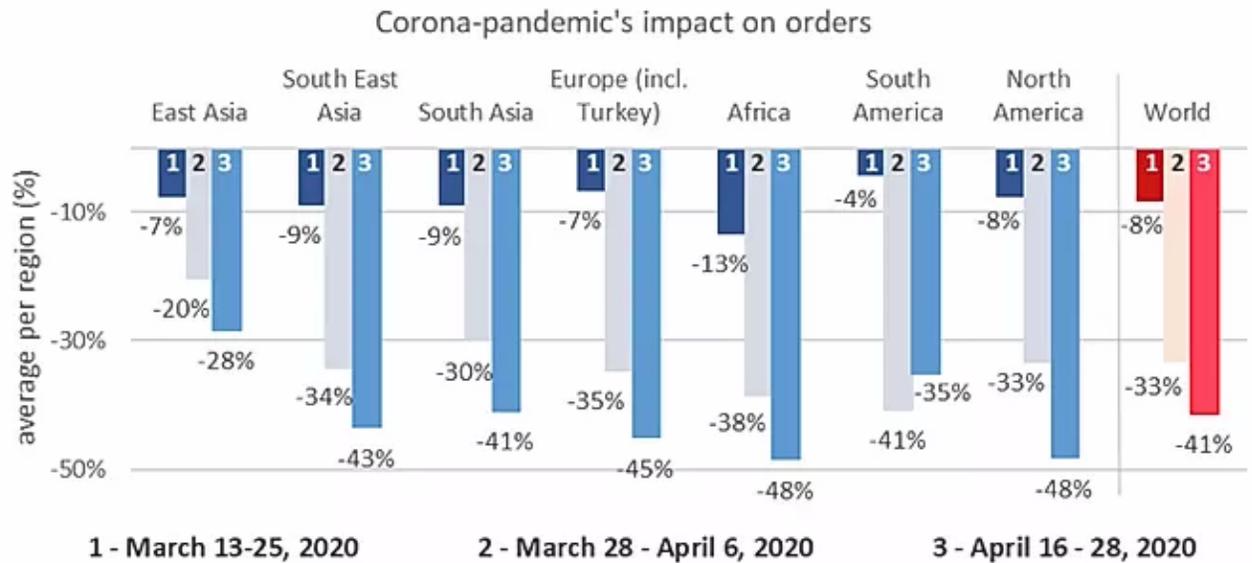
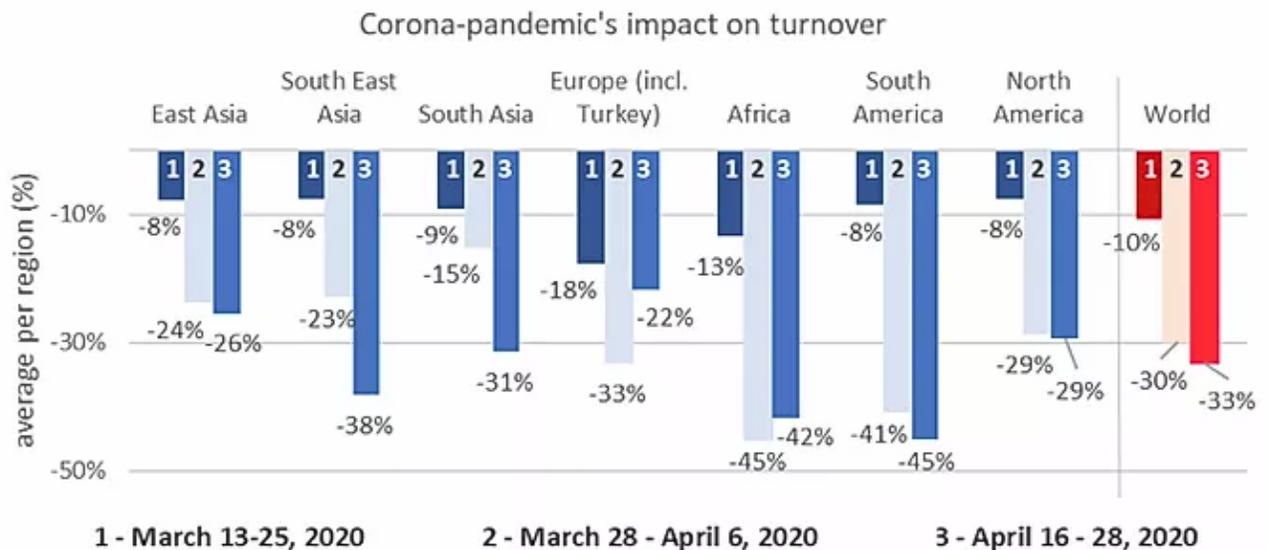


## 043020\_ITMF COVID survey | eTextileComms2



Worldwide, current orders are down by -41 percent on average (Source: ITMF)



Worldwide, expected turnover 2020 is down by -33 percent on average compared to 2019 (Source: ITMF)

**ITMF survey reveals precipitous drop in textile orders due to crisis**



Posted April 30, 2020

Between April 16-28, the International Textile Manufacturers Federation (ITMF)

conducted its third survey among ITMF Members and affiliated companies and associations about the impact the coronavirus pandemic on the global textile value chain, especially on current orders and expected turnover in 2020. In total, 600 companies from around the world participated.

Orders in East Asia dropped visibly less (-28 percent) than in all the other regions (-40 percent and more). It can be assumed that this region, which was hit first by the crisis, is also recovering first from it. Especially China and Korea were able to contain the epidemic successfully.

In the last few weeks, most Chinese textile companies have ramped up production significantly. Likewise, off-line retail stores have reopened, and consumption is picking up again in East Asian countries. It remains to be seen what the consumption behaviour will be like in China, Korea and other places once shops are open again.

Companies in Europe are expecting turnover in 2020 to be down by “only” -22 percent, a figure significantly better than the -33 percent reported in the second survey. Companies in East Asia are expecting turnover to be down by -26 percent, which is close to what was reported in the second survey (-24 percent).

Companies' turnover expectations in South East Asia and South Asia on the other hand have deteriorated significantly. These regions were hit later by the pandemic and hence the full impact was felt with a delay. Compared to 2019, expected turnover for 2020 is down to -38 percent in South East Asia and to -31 percent in South Asia. Turnover expectations in Africa, South America and North America have not changed much since the second survey.

#### Challenges:

- securing enough liquidity
- supply chain disruption
- uncertainty

#### Opportunities:

- increasingly thinking about diversification, currently focusing on medical textiles
- streamlining organisation and production processes
- accelerating the reassessment of existing supply chains
- accelerating digitalisation and investing in sustainable production

#### Government support:

- Many companies receive little to no help, even if governments have support policies in place.
- Many companies receive little to no help, even if governments have support policies in place.
- Government support can comprise:
  - loans with low interest rates and deferred repayment

- delayed tax payments
- delayed social security payments
- short-work schemes
- reduction of power costs
- The biggest relief comes when retailers/brands discuss adaption to the unwinding crisis with their suppliers instead of cancelling orders unilaterally.

Source: ITMF