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Discover the results of the latest ITMF Corona-Survey in this edition of the ITMF newsletter. It shows a relatively good business situation in the global textile industry, but optimism is slowly eroding.

Reasons for such a result are the consequences of the global supply chain disruption, of course, and the increasingly felt effect of inflation on both supply and demand. What has newly appeared however is a stronger feeling of helplessness with respect to future events. While manufacturers were getting better at dealing with the aftermath of the Corona pandemic, the war in Ukraine shook the world once again and rose uncertainty about future business. The ripple effects of the Russian invasion of Ukraine are not felt uniformly across regions and segments, but they will influence manufacturing decisions for a long time to come.



**Dr. Olivier Zieschank**  
director, ITMF

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## EXECUTIVE SUMMARY

### Article 1: Business situation remains relatively good



The business situation had peaked in November 2021 before the Omicron-variant emerged as the dominant Coronavirus. Nevertheless, demand remained strong and companies had largely good or satisfactory business. > [read more \(members only\)](#)

### Article 2: Business expectations weaker but remain in positive territory



Despite supply chain disruptions, higher costs, and the Russian invasion of Ukraine in February 2022 the business expectations remain in positive territory. > [read more \(members only\)](#)

### Article 3: Order intake situation softer but still in positive territory



Order intake is weaker in March 2022 compared to November 2021 and January 2022. Still companies have good order intake and are optimistic about the coming summer.

[> read more \(members only\)](#)

### Article 4: Order backlog now higher than in January 2022



Since November 2021 order backlog remains on high level which is an indication that high demand and supply chain bottlenecks are still going hand in hand.

[> read more \(members only\)](#)

### Article 5: Capacity utilization rate is expected to increase going forward



Despite high (pent-up) demand in the last 9 months or so, companies were not always in the position to use their production capacities fully due to lack of raw and/or intermediate materials. They expect this to change slowly.

[> read more \(members only\)](#)

### Article 6: Major concerns? – cost, cost, cost ... weaker demand



Companies struggle with higher raw material, energy, and transportation costs. In addition, they anticipate weaker demand as a result of inflation and increased uncertainty as a result of the Russian war in Ukraine.

[> read more \(members only\)](#)

### Article 7: On average only 40% of additional input costs can be passed on.



Higher raw material, energy, and transportation costs are difficult to pass on within the value chain. But the further downstream the more difficult it becomes, especially for garment producers.

[> read more \(members only\)](#)

## ITMF NEWS

### Combine ITMF 2022 Davos with GFC 2022 Dornbirn



The [ITMF Annual Conference 2022](#) will be held from September 18-20 in Davos, Switzerland. It will be held back-to-back with the [Global Fibre Congress \(GFC\) 2022](#) which is held traditionally in Dornbirn, Austria. This year the GFC 2022 will take place from September 16-18, 2022. The distance between Dornbirn and Davos is only around 110 km. Davos can easily be reached by car and by train. The two events complement each other very well and ITMF delegates might want to consider this special opportunity.

#### ITMF Annual Conference 2022 – Program, Start-ups & Awards

The **conference programme** for the [ITMF Annual Conference 2022](#) is already available on the [conference website](#) and very soon registration will be open. This year's conference offers

*[continued]* once again a lot of excellent experts from the industry that are covering the entire textile value chain from fibres to retail.

Furthermore, for the third time up to six **start-ups** will be able to present their innovation and business models. Until the end of April 2022, ITMF members could nominate start-up companies. It was extremely encouraging to see that so many start-up companies were nominated. A jury will now have a closer look at the numerous nominations received and has the difficult job to select in the coming two months up to six start-ups

that will be presenting in Davos.

At the ITMF Annual Conference 2022 in Davos ITMF will present for the first time the so called **ITMF Awards**. ITMF Awards will be awarded in the categories "Sustainability & Innovation" and "Intl. Cooperation". It is overwhelming to see how many applications were received. The jury for the ITMF Awards will have a very difficult task to identify and select the winners. What can be said already now is that the textile industry as a whole can be regarded as a winner. The fact that so many interesting projects are presented shows that many people are working on solutions for the industry's challenges thus creating a lot of opportunities.

## PARTNER NEWS

### VDMA: Next stop Techtexsil



Frankfurt, 2 May 2022 – In the run-up to Techtexsil, taking place end of June in Frankfurt, nine exhibiting VDMA member companies presented their highlights for the technical textiles market at a virtual VDMA kick-off event themed "Sustainable technologies for technical textiles". A series of VDMA technology Webtalks are planned up to the fair as well Spotlight Talks during the show.

