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NEWS CLIPPINGS –12-12-2018

Duty drawback rate increase to boost textile exports from India	Business Standard https://www.business-standard.com/article/economy-policy/duty-drawback-rate-increase-to-boost-textile-exports-from-india-118120800397_1.html

The government's decision to raise the duty drawback rates will boost textile and apparel exports, experts said.

Despite several incentives offered by the government to boost textile and apparel exports, their shipment from India stagnated between $32 billion and $37 billion for over seven years.

For the financial year 2017-18, India witnessed textile and apparel exports to the tune of $36.05 billion as against the target of $45 billion. Now, the government has set yet another challenging target of $82 billion by 2021.

To achieve this, the government hiked the Merchandise Export from India Scheme (MEIS) rate from 2 per cent to 4 per cent on various products and also offered several incentives, including interest subvention. But, these efforts did not yield desired result primarily because of preferential treatment given to small economies like Bangladesh and Thailand in the western countries, the largest market of India's textile and apparel exports.

"The revised drawback rates will lead to increase exports of cotton textiles and other products in the value chain. There is a significant increase in the drawback rates for cotton made-ups which will encourage export of value-added products like home textiles. Further, the removal of drawback cap in the case of export products where the drawback rates are less than 2 per cent will benefit the cotton textiles exporters," said K V Srinivasan, Chairman, The Cotton Textiles Export Promotion Council (Texprocil).

The Union Ministry of Commerce raised the duty drawback rates across all varieties of textile and apparel by up to 70 per cent recently.

Global markets have turned favourable for Indian exporters because of the Chinese government's decision to reduce activities in the labour and energy-intensive industries, including textile and apparel. Industry sources said China has reduced its global market share in the textile and apparel segment to 38 per cent from over 40 per cent nearly two years ago.

India, however, has failed to grab the opportunity to increase its global market share which remained consistently at 1 per cent for several years.

China's vacated market share has not been fully explored because of the high cost of production and the liquidity crises in India. In fact, small economies like Bangladesh, Thailand, Indonesia and Vietnam have increased their global market share in the textile and apparel segment.

Meanwhile, India's overall textile and apparel exports recorded a marginal growth of 2 per cent to $20.8 billion for the April-October 2018 period over $20.4 billion in the corresponding last year. The share of textile and apparel in overall merchandised exports from India stood at 11 per cent for the period this year.

"The increased drawback rates will provide relief to the exporters. In view of the significant duties/taxes embedded in the man-made fibre (MMF) textile segment, the drawback rates declared now need to be enhanced at least up to 6 to 7 per cent from the existing 1 to 3 per cent," said Sri Narain Aggarwal, Chairman, The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC).

The increase in the duty drawback rates would help the exporters face the competition in the overseas market. The maximum increase of drawback rates on MMF textiles is by about 1.5 per cent.

Also, the product of nylon filament yarn (dyed) has been added under the drawback scheme.

Texprocil, meanwhile, urged the government to increase the MEIS rate for fabrics from 2 to 4 per cent and also to cover cotton yarn under the MIES apart from a 3 per cent increase in Interest Equalization rate so that exports of cotton textiles can achieve its true potential.

Cotton and Currency Markets	**Kotak Commodities Research Desk** **For more details contact :** Research@kotakcommodities.com **&** aurobinda.gayan@kotakcommodities.com

A. Cotton		
Spot price (Ex-Gin) 28.5 to29 mm		
Rs/Bale	Rs/Candy	USD Cent/lb
21322	44600	80.34
Domestic Futures (Ex-Gin) November		
Rs/Bale	Rs/Candy	USD Cent/lb
22220	46479	83.72
International Futures		
NY ICE USD Cents/lb. (Dec 2018)		80.02
ZCE Cotton: Yuan/MT (Jan 2019)		14685
ZCE Cotton: USD Cents/lb.		81.92
Cotlook A Index - Physical		85.55
B. Currency		
USD/INR	Close	Previous Close
Spot	70.811	70.904

Cotton Guide:

Cotton futures settled slightly higher across the board. That was considered a small victory for the bulls following larger USDA US production estimate. March settled at 80.02, up 14 points. The other months settled from 19 to 26 points higher. Volume was 25,030 contracts. Cleared yesterday were 19,884 contracts. USDA Monthly Supply-Demand report was highlighted with a surprise 300,000 bale increase in Texas. Expectations called for a decrease. With other minor changes, US production was increased by 180,000 bales.

