ITMF Director General Christian Schindler, Ph.D., says: "Welcome to Hanoi. We are looking forward to many attendees at the annual ITMF conference."

ITMF Annual Conference In Vietnam

The ITMF 2012 Annual Conference will take place November 4-6 in Hanoi, Vietnam. It is co-organized by the Switzerland-based International Textile Manufacturers Federation (ITMF) and VINATEX, the Vietnam National Textile and Garment Group. The theme of the conference is "Challenges for the Textile Industry — Present and Future."

"Volatile raw material markets, sovereign debt crises, currency disputes, political instability in some regions, a blocked Doha-Trade-Round, looming protectionism ... these are just a few of the short- and long-term risks that the world economy is confronted with and which have far reaching implications for the global textile value chain." With these words, ITMF is introducing the conference.

As ITMF states on its website, the conference delegates "will benefit from a wide range of presentations, meetings and workshops in order to

- learn more about the ongoing changes affecting the global textile industry,
- exchange views and experiences regarding the challenges and opportunities of today and tomorrow and
- meet colleagues from the textile and affiliated industries from around the world."

Textile World spoke to ITMF Director General Christian Schindler, Ph.D., about the reasons why Vietnam was chosen to be the host of this year's conference.

TW: Why is this year's annual ITMF conference taking place in Vietnam?

Schindler: Vietnam has been opening up in the past two decades and has gradually integrated its economy into the global economy. Its proximity to many rapidly developing and emerging economies in Asia and the regional integration of its economy helped to spur invest-
ments and economic growth. Along with Vietnam’s economy as a whole, also its textile and apparel industry grew rapidly. Between 2000 and 2010, Vietnam’s textile and apparel exports surged from US$2.1 billion to US$13.5 billion — an average annual increase of 54.3 percent. While apparel exports still represent approximately 80 percent of the industry’s exports, textile exports have increased significantly. According to ITMF’s International Textile Machinery Shipment Statistics, investments in Vietnam’s primary textile industry picked up strongly. The segment of spinning machinery especially saw a strong increase. Since the year 2000, the Vietnamese textile industry has on average invested in approximately 210,000 new short-staple spindles every year. In 2011 alone, the industry installed 330,000 new short-staple spindles.

**TW:** What are the benefits for the Vietnamese textile industry in organizing this conference?

**Schindler:** Bringing the ITMF Annual Conference to Vietnam is an opportunity to showcase the Vietnamese textile and apparel industry, to promote investments in the industry, to build ties and networks with textile representatives from around the world and to discuss topics of mutual interest. In other words, hosting an ITMF Annual Conference provides the possibility to promote the Vietnamese textile and apparel industry.

**TW:** What do you expect from this conference for the Vietnamese textile industry?

**Schindler:** As the co-organizer of the ITMF Annual Conference, we hope that the participants will discuss the challenges and opportunities of the industry in the various general sessions as well as during the social activities outside the conference room. The ITMF Annual Conference with a truly international platform enables all participants to better understand the developments and ongoing changes in the global textile value chain — from fibers to retail — that the industry needs to understand to overcome the challenges and to prosper in the future. Of course, we hope that the links between the Vietnamese and the international textile industry can be intensified and strengthened.

**TW:** What are your hopes for the ITMF attendees for the conference?

**Schindler:** I hope that the participants will listen to informative presentations, will be able to participate in interesting discussions, will meet old and new colleagues and friends, will learn more about the Vietnamese textile industry, and will better understand the short- and long-term challenges and opportunities of the global textile industry.

**TW:** What should not be missed while visiting Vietnam and the conference?

**Schindler:** Attending the ITMF Annual Conference in Hanoi enables every participant to experience first-hand this fascinating country with a vibrant and dynamic society and economy. If time allows, one should also consider participating in the ITMF post-conference tour to central Vietnam. The cultural and natural treasures of Vietnam are numerous and definitely worth visiting and seeing. We are looking forward to welcoming a lot of guests to Hanoi in November.
After severe times, Vietnam has made tremendous efforts to become a serious player in the textile industry in Southeast Asia.

