**Vietnam may take over BD in apparel export market share: StanChart**

KUALA LUMPUR: Vietnam is likely to overtake Bangladesh in the global apparel export market share once the Trans Pacific Partnership (TPP) takes shape, nst.com reported.

According to a research report by Standard Chartered Bank, the agreement is likely to benefit Vietnam's apparel industry, while hurting South Asian competitors like Bangladesh and Sri Lanka.

The TPP free trade grouping consists of Vietnam, along with 11 others namely Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and the US.

Negotiations have yet to reach a conclusive level although it is targeted to be tied up in 2015, after two year-end misses.

According to StanChart researcher Radhika Kak, the TPP would be negative for Central American apparel manufacturers that are currently subject to "triple transformation" rules under NAFTA (North American Free Trade Agreement) and CAFTA-DR ( Dominican Republic- Central America-United States Free Trade Agreement) to access the US market.

Negotiations between the US and Vietnam are underway on the terms of the trade agreement on apparel.

The US is understood to favour "yarn forward" rules, which implies that all stages of production, starting with yarn spinning, must take place within a TPP country.

Kak said the push for "yarn forward" or strict Rules of Origin (ROO) requirements reflects the US government's desire to protect its domestic textile industry from increased competition from non-TPP textile manufacturing countries.

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