USDA changes on the world balance sheet were taken in stride. The report was only the 2nd time ending stocks have increased this season. There were some concerns that World consumption had its 3rd consecutive reduction, report is the heftiest, down 1.25 million bales. Among the biggest changes in the report came in Brazil, production up 1 million bales and exports up 300,000 bales; China, consumption down 1 million bales and production down 500,000 bales; Pakistan, production down 600,000 bales and consumption down 200,000 bales; and India, production down 500,000 bales.

The reaction to the data was initially bearish therefore market quickly slipped to 79.11 cent but later it rebounded to end the session higher at 80.02. As indicated in our previous day's report and we have been stating for the past few weeks that despite any event or data cotton continues to trade in the range of 76.50 to 82 cents. This has been accurately 13 consecutive weeks that market is trading in the band.

On the technical front not major changed happened the 13-week range of 7650 to 8200 continues to hold prices. Current levels are in the upper half of that range. The daily modern work is mixed, but the short-term items are positive. We continue to see 81, 82 and then 83 as key resistance levels while 77 and 76.50 as support zone.

This morning while writing the report at 9 AM IST the market is trading steady at 80 cents and it is expected to maintain the same tone. The ZCE future is also hovering near the previous close. No major action on the other markets that Asian markets are mixed, USD index is steady. Two events that are scheduled this week: USDA Weekly export sales report on Thursday and CFTC Cotton On-call Report on Friday.

On the domestic front, spot price that traded around Rs. 45100 per candy on Tuesday corrected a tad down on Wednesday to Rs. 44900 per candy ex-gin which translates to 79.60 cents per pound. Likewise, Punjab J-34 is quoted at Rs. 4460 per maund. All India daily seed cotton arrivals are estimated at 132,500 lint equivalent bales (170 kgs), including 44,000 from Maharashtra and 38,000 from Gujarat. Arrivals in Telangana, Rajasthan and Madhya Pradesh have been interrupted by today's election results. Lastly on the futures front the December contract ended the session at Rs. 22220 up by Rs. 40 but was very volatile during the day. It made both low and high price of Rs. 22070 and Rs. 22300 per bale respectively. We expect the same counter to trade in the range of Rs. 22100 to Rs. 22400 per bale.

FX Guide:

Indian rupee has opened weaker by 0.3% to trade near 72.09 levels against the US dollar. Rupee remains pressurized by signs of waning support for ruling BJP government after state elections results. Also weighing on rupee are signs of interference of government in RBI. Shaktikanta Das, a former bureaucrat who oversaw Prime Minister Narendra Modi's controversial cash ban program, has been appointed as RBI's Governor. While the appointment eased uncertainty, it also shows increasing interference by government in central bank working. Gains in crude oil price has also pressurized rupee. Brent crude trades above $60 per barrel amid bigger than expected decline in US crude oil stocks. The US dollar is also supported by increasing uncertainty about Brexit agreement and leadership of UK Prime Minister Theresa May. However, supporting rupee is some stability in equity markets amid hopes of US-China trade deal. US President Donald Trump said he would meet with China President Xi Jinping if needed to advance trade negotiations. Rupee may remain under pressure amid uncertainty about BJP's prospect in upcoming 2019 general elections. USDINR may trade in a range of 71.75-72.3 and bias may be on the upside.

Garment exporters to be hit by reduction in duty drawback	**The Hindu** https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/garment-exporters-to-be-hit-by-reduction-in-duty-drawback/article25722380.ece

Apparel exporters in Tirupur have sought increase in duty drawback rates and Rebate of State Levies (ROSL) rates as the Government recently reduced the drawback rates for ready-made garments. In a memorandum to the Prime Minister, president of Tirupur Exporters' Association Raja M. Shanmugham said the reduction in duty drawback rates came as a shocker to the apparel industry. The rates were increased for cotton, yarn, and fabric but reduced for garments.