Vietnam: A Small Tiger Is Growing Up

TW Special Report

From humble beginnings since the reunification of its northern and southern regions, Vietnam has become a strong player in the global textile market. The textile and apparel industry plays a major role in increasing the country's prosperity. The Vietnamese textile industry, with more than 3,800 companies, is the leading export sector.

State-owned enterprises make up just 0.5 percent of Vietnam's businesses; however, 75 percent are joint stock or limited companies. The country ranks fifth worldwide in textile and apparel exports and has a labor force in that sector of more than 2 million people, of whom 1.3 million are working directly in the industry.

VINATEX

The Vietnam National Textile and Garment Group (VINATEX) is one of Asia's leading textile and apparel groups, and has a relationship with more than 400 organizations from 65 countries. It was established in 1995 as a result of merging textile and apparel state-owned enterprises. Of its 120 members, 95 percent already have been equitized. VINATEX member companies account for 9 percent of the Vietnamese textile and apparel industry's total labor force and 18 percent of total exports.

Economy

Vietnam's gross domestic product (GDP) grew by 5.9 percent in 2011, down from 6.8 percent in 2010. However, 2011 GDP growth was relatively high considering the country's efforts to control inflation.

Vietnam's textile and apparel exports in 2011 totaled US$15.8 billion, up 24.4 percent compared to 2010. Its main export markets were the United States, which accounted for $6.9 billion of those exports; the European Union, $2.5 billion; and Japan, $1.7 billion. Of the total textile and apparel exports, yarn exports accounted for $1.79 billion — up 27.8 percent from the previous year. China accounted for 30.5 percent of yarn exports; Korea, 16.1 percent; and Turkey, 15.4 percent. Vietnam's fabric exports totaled $831.7 million.

Vietnamese textile and apparel exports continued to record growth in the first six months of 2012, growing by $7.7 billion — an 8.2-percent increase over the same period in 2011.

In 2011, textile imports, not including accessories, netted $9.3 billion — a 28.8-percent increase over 2010 imports worth $7.2 billion. Cotton imports totaled 332,600 metric tons (mt) valued at $1.05 billion.
2012 ITMF ANNUAL CONFERENCE

Main Products Produced By VINATEX Members

<table>
<thead>
<tr>
<th>Product</th>
<th>Unit</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011 est</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yarn</td>
<td>1,000 mt</td>
<td>109</td>
<td>123</td>
<td>121</td>
<td>116</td>
<td>115</td>
<td>117</td>
<td>112</td>
</tr>
<tr>
<td>Fabrics</td>
<td>million m²</td>
<td>196</td>
<td>222</td>
<td>203</td>
<td>209</td>
<td>224</td>
<td>222</td>
<td>235</td>
</tr>
<tr>
<td>Apparel</td>
<td>million pcs</td>
<td>171</td>
<td>186</td>
<td>205</td>
<td>224</td>
<td>226</td>
<td>245</td>
<td>267</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>billion VDN</td>
<td>17,811</td>
<td>20,055</td>
<td>22,455</td>
<td>22,960</td>
<td>24,264</td>
<td>29,719</td>
<td>35,912</td>
</tr>
</tbody>
</table>

Table 1

Vietnamese Textile Capacities And Imports In 2010

<table>
<thead>
<tr>
<th>Product</th>
<th>Unit</th>
<th>Capacity</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yarn</td>
<td>1,000 mt</td>
<td>514</td>
<td>582.2</td>
</tr>
<tr>
<td>Wovens</td>
<td>million m²</td>
<td>680</td>
<td>2,180</td>
</tr>
<tr>
<td>Circular knits</td>
<td>1,000 mt</td>
<td>58</td>
<td>70</td>
</tr>
<tr>
<td>Flat knits</td>
<td>1,000 mt</td>
<td>23</td>
<td>106.1</td>
</tr>
<tr>
<td>Towels</td>
<td>1,000 mt</td>
<td>38</td>
<td>—</td>
</tr>
<tr>
<td>Tire cord</td>
<td>1,000 mt</td>
<td>8</td>
<td>—</td>
</tr>
<tr>
<td>Nonwovens</td>
<td>million m²</td>
<td>19</td>
<td>—</td>
</tr>
</tbody>
</table>

