ITMF reports negative impact of Covid-19 in new survey

By **Jessica Owen** 01 April 2020

The ITMF (International Textile Manufacturers Federation) has published the results of its survey on the impact of the coronavirus pandemic on the global