

Associations

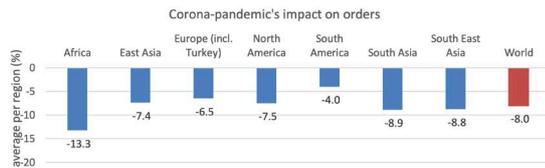
2020-04-09

ITMF-Survey about the impact of the Corona-pandemic on the global textile industry

Between March 13-25, 2020, ITMF has conducted a survey among ITMF Members about the impact the Corona-pandemic had on the global textile value chain, especially on current orders and expected turnover in 2020. In total 34 companies from around the world participated in addition to two national textile associations with several hundred participants. Furthermore, between March 28-April 6, 2020, ITMF has conducted a second survey especially on current orders and expected turnover in 2020.

Worldwide, current orders are down by -8%

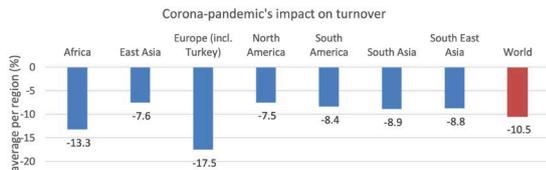
The results show that on average companies in all regions of the world suffered significant numbers of cancellations and/or postponements. On world average, current orders dropped by -8.0%. The decrease in orders ranges from -4.0% in South America to -13.3% in Africa.



Source: ITMF Survey (March 13-25, 2020)

Worldwide, expected turnover 2020 vs. 2019 is down by -10.5%

The results show that on average companies in all regions are expecting their turnovers in 2020 to be significantly lower than in 2019. On world average, the turnover in 2020 is expected to be -10.5% lower than in 2019. While in North America the expected decline will be on average -7.5%, companies in Europe are expecting a drop of -17.5%.



Source: ITMF Survey (March 13-25, 2020)

It is important to note that two factors played an important role in the survey that are also interconnected with each other. These are geography and time. Those companies and country organisations that had replied early (between March 13-16) and reported about additional orders were not (yet) directly or indirectly affected by the Corona-pandemic. With other words, these companies and organisations were neither affected by a Corona-epidemic in their own country, nor were their customers (mainly in Europe and North America). The later replies were received (from March 17 onwards), the more negative were the answers across all regions. It can be assumed that the fact that after March 16 more and more governments in Europe and North America introduced almost daily new regulations that were restricting public and business life (e.g. closing of kindergartens, schools, universities, shops, bars, cinemas, museums, sport facilities, ski resorts, borders, etc.) was crucial. With all these restrictions in place 'offline' consumption of textiles and apparel in retail shops, departments stores, outlets stores, etc. dropped dramatically. This seems to have led brands and retailers across the board to cancel and/or postpone orders significantly.

Challenges: Safety, lack of supply or demand and liquidity – Opportunities: Medical textile products

On the question of the main challenges companies are facing, companies around the world highlighted the following.

- safety and health of the workers and staff; disrupted supply chains, especially in connection with supplies from China;
- lack or delay in supply in the apparel industry;
- lack of demand or the fear that demand will drop significantly;
- lack of liquidity.

With regard to opportunities, companies also mentioned:

- streamlining their internal processes during the crisis will make them emerge stronger;
- companies producing fibres, yarns, fabrics and end-products with health care and protection function will see new opportunities.

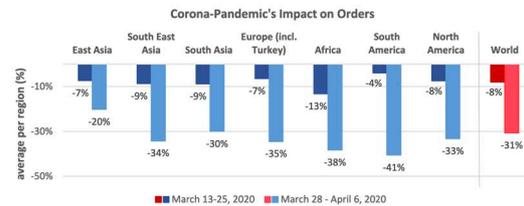
The results of the second survey for the period March 28 until April 3 on the impact of the Corona-pandemic on the global textile industry will be released on April 6.

2nd ITMF-Survey about the Impact of the Corona-Pandemic on the Global Textile Industry

Between March 28-April 6, 2020, ITMF has conducted a second survey among ITMF Members and affiliated companies and associations about the impact the Corona-pandemic on the global textile value chain, especially on current orders and expected turnover in 2020. In total 700 companies from around the world participated.

Worldwide, current orders are down by -31% on average

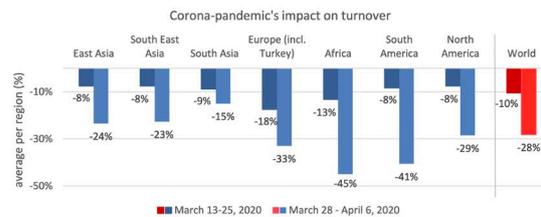
The results show that companies in all regions of the world suffered significant numbers of cancellations and/or postponements of orders. Globally, current orders dropped by -31% on average. The severity of the decrease ranges from -20.0% in East Asia to -41% in South America.



Source: ITMF Survey (March 28-April 6, 2020)

Worldwide, expected turnover 2020 vs. 2019 is down by -28% on average

The results show that companies in all regions of the world are expecting their turnovers in 2020 to be significantly lower than in 2019. On world average, the turnover in 2020 is expected to be -28% lower than in 2019. While in South Asia the expected turnover will fall by -15%, companies in Africa are expecting a drop of -45%.



Source: ITMF Survey (March 13-25, 2020)

Only three weeks ago, some regions were not fully affected by the Corona-pandemic. The new numbers on orders and turnover reveal the dramatic extent this demand shock has on the textile industry around the world.

The uncertainty about the duration of the crisis weighs heavily on the industry.

Challenges: Lack of demand and liquidity – Opportunities: Medical textile products

Companies around the world highlighted the following main challenges:

- lack of current demand and/or fear that future demand will drop significantly
- lack of liquidity

They mentioned the following main opportunities:

- companies producing fibres, yarns, fabrics and end-products with health care and protection functions will see new opportunities.

The results of the 3rd ITMF Corona-Survey about the impact of the Corona-pandemic on the global textile industry will be released on April 23rd, 2020.