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Global Textile Manufacturers See 33% Sales Downturn

By Arthur Friedman



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Textile makers foresee bottom-line turmoil ahead.

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The International Textile Manufacturers Federation ([ITMF](#)) conducted a third survey from April 16-28 among its members and affiliated companies and associations about the impact the [coronavirus](#) pandemic's impact on the global textile value chain, finding an expected worldwide sales downturn this year of 33 percent on average compared to 2019.

Among the 600 [textile companies](#) from around the world that participated in the survey, current orders were down 41 percent on average. Orders in East Asia were down 28 percent, while all other regions were seeing declines of 40 percent or more.

"It can be assumed that this region, which was hit first by the corona-crisis, is also recovering first from it," ITMF said, especially China and South Korea. "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."

Companies in Europe are expecting sales in 2020 to be down "only" 22 percent, significantly better than the 33 percent decline reported in the second survey conducted by ITMF on March 28-April 6.

Companies in East Asia are expecting sales to be down 26 percent, which is close to the 22 percent falloff reported in the second survey. Companies' sales expectations in Southeast Asia and South Asia, on the other hand, have deteriorated significantly. These regions were hit later by COVID-19, delaying the full impact. Compared to 2019, expected sales for 2020 were down 38 percent in Southeast Asia and 31 percent in South Asia.

Sales expectations in Africa, South America and North America have not changed much since the second survey, when they were forecast to be down 45 percent, 41 percent and 29 percent, respectively.

Companies said they were increasingly thinking about diversification, currently focusing on medical textiles, streamlining organization and production processes, accelerating the reassessment of existing supply chains, accelerating digitization and investing in sustainable production.

Many companies said they receive little to no help from government programs, citing areas such as loans with low interest and deferred repayment, delayed tax payments and delayed social security payments and plans to reduce of power costs.

“The biggest relief comes when retailers/brands discuss adaption to the unwinding crisis with their suppliers instead of cancelling orders unilaterally,” ITMF respondents said.

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