Table 2

Imports of other fibers and yarns totaled 614,100 mt and were worth $1.53 billion. Fabric imports totaled approximately $6.7 billion.

Structure

There are 70 spinning companies in Vietnam, 31 of which are located in northern Vietnam, six in the middle region and 33 in the south.

At the end of 2011, the textile sector employed some 840,000 people — 11.2-percent more than in 2010. The average hourly wage for textile workers that year was 60 cents in U.S. currency terms.

Important Retail Business

The cornerstone of the Vietnamese textile industry is basically the retail business. The country has 71 textile/apparel supermarkets, with locations in 25 cities and provinces. Plans call for increasing that number to 200 supermarket and trade centers nationwide by 2015, and to establish textile and apparel material and accessories centers in northern and southern Vietnam. Plans are also in place to promote and enhance fashion brands to increase competitive strengths, and to create an online textile/apparel trade website.

The Vietnamese textile and apparel industry's customers include the top labels worldwide. To name a few from the top three markets, U.S. brands and retailers include, among others, JCPenney, Nike Inc., Gap Inc., PVH Corp., Liz Claiborne, Target Brands Inc. and Perry Ellis; European brands and retailers include Marks & Spencer, C&A, The Otto Group, Camel, Seidensticker, Pierre Cardin and Jacques Britt; and Japanese brands and retailers include Itochu Corp., Sojitz Corp., Marubeni Corp., Mitsui & Co. Ltd., Seiko, Mitsukoshi Ltd. and Katakurah Industries.

Capacities

Vietnam consumes some 400,000 mt of cotton annually — with 35 percent of that total imported from the United States, 32 percent from India and 19 percent from South Africa.

In 2010, 3,656,756 ring spindles and 104,348 rotors were installed in Vietnam. Total yarn production capacity was 514,000 mt per year, primarily for 100-percent cotton yarn. Domestic consumption accounted for 34.7 percent of the yarn produced. Woven fabric capacity in 2010 was 680 million square meters (m²). The available production capacities and imports of these and other textile products are shown in Table 2.

Vietnamese Textile And Apparel Industry Development Plan

<table>
<thead>
<tr>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export</td>
<td>US$</td>
<td>11.2 billion</td>
</tr>
<tr>
<td>Capacity/year</td>
<td>Spinning</td>
<td>550,000 mt</td>
</tr>
<tr>
<td></td>
<td>Weaving</td>
<td>680 million m²</td>
</tr>
<tr>
<td></td>
<td>Apparel</td>
<td>1.8 billion units</td>
</tr>
<tr>
<td>Workforce</td>
<td>2 million</td>
<td>2.75 million</td>
</tr>
</tbody>
</table>

Table 3

Source: VINATEX

Textile World SEPTEMBER-OCTOBER 2012
Vietnamese Textile Industry Self Evaluation

In collaboration with VINATEX, the Vietnamese textile industry evaluated its own strengths and weaknesses in a SWOT analysis. A SWOT analysis is a strategic planning method to evaluate the strengths, weaknesses/limitations, opportunities and threats involved in a business or project. Here is the outcome of the analysis:

**Strengths**
- Dominant exporting capability and highly potential domestic market;
- Low costs, skillful labor force;
- Renovated and modernized equipment;
- Stable political environment; and
- Incentive policies.

**Weaknesses**
- Most enterprises are medium and small size;
- 50 percent of raw materials are imported;
- Production management is still weak and inefficient; and
- Marketing strategy is not paid serious attention.