Traditionally, the government has been following a policy of encouraging apparel exports compared to other products in the value chain. Apparel sector is one of the largest job creators and more than 90 % of the apparel manufacturing units are in the MSME sector. "It is well known that for every crore of investment in apparel making, 70 jobs are created," he said. The reduction in duty drawback now for garments and increasing it for other products is a deviation from the existing policy.

Effectively, there is 0.1 % to 0.2 % reduction in the rates. Though this might not affect exports directly, by increasing the drawback rates for other products in the value chain, the government is encouraging export of raw materials (yarn and fabric) to the competing countries. Apparel industry was seeing negative growth for continuous months since last July.

"We have sought restoration of the pre-GST level of rates," Mr. Shanmugham told The Hindu . "We gave enough material to support our demand and to sustain competitiveness of the garment sector," he added.

"We want the government to revisit its decision and restore the pre-GST rates," he said.

Textile training and research institute to come up in Coimbatore	The Hindu https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/textile-training-and-research-institute-to-come-up-in-coimbatore/article25722379.ece

The open end spinning mills in Tamil Nadu, numbering over 400, will soon have a common research and training facility in Coimbatore.

G. Arulmozhi, secretary of the Open End Spinning Mills' Association, told The Hindu that the Centre (OSMA Training and Research Centre Private Limited) is coming up at Kalapatti at an investment of Rs. 1.5 crore. "It is expected to be commissioned in January or February," he said.

Pilot mill

The Association has taken a building on rent and started installing machinery. The facility will be a pilot mill with 600 rotors, blow room and carding machinery. The open end spinning units can use the pilot mill to run trials and take up research. About 100 workers will be trained every month. The Textile Sector Skill Council will support in training machinery operators and technicians for the mills.

Mr. Arulmozhi said the open end spinners produce 10 lakh kg of coloured yarn and 15 lakh kg of grey yarn a day and provide direct employment to nearly 1.25 lakh workers. "We need 70,000 workers to operate the machinery alone. Almost 70 % are from Bihar, Assam, West Bengal, and Uttar Pradesh. When they go home once or twice a year, nearly 20 % of the workers do not return," he said.

Train workers

Since the open end spinning mills are mostly small and medium-scale units, they do not have resources and infrastructure to train workers on their premises. The common facility can be used by all the mills to train the new and existing workers.

India's FTAs with ASEAN, Japan and Korea have widened trade deficit: Study	Business Line https://www.thehindubusinessline.com/news/world/indias-ftas-with-asean-japan-and-korea-have-widened-trade-deficit-study/article25719638.ece?homepage=true

The three pacts resulted in rising imports and a progressive slowdown of exports

India's three free trade agreements with the ASEAN, Japan and South Korea have not turned out to be favourable for the country as these resulted in growing deficits in merchandise trade, according to a study published by think-tank Third World Network.

"When the analysis of the three existing Comprehensive Economic Partnership Agreements (CEPA) show that the balance sheet is heavily loaded against India, there is no reason to hope that the Regional Comprehensive Economic

Partnership (RCEP), which includes 16 countries, will be any different for the country," said Biswajit Dhar, author of the report titled 'India's CEPAs with ASEAN, Japan and Korea', at a discussion on Tuesday.

The study is important as the government is at present focussed on how to make India's free trade agreements deliver more for all stakeholders and has also employed three think-tanks to analyse the on-going RCEP negotiations. India is especially anxious about RCEP as China, which is one of the bloc partners, holds the threat of flooding the domestic market with cheap Chinese goods.

Rising trade imbalance

Over the past decade, India's trade imbalance vis-à-vis its existing CEPA partners has steadily increased, the study observed. After the initial spurt in the middle of the previous decade, trade imbalances saw a sizeable increase immediately after the three CEPAs with the ASEAN, Japan and Korea came into effect. Trade deficit with the three countries, which stood at $4.5 billion in 2004 and $16.4 billion in 2010, shot up to $29.7 billion in 2015 before cooling down a bit to $26.6 billion in 2016.

"What is of additional concern is the fact that India's exports have lagged behind at a time when its CEPA partners have been providing additional market access," Dhar said.

The three CEPAs not only resulted in rising imports but also a progressive slowdown of exports. "These trends provide a clear indication that while India's FTA/CEPA partners were well positioned to taken advantage of an open Indian economy, Indian entities have been unable to exploit the market access opportunities offered by the partner countries," the study said.

