

Results of the 27th ITMF Global Textile Industry Survey

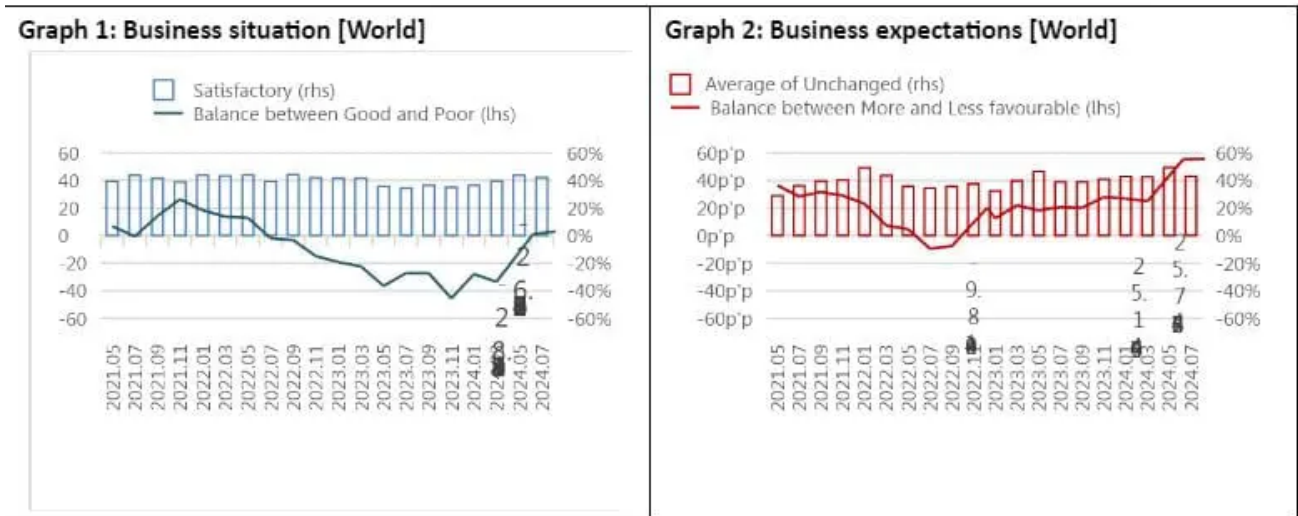
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The business situation remains dire, but expectations stay positive

ITMF's Global Textile Industry Survey (GTIS) in July 2024 reveals that the global textile value chain remains in a very challenging business environment. Even though on average the business situation is dire which reflects a low order intake, business expectations in six months' time stay positive. This very mixed picture shows that companies are expecting that this unprecedented long duration of a weak business cycle must come to an end eventually.

Order intake has improved slightly in July (-20pp) compared to May (-24pp) and is certainly significantly better than the -50pp in November 2023. Nevertheless, the capacity utilization rate fell slightly from 71% to 68%, the lowest level reached already at the end of 2023. The outlook for both order intake and capacity utilization rate are not indicating a strong improvement.



The major concern in the entire textile value chain was and is weak demand. 66% of participants expressed that they are seeing weak demand as a major concern. That geopolitics is now the second major concern (40%) shows that investors' and consumers' sentiments are suffering from wars and geopolitical tensions. High costs remain a challenge too, especially higher logistical costs (24%) due the problems related with the access to both the Suez and Panama Canals but also energy costs (22%) and raw material costs (27%).

Order cancellations are not a major issue as was the case in the immediate aftermath of the Corona-pandemic. Inventory levels are also average and do not pose a major concern for companies along the textile value chain. This was different with retailers and brands that struggled since the end of 2022 with unprecedented inventory levels.