**Opportunities**
- Shifting trend from China to Association of Southeast Asian Nations (ASEAN) countries, including Vietnam;
- Attracting investors from potential markets such as Russia and Korea;
- Expanding market share in United States, European Union and Japan market; and
- Large population: 86 million people.

**Threats**
- Strong competition from rivals including China, India and Indonesia; and
- Bargains of technology, hygiene, social responsibilities.

**Competitive Advantages**
However, VINATEX has defined some important competitive advantages over its neighboring states, such as:
- Abundant source of skillful, fast-learning and wage-competitive labor;
- Modern facilities backed with high-quality water treatment systems;
- Cost-competitive locations for manufacturing and exporting;
- Good and strong relationships with big international buyers/importers;
- Recognition of credibility for high-quality products; and
- Support from free trade agreements with major exporting markets.

*Source: VINATEX*

**Investment Opportunities**
Investment projects, along with government incentives for foreign investment, are deemed to be central to the improvement of the Vietnamese textile and apparel industry as Vietnam seeks to strengthen its competitive position in global apparel markets. Other contributing factors include low labor costs and a stable political environment.

The Vietnamese textile industry today comprises mainly apparel cut-and-sew enterprises. VINATEX has the following investments in the works to build manufacturing capacity for upstream textile production:
- viscose fiber plant (phase one): 30,000 mt/year capacity;
- compact spinning mill with 60,000 spindles: 4,500 mt/year capacity;
- greige fabrics plant: 30 million running meters/year capacity; and
- dyeing plant: 30 million running meters/year capacity.

**Human Resources**
VINATEX is focusing on R&D and training to foster competitiveness. There are plans for the long-term development of vocational schools and colleges. In this context, 20,000 workers should receive training to reach intermediate, college, or higher skill levels. There also is a plan to add some 60,000 educated and skilled workers every year. And, finally, the textile industry wants to cooperate with international partners to provide high-quality training.

**Future Plans**
The Vietnamese textile and apparel industry has an ambitious target plan, with investment capital estimated to total approximately $25 billion in 2020 (See Table 3). A complete infrastructure is planned for the industrial areas, including traffic systems, power and water supply, drainage and wastewater treatment centers.

The current textile and garment industrial total area of 510 hectares (ha) is based in two regions: in the north, in Pho Noi B comprising 121 ha and Bao Minh comprising 165 ha; and in the south, in Binh An comprising 76 ha and VINATEX Tan Tao comprising 148 ha. There is an ambitious plan to further extend the industrial area for textiles and garment production by 1,080 ha.

**Bright Future**
The future of the Vietnamese textile industry looks bright because of continuous efforts made by textile companies to upgrade their equipment to enhance their competitiveness. Over the last three years, there has been a fundamental change in the industry's structure, especially in the spinning subsector.

Editor's note: Executive Editor Jürg Rupp and Managing Editor Janet Beeler Rodie contributed to this report.
2012 ITMF ANNUAL CONFERENCE PROGRAM

Saturday, November 3

13:00 – 15:30: Board Meeting
15:00 – 19:00: Registration
16:45 – 18:15: Directors' Meeting
   Directors of member associations, associate and corporate members
19:00 – 20:00: Joint Reception
   ITMF officers; directors of member associations, associate and corporate members

Sunday, November 4

09:00 – 10:30: Meeting
   ITMF Spinners Committee
11:00 – 12:30: Meeting
   Joint Cotton Committee
12:00 – 19:00: Registration
12:30 – 14:00: Lunch

Fiber Session
14:00 – 15:00: Cotton
   Global Cotton and Textiles: Friends or Foes? — Robert P. Antoshak, managing director, Olah Inc., New York City
   Cotton vs PSF: Perspectives for Future Consumption — Antonio Vitali Este, CEO, Ecom Agroindustrial Corp. Ltd., Brazil, and president, International Cotton Association (ICA), United Kingdom
   Richard Shaw, Fiber business development manager, Bayer CropScience, Research Triangle Park, N.C.
   Panel Discussion/Q&A
15:00 – 15:30: Coffee Break