Available trends in both exports and imports point to a hollowing out of the manufacturing base, which has prompted the present government to initiate measures for the revival of the manufacturing sector, the report added. The Society of Indian Automobile Manufacturers (SIAM), in its white paper on India's FTAs, has stated that the negative fallout of the pacts will seriously compromise investments, manufacturing value add and employment at no obvious gain in trade or economic expansion.

While the study could not throw much light on services trade in the absence of comparable bilateral data, it observed that none of the pacts resulted in significant liberalisation in the movement of skilled professionals.

Global yarn production up in Q2/18; fabric dips slightly	**Fibre 2 Fashion** https://www.fibre2fashion.com/news/textile-news/global-yarn-production-up-in-q2-18-fabric-dips-slightly-246145-newsdetails.html

Global yarn production increased by 5 per cent between Q1/18 and Q2/18 whereas global fabric production decreased from Q1/18 to Q2/18, according to the ITMF (International Textile Manufacturers Federation) State of Trade Report 2018, prepared by Olivier Zieschank, ITMF economist. It is an international forum for the world's textile industries.

Higher output where observed in Egypt (+1.4 per cent), the US (+3.2 per cent), South Africa (+3.3 per cent), and globally in Asia, where the overall +5.7 per cent increase was led by Chinese Taipei and Korea, Rep. (respective growth rates of +8.1 per cent and +8.8 per cent). An opposite trend has been observed in all surveyed European countries, Brazil, and Japan. Forecasts for Q3/18 are only optimistic in Africa but the Q4/18 previsions turn positive in all regions except Brazil where stability is expected. Global yarn stocks decreased globally by -4.75 per cent. This is the effect of small contractions in Asia and Europe (between -3 per cent and -4 per cent), a +18 per cent increase in Brazil, and a -20 per cent average decrease in the African countries surveyed. Altogether, yarn stocks reached 85 per cent of their previous year's level for the same quarter. Global yarn orders decreased by -6 per cent led by a strong reduction in the Brazilian market (-28 per cent). Yarn orders, however, increased in Africa and Europe by +5.7 per cent and +7.5 per cent, respectively.

Global fabric production slightly decreased from Q1/18 to Q2/18. The +0.25 per cent contraction reflects a -6 per cent output reduction in Africa, a decrease of -0.5 per cent in Asia, a +1.6 per cent increase in Europe, and a +3.7 percent jump in Brazil. The world output level now reaches 87 per cent of its Q2/17 level. Fabric production in all regions is expected to decrease in Q3/18 except in Brazil where stability is foreseen. Q4/18 should see improvements in all regions. In Q2/18, the global fabric stock level grew by almost +2 per cent. It was driven by Brazil's stock increase of +7 per cent, which brought global fabrics stocks 11 per cent above their Q2/17 level. Stocks remain stable in Asia, Europe, and the US. They continue to steadily drop in Egypt. Global fabric orders have risen by +43 per cent at world level in Q2/18, led by a +65 per cent increase in Brazil that followed an unusually low first quarter. Orders in Asia and Europe have stagnated and contracted in Egypt, respectively. Global fabric orders are now 16 per cent above their level observed in Q2/17.

India to roll out simplified GST return forms from Apr 1	**Cotton yarn Market** http://www.cottonyarnmarket.net/news/news2.php?action=fullnews&showcomments=1&id=22763

India� new simplified return forms for goods and services tax (GST) will be rolled out from April 1 next year, revenue secretary Ajay Bhushan Pandey recently said. Confident about achieving the budgeted target for GST collection, he said the refund process is being further streamlined to make it completely online and friendly for taxpayers.

Pandey was speaking to reporters on the sidelines of the Directorate of Revenue Intelligence (DRI) foundation day.

In the first eight months (April-November) of the current fiscal, the government has collected over ₹7.76 lakh crore as GST. The 2018-19 budget had estimated annual GST collection at ₹13.48 lakh crore, which means a monthly target of ₹1.12 lakh crore.

The revenue department, whose monthly target from GST is around ₹1 lakh crore, was short by ₹4,000 crore in GST collection in November. GST collection in November was ₹97,637 crore.

