetermined level. Thus there will not be any overloading leading to shortages & downfall of the industry in future.

Conclusion:

Such solid policy framework & supportive infrastructure has set the platform for world class textile industry to be setup in Maharashtra. Also the digital platforms of government will ensure that the subsidy will reach the industrialist in the stipulated time frames directly in their secured bank account. All though this textile policy has taken some months to be launched after the lapse of policy in March 2017, the policy is been outlined with crisp objectives ensuring the development in entire value chain of textile. Moreover this span has helped the industry to

carry out the research on new untapped opportunities available in textile especially in technical textile making them ready for investments to incash the maximum benefits on policy launch which is quite relevant to me in my recent interactions with textile owners. So the policy is set, the market is ready, its only time now for entrepreneur to involve the best in class team & develop their textile capacities to cater to the world thereby helping the country compete & excel in global markets. With such benefits & support the sky is limit & let us en-cash the maximum to reap higher profits.

	Type of Textile				
	Processing (yarn, fabric, printing), Technical textile Knitting, Hosiery and Garmenting *	Composite Unit**	Spinning, Ginning, Pressing	Modernization of powerlooms	New Powerlooms based on latest technology, Weaving, Preparatory etc
Subsidy to units in the General category	40%	35%	25%	25%	25%
Subsidy to units in the SC /ST/ Minority category	45%	40%	30%	30%	30%
Additional subsidy for production of Yarn, fabric and other products from non-conventional yarn	10%	10%	10%	-	-
For textile projects in the Vidarbha, Marathwada and North Maharashtra region					
Additional Capital subsidy	20%	10%	10%	10%	10%
Additional subsidy for units having Forward/Backward Integration	5%	-	5%	-	5%
Additional subsidy for units set up in a taluka not having any existing Spinning mills	-	-	5%	-	-
Additional subsidy for new composite unit set up in a taluka not having any Co- Operative or Private spinning mill	-	5%	-	-	-

All values are % of eligible amount Source: GR Maharashtra textile policy

*Construction cost of ETP / CETP / ZLD in the processing projects will be eligible for capital subsidy.

** Composite Unit: If particulars mentioned in Column 2 are not included then 35% for other processes and if particulars mentioned in Column 2 are included then 40% for those specific processes



Avinash Mayekar
MD and CEO
Suvin Advisors Pvt. Ltd.

Bangladesh Market : Zero To Hero Journey..!!

“Zero” the status comes as a shocker, when associated with the textile industry of Bangladesh. Looking at the current pace and magnitude of textile business handled by this country, I would say Bangladesh was never a zero, it was in fact all this while an undercover hero, until recently it has been unmasked to rightfully gain the term “Hero” for Textile Garmenting.

On the wider scale such huge growth of Bangladesh is not less than a miracle. This number one position is a very unique achievement for the country which was starving for food once upon a time. Going back in the 18th century, Bangladesh was once part of United India, and after partition from Pakistan it has gone through a very bad phase and its poverty level just declined from bad to worst. It had highest poverty level as compared to any other Asian countries back then. So looking at the transformation that has taken place with this country we can directly relate it with the phrase “The performance is best, When there is fire in the belly”. The starvation of Bangladesh people have pushed them beyond their limits and converted their country into best garmenting nation in the world.

Bangladesh’s economy was the second fastest growing major economy of 2016 with 7.11% Gross Domestic Product (GDP). Contribution of textile industry to the GDP was 28.1%, where RMG sector donated the biggest part. Since 2004, Bangladesh averaged a GDP growth of 6.5%, which has been importantly driven by its exports of readymade garments. Their apparel export has grown with CAGR of 12.43% in last 10 years. There are around 7,000 textile factories of which 3,200 are direct sourcing and 3,800 are indirect sourcing factories producing clothing for more than 200 foreign brands. Textile employment -5.1 million workers capturing a 5.1% market share after China’s 38.6%. The country exported \$25.5 billion worth of clothing in 2015 with a 49:51 combination of knit and woven clothing.

So when we speak about the term “zero” for Bangladesh industry is it just a relevant term used to simmer the phrase “Zero to Hero” or something much deeper. Yes! Bangladesh is been referred to be a “Zero”. From the

very prospective of having the essentials needed for textile industry like availability of raw material, forget about the availability Bangladesh is not having any raw material neither for cotton or any other man made fibre nor they have complete value addition which would have helped them to become the number one garment exporting nation. Moreover they also lacked supportive infrastructure and the favourable climatic conditions. But just as a Hero overcomes all difficulties and rises, Bangladesh too has become number one in garmenting by using its strength i.e. efficiency, skills of people, pure dedication & sincerity. This sincerity & dedication to work by the workforce was possible as there was no other industry to work in & gain their daily bread. So the necessity to feed themselves and their families has helped them outperform and gain excellent garmenting skills thereby leading to better living. Even today More than 75% of Bangladesh employment is generated by textile industry alone showing its importance.