15:30 – 16:30: Man-made Fibers
   Review of Global Demand for Chemical Fibers — Peter Driscoll, managing director, PCI Fibres, United Kingdom
   R.D. Udeshi, president, polyester chain, Reliance
   Panel Discussion/Q&A

17:00 – 18:30: Meeting
   Fiber/Technical Textiles Committee

19:30 – 22:00: Welcome Reception and Dinner

Monday, November 5

Formal Opening Session
09:00 – 09:45: Welcome Addresses
   Vu Duc Giang, chairman, VINATEX, Vietnam
   Bashir H. Ali Mohammad, president, ITMF
   Ho Thi Kim Thoa, vice minister, Ministry of Industry and Trade, Vietnam (TBC)
   Hoang Trung Hai, deputy prime minister, Vietnam (TBC)

09:45 – 10:15: Coffee Break

10:15 – 10:45 State and Outlook of the Global Economy
First General Session
   Phan Chi Dung, director, Ministry of Industry and Trade, Vietnam (TBC)
   Le Tien Truong, vice general director, VINATEX
   Panel Discussion/Q&A
12:30 – 13:45: Lunch
Second General Session

14:00 – 16:00: How to Do Business in Times of Uncertainty and Volatility
   Sustainable Development of Chinese Textile Industry and Win-Win Cooperation for Global Textile Industry
   — Wang Tiankai, president, China National Textile & Apparel Council (CNTAC), China
   Making a Difference in the Textile and Apparel Industry — Marjorie Yang, chairman, Esquel Group, Hong Kong
   U.S. Trade Policy: Presidential Elections Do Matter — Thomas G. Travis, chairman, Sandler, Travis & Rosenberg, Miami
   Panel Discussion/Q&A
16:00 – 16:30: Coffee Break

16:30 – 18:00: Meeting
   Committee of Home Textiles Producers
   Evening: Gala Dinner
   Temple of Literature

Tuesday, November 6

Third General Session
09:00 – 10:00: From Fiber to Retail — How to Handle the Textile Supply Chain
   Cotton in the World's Supply Chain: Now and Into the Future — Mark A. Messura, senior vice president, Cotton Incorporated, Cary, N.C.
   Sustainability in the Textile Supply Chain: A Chemical Company's View — Huntsman Textile Effects, Singapore
   Panel Discussion/Q&A
10:00 – 10:30: Coffee Break
Fourth General Session

10:30 – 12:00: Old and New Retail Markets
   Global Changes in Clothing Consumption by 2020, and their Impact on Fiber-Manufacturer Supply Chains — Arvind Singhal, chairman, Technopak, India
   Thomas Nelson, vice president, VF Corp., Hong Kong
   Apparel Retail's Future and the Implications for Supply Chain Partners — Colin Funnell, executive vice president, Global Supply Chain, Gap Inc., San Francisco
   Panel Discussion/Q&A
12:00 – 14:00: Meeting
   Committee of Management
12:00 – 14:00: Lunch
Fifth General Session
14:00 – 15:00: Technical Textiles and Nonwovens
   Technical Textiles for Infrastructural Applications in Asia — Wally Moore, global group director, TenCate Geosynthetics, Pendergrass, Ga.
   Challenges and Opportunities for Nonwovens: Global and Regional Market Trends — Jacques Prignieux, market analysis and economic affairs director, EDANA, Belgium
   Panel Discussion/Q&A
15:00 – 15:15: The Global Textile Machinery Market Situation
   Christian P. Schindler, Ph.D., director general, ITMF
15:15 – 15:30: Invitation
   Invitation to the 2013 ITMF Annual Conference
15:30 – 16:00: Coffee Break
16:00 – 18:00: Workshop
   Offered by Huntsman Textile Effects

For latest program updates, visit itmf.org. Program accurate as of Textile World's press time.