The department wants to raise that monthly target to ₹1.10 lakh crore, a news agency report quoted Pandey as saying.

Garment exporters of North rush to Centre for help	**Tribune India** https://www.tribuneindia.com/news/business/garment-exporters-of-north-rush-to-centre-for-help/696979.html

With readymade garment exporters losing competitiveness due to lower rates of export incentive scheme, the exporters in the northern region fear the new rates will significantly bring down the apparel sector's ability to export. They also apprehend that it will disrupt the entire value chain, including loss of employment.

Expressing concern, they have requested the Centre to immediately review the new rates of export incentive scheme to boost the exports. Last week, the Central Board of Indirect Taxes and Customs (CBIC) had slashed duty drawback rates on cotton, man-made and blended garments. The new drawback rates are effective December 19. The move came as a surprise for the apparel industry of Punjab and Haryana.

The scheme called duty drawback rates for apparel industry has decreased for most of the garment categories such as cotton, man-made and blended. In a letter written to the Finance Ministry, the Apparel Export Promotion Council (AEPC) has said the move has come as a setback for the industry which is already losing global market share due to reduced competitiveness after the implementation of GST. "The policy support for the industry after GST has significantly declined by around 5.5%," it said.

Barring few months, apparel exports are continuously declining since October 2017, mainly due to stiff competition, slowdown and discontinuation of certain export incentive.

"The capacity utilisation of the readymade garments has touched a new low of 70% because of dwindling export orders. The situation is alarming as textile sector is one of the biggest employers," said Lalit Thukral, MD, Twenty Second Miles.

"The council in its letter pointed out that the new drawback rates have a gap of 2.20% to 2.52% from the proposed rates," said Harish Dua, a garment exporter. The Council has sought the enhancement of rates as has been done for the other important segments such as yarn, fabric and made-ups so that the entire value chain can benefit. To boost the exports, the Council has provided detailed cost analysis for enhancing the drawback rates.

Thukral said many of the exporters have started shifting focus to the domestic market.

According to industry, around 30-40% of exporters have already started utilising their capacity to cater to the domestic demand. The domestic market is pegged at around Rs 3.25 lakh crore and is almost three times more than the exports market. However, manufacturers having deep pockets can sustain in the domestic market.

New Duty Drawback Rates Will Boost Cotton Textiles Exports - Chairman, TEXPROCIL	**Business Wire India** https://businesswireindia.com/news/fulldetails/new-duty-drawback-rates-will-boost-cotton-textiles-exports-chairman-texprocil/61166

The Government has announced the revised Duty Drawback rates vide CBIC Notification No. 95/2018 – CUSTOMS (N.T) dated December 6, 2018. The All Industry Rates of Duty Drawback re-imburses the incidence of duties of Customs on inputs and remnant Central Excise Duty on specified petroleum products used for generation of captive power for manufacture or processing of export goods. The Drawback rates for Cotton textiles products such has Yarn, Fabrics and Made ups have been increased. Welcoming the announcement of the new rates, Dr. K. V. Srinivasan, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL) said, "The Revised Drawback rates will lead to increase in the exports of Cotton textiles." There is a significant increase in the Drawback rates for Cotton Made ups which will encourage export of value-added products like home textiles, according to the Chairman, TEXPROCIL. Further, the removal of Drawback Caps in the case of those export products where the Drawback rates are less than 2% will benefit the Cotton textiles exporters, said Dr. Srinivasan.

The Chairman, TEXPROCIL extended his thanks to Smt. Smriti Zubin Irani, Hon'ble Union Textiles Minister for her support in getting the Drawback rates increased. He also thanked the Department of Revenue and the Drawback Committee headed by Dr. G. K. Pillai for the increase in the Drawback rates.

Dr. K. V. Srinivasan urged the Government to increase the MEIS rate for fabrics from 2% to 4% and also to cover Cotton yarn under the MIES and 3% Interest Equalization Scheme so that exports of Cotton textiles can achieve its true potential.