A recap to Bangladesh journey will show us that initially Bangladesh entered the textile industry by simply doing fabric stitching on job work basis. These fabrics were imported from various countries. Later on they started catering to the international market needs. So because of their skills, their potential & mainly due to their efficiency global brands started looking at them as their garment sourcing partner. At the same time China despite having complete integrated plant from fibre to garmenting started outsourcing garments from Bangladesh as a strategic move looking at their cost effectiveness, higher productivity & better efficiency. Hence today Bangladesh is a garmenting hub for sewing inhouse & exporting to other countries. Brands have established their offices or export houses in Bangladesh for gaining competitive advantages. The other major reason that has helped Bangladesh is that it was a favoured nation by Europe & US thereby giving it advantage of selling at cheaper duties in these markets.

Speaking on the relationship of Bangladesh with India-the second largest textile industry & a neighboring country rich with raw materials an excellent synergy is possible that can help both the countries soar greater heights. But I recollect my visits to Bangladesh, on interactions with most of the textile industry leaders & associations, they have given me a common feedback that they prefer imports from India & look to our nation as their big brother, but the major issue lies in the price that India is offering to Bangladesh. As they feel this cost is bit higher. So I feel we need to assess the reason behind this high cost whether it is because of export duty or some other reason. In fact India ITME Society in order to boost the economies of India & Bangladesh had organized India Bangladesh



BANGLADESH UPDATE

round table joint venture conference with us- Suvin Advisors as knowledge partner. It was observed during the conference that there were positive vibes from both the countries and it was concluded that the policy framework will be restructured to overcome the hurdles. Feedback on similar line was also seen in India South Asia Summit organized by TAI in Mumbai.

All said in the road to glory there are many challenges, some conquered, few still to be tackled. For Bangladesh currently the major challenges are in infrastructure, roads & power generation. The Industry is running on gas based operations so it has not gone to the extent that it could have. This power issue is limiting the setup of integrated plants. There are only few big textile plants. So they are dependent on fabric imports from India, China & other neighbouring countries. The other issue is of education level though they are having excellent skill sets & artistic personalities.

Conclusion:

Still I feel that as Sky is the limit, Bangladesh can conquer new heights so it must concentrate on complete value addition. Manufacturing their own yarn & fabric will help them to compete at much cheaper level in the international market. The value addition of garment cell will not

help them much so they must start their own brands and cater to the global needs. For all this they must focus on attracting investment for infrastructure development, state of art technologies. The other hurdle of raw material sourcing can be easily managed as cotton, polyester and viscose are all available at international prices.

So a country zero because of its backwardness in poverty, education, raw materials and supportive infrastructure but what matters are the end results which makes them a Hero. Just as coal becomes a diamond when polished. Bangladesh with the dedication, efficiency & sincerity of Bangladeshi have polished themselves with their skills & has slowly & steadily reached the zeal and become number one. Also a hero, role model to look up on by other underdeveloped countries & an inspiration to developed nations.



Avinash Mayekar
MD and CEO
Suvin Advisors Pvt. Ltd.

Bangladesh A Major Textile Trading Partner

Bangladesh has been a major trading partner for India's textile industry with a share of more than 5% in exports and over 7% in imports. While annual textile exports to Bangladesh averaged US\$ 2,000 million, imports are worth US\$ 400.

The major items of exports fibre and yarn of cotton, man-made staple fibres and man-made filaments while major import items include apparel and clothing, fabric and other made up textile articles.

Exports to Bangladesh has been sluggish over the past 15 years, with some year seeing dramatic jumps but has slowed down in the past two-three years. Meanwhile imports have been seen rising in the corresponding period.

From the product-mix trade between India and Bangladesh, the latter import raw material from the former and export value added goods like fabric and apparel clothing to the world. The textile industry in Bangladesh has been structurally developed to manufacture value added textile products, due to lack of raw material, which it relies on imports from surplus countries like India and USA. India is the second largest supplier (16%) of textiles to Bangladesh, preceded only by China (35%) and followed by Hongkong (14%). For exports US, Germany and United Kingdom are the top destinations. India ranks 17th in terms of exports.

Textile Trade with Bangladesh				
	US\$ Mln		YoY % change	
	Export	Import	Export	Import
2002	190.7	32.5		
2003	226.0	28.4	18.5	-12.6
2004	314.5	21.9	39.2	-22.9
2005	338.6	33.5	7.7	53.1
2006	368.5	72.6	8.8	116.6
2007	355.7	75.6	-3.5	4.2
2008	837.6	99.6	135.5	31.6
2009	493.5	122.7	-41.1	23.2
2010	1100.0	162.8	122.9	32.7
2011	1138.5	267.3	3.5	64.2
2012	1652.1	277.1	45.1	3.7
2013	2000.3	278.9	21.1	0.6
2014	2085.4	268.1	4.3	-3.9
2015	2084.3	361.6	-0.1	34.9
2016	1919.2	438.2	-7.9	21.2

Includes all of HS code 50 to 63