[> read more](#) (link expires on May 14<sup>th</sup>)

## INTERVIEW

### Christian Schindler, Director General, International Textile Manufacturers Federation

Oxford Business Group interviewed Dr. Christian Schindler, director general of ITMF (This interview was first published on April 18<sup>th</sup>, 2022.)

## How West Africa can position itself as a leader in textiles and apparel

**CHRISTIAN SCHINDLER:** West Africa has traditionally not been known as a destination for textiles or apparel manufacturing. Now that nearshoring is gaining traction in the industry, several factors work in favour of the region's efforts to capture a share of China's market share. The most evident of these is the abundance of cotton grown in the region. West Africa's geographic location is attractive relative to destinations in Asia, given its proximity to the North American and European markets. Moreover, it offers advantageous trade terms under schemes such as the EU's Generalised Scheme of Preferences and Everything but Arms, and the US' African Growth and Opportunity Act.

Labour costs in Africa are lower than in most Asian countries, especially China, and the continent has a large

labour pool. These factors can be great assets if labour productivity can also become comparable. Energy costs are another criterion of competitiveness, especially in textiles. In Benin, for example, electricity costs are offered to industrial parks at \$0.08 per kWh – a globally competitive rate. The region is also competitive in terms of other inputs, such as water.

When you invest in an industry it is important to utilise the latest technologies to be both energy efficient and productive. This can give West Africa a competitive edge, as more established players need a transition period to phase out their existing machinery and production methods in order to meet sustainability concerns.

### **In what ways do textile parks support industry development, and how can governments facilitate expansion?**

SCHINDLER: Textile parks provide the main ingredients needed to attract investment into the industry. They offer high-quality, reliable, and cost-efficient infrastructure – and in many cases a source of clean energy. They also feature administrative assistance facilities, and operators benefit from attractive investment incentives in terms of taxes and duties. Such factors encourage a wide variety of actors to establish operations, which in turn creates a cluster effect that supports value-chain development.

Education is the most important area for government intervention. Upskilling the workforce with the explicit intention of meeting the industry's needs is critical to ensure steady growth. It is also imperative for employment opportunities that arise at all levels to be taken up by locals, rather than foreigners.

### **How quickly can West Africa develop its textiles industry?**

SCHINDLER: There is confusion around the speed, scale and scope of the nearshoring trend. China is still responsible for more than 50% of global textiles and around 35% of apparel production. In this context, even a 5% market share is a significant volume that no country can take up overnight.

The relocation trend has been happening gradually since the beginning of the Industrial Revolution. Before the Second World War, 50% of global spinning production

took place in Europe, mainly in the UK. Today, there is virtually none left in the UK and half of the global capacity is in China - demonstrating how far-reaching the shift can be and how long it can take.

There is more room for West Africa to grow in spinning or apparel. The remaining parts of the value chain will take time to develop. The textiles industry is capital-intensive, while apparel is labour intensive. Development typically starts either in spinning or in apparel because these are relatively easy to set up in terms of the technical know-how and capital needed. The bottleneck of the value chain is in weaving, finishing, and dyeing. For example, Vietnam started with and is growing rapidly in spinning and apparel, but everything in the middle of the chain is not growing as fast. Bangladesh is still a major importer of Chinese fabric.

It is possible to grow cotton-based industries with political and regulatory will, and public and private sector collaboration. A prime example of this is Uzbekistan. In 2015 the country was exporting almost all of its cotton. It had been trying to develop a local industry but was blacklisted in the Western markets due to forced and child labour practices. However, a new president turned this situation around. All the cotton produced is now transformed locally and end products are exported to Western markets, owing to strides made in collaboration with the International Labour Organisation. With concerted efforts, West African countries could be even more successful.

[> read original article more](#)

## UPCOMING EVENTS

### May

#### [iTechStyle Summit 2022](#)

May 24-25, 2022

Vila Nova de Famalicão, Portugal

### June

#### [Salone del Mobile](#)

June 7-12, 2022

Milan, Italy

#### [The Global Digital Textile Conference](#)

June 8-9, 2022

Como, Italy

#### [ISPO Outdoor](#)

June 12-14, 2022

Munich, Germany

#### [Intex South Asia Sri Lanka](#)

June 27-29 2022

Colombo, Sri Lanka

#### [Intex South Asia Bangladesh](#)

June 16-18, 2022

Dhaka, Bangladesh

#### [Heimtextil](#)

June 21-24, 2022

Frankfurt, Germany

#### [Tectextil](#)

June 21-24, 2022

Frankfurt, Germany