India to hold talks on upgrading bilateral trade pact with South Korea this week	Business Line https://www.thehindubusinessline.com/news/world/india-to-hold-talks-on-upgrading-bilateral-trade-pact-with-south-korea-this-week/article25719609.ece

English-teaching, domestic certification recognition on agenda for the review meeting

India will urge South Korea to re-consider including it in the list of nations allowed to send teachers to teach English in the country as many Indians may be fit for the job. Officials from both countries are meeting for negotiations on upgrading the existing bilateral trade pact in Seoul this week.

"India's demand for inclusion in the list of countries allowed to participate in the English Program in Korea (EPIK) was ignored in the harvest programme signed earlier this year. We are now insisting on it in the on-going negotiations for the upgraded CEPA," a government official told *BusinessLine*.

New Delhi also wants both countries to accept home country certification for identified professions pending conclusion of mutual recognition agreements for the same, the official added.

India and South Korea are negotiating to upgrade the Comprehensive Economic Partnership Agreement (CEPA) implemented by the two in 2010 envisaging tariff elimination/reduction in about 80 per cent of goods such as textiles, leather goods and, pharmaceuticals, opening up of sectors such as tourism and healthcare and freer movement of persons.

Early harvest programme

Both sides signed an early harvest programme in July with South Korea agreeing to eliminate tariffs on 17 more Indian products and India reciprocating by bringing down duties on 11 items. To make it easier for professionals to move from one country to the other, EHP also increased the visa duration for ICT employees to three years from one year.

"India hopes for many more concessions in the services sector as part of the upgrading of the CEPA which is expected to be concluded in 2019," the official said.

New Delhi believes that its demand that EPIK be leveraged to mutual advantage by including it as a native English speaking country eligible for E2 visa by Korea is a valid one. "There is no reason why South Africa can be included in the list of eligible countries to send English teachers and not India when we don't have any dearth of people with English speaking skills in the country. If such people have the additional skill of knowing the Korean language, they should be permitted to teach English in Korea," the official said.

Movement of professionals

India also feels both countries should not wait for formalising mutual recognition agreements in areas such as accountancy, healthcare, nursing and architecture to allow such professionals to move freely within the region. “India wants that till the time the MRAs are finalised, home country certification should suffice,” the official added.

The India-South Korea CEPA, so far, has benefited South Korea more with the country enjoying a trade surplus of $12 billion with India in 2017-18. “It is important for India to gain some leeway in services in the review exercise for the CEPA to have some balance,” the official said.

India to add 10,000MW renewable energy capacity in FY20: Report	**Greater Kashmir** https://www.greaterkashmir.com/news/business/india-to-add-10-000mw-renewable-energy-capacity-in-fy20-report/305887.html

This rise is owing to the large-sized capacity addition in the wind and solar power segments during this period, driven by policy support from central and state governments as well as the significantly improved tariff competitiveness of wind and solar power vis-a-vis conventional power sources With the share of renewable energy (RE) in the overall generation mix rising across India, rating agency Icra expects a capacity addition of 10,000 MW in fiscal year 2020, and has maintained a stable outlook for the sector.

The share of renewable energy in the generation mix has increased from 5.6 per cent in FY2015 to 7.8 per cent in FY2018

This rise is owing to the large-sized capacity addition in the wind and solar power segments during this period, driven by policy support from central and state governments as well as the significantly improved tariff competitiveness of wind and solar power vis-a-vis conventional power sources," it said.

Icra group head - corporate ratings SabyasachiMajumdar said the project awards by the central nodal agencies and state distribution utilities in 2017 and 2018 (year-to- date) provide a reasonably healthy visibility for RE capacity addition in FY2019 and FY2020 with expected addition of about 9,000 MW in FY2019 and about 10,000 MW in FY2020.

"This is expected to increase the share of RE in the all India generation to 10 per cent by FY2020 and further to 13 per cent by FY2022 based on capacity addition forecasts. We have maintained a year-end stable outlook for the domestic renewable energy sector," he added.

Ethiopian PM to inaugurate Chinese-built industrial park on Sunday	Xinhuanet.com http://www.xinhuanet.com/english/2018-12/11/c_137666749.htm

Ethiopian Prime Minister Abiy Ahmed will inaugurate the Chinese-built Dire Dawa industrial park located in the eastern part of the country on Sunday, state affiliated media outlet Fana Broadcasting Corporate reported on Tuesday.

Dire Dawa industrial park constructed by China Civil Engineering Construction Corporation (CCECC) at a cost of 51 million U.S. dollars, is expected to host investors in textile and leather sectors, and construction input sectors, reported FBC.

Stretched on 14,500 hectares of land, Dire Dawa industrial park will have 15 industrial sheds ready to accommodate prospective investors once it's fully commissioned. The industrial park is also expected to create employment opportunities to about 40,000 Ethiopians.

Speaking to Xinhua recently, Zhu Lei, Deputy Manager of the Industrial Parks Group under the China Civil Engineering Construction Corporation (CCECC) Ethiopia Office, said the industrial park has environmentally friendly waste discharge system.

Zhu further said CCECC has already constructed and commissioned Hawassa, Kombolocha and Adama industrial parks, while it has completed 70 percent of construction work for Bahir Dar industrial park.

CCECC was also a co-constructor of the 4 billion U.S. dollars Ethiopia-Djibouti electrified rail line which started commercial operations earlier this year.

The supply chain behind turning unusual materials into textiles	Supply Chain https://www.supplychaindive.com/news/supply-chain-unusual-materials-textiles/543793/

Banana stalks. Pineapple leaves. Squeezed oranges. Mushroom roots. Corn. Spoiled milk. Wood pulp. Soy beans. Chicken feathers. Things that go to the dump? Not so fast. These are the raw materials for new textile fibers, and they’re changing not only the sustainability footprint of fabric production, but the supply chain as well.

Each year the world produces more than 100 million tons of fiber, and manmade fibers have increased from 14 million tons in 1980 to 71 million tons in 2016. "We produce them in environmentally problematic ways, because if we use petrol from beginning to end, that’s bad for the environment. There's not enough natural resources to supply those materials," Yiqi Yang, PhD, a professor at the University of Nebraska-Lincoln, told Supply Chain Dive.

Development takes time, and the world can’t wait for a major disaster to start developing them. "That’s why the world needs alternative fibers, to make them more eco-friendly and sustainable," said Yang, who teaches courses in textiles, merchandising and fashion design, as well as biological systems engineering.

The EPA estimates that in 2015, 11.94 million tons of clothing and footwear was produced, a steady increase from 1.36 million in 1960, and 6.47 million tons in 2000. Landfill use increased as well, as 8.24 million tons of these materials were tossed in 2015. That includes mostly textiles, rubber and leather. Another 1.35 million tons of sheets and towels were generated in 2015.

As a result, businesses are mining waste products for fiber production. They're fermenting agricultural components not used for human consumption. And they're taking scraps of material, which were formerly incinerated, and weaving new yarns. The developers are driven by a sense of purpose, but they're also fashion insiders.

The alternative materials impact many parts of the supply chain, including sourcing, manufacturing and operations. Manufacturing sometimes has to be optimized for the new fibers. Buyers must understand the fibers' properties, alone or in combination with others. There's a lot of education involved at each level, and that's not that easy when introducing a new material.

Alternative fibers now on the market

Qmilk: Don't cry over 2 million tons of spoiled milk in Germany. While her factory can process 500 tons a year at full production, founder Anke Domaske is turning farmers' unsold milk into Qmilk fabric ("q" for quality).

In 2011, Anke experimented by drying out spoiled milk and reconstituting it into dough, with additives to make it waterproof, but no chemicals. She extruded it into fibers thinner than hair. "You can eat the fiber. It's that natural," she told Supply Chain Dive.

As an added benefit, its natural anti-microbial properties make it good for medical use, and fabric woven with Qmilk fibers was comfortable for her father, who developed a textile allergy when undergoing chemotherapy for leukemia.

Qmilk went into production in 2015, and the nonwoven textile is now in Italy's Tenderly facial and toilet tissue. The apparel cycle takes longer, at least two years from development to the sales floor, and Qmilk's fibers will be in a German outdoor manufacturer's collections soon.

Ethiopian PM to inaugurate Chinese-built industrial park on Sunday	**Xinhuanet.com** http://www.xinhuanet.com/english/2018-12/11/c_137666749.htm

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CCECC was also a co-constructor of the 4 billion U.S. dollars Ethiopia-Djibouti electrified rail line which started commercial operations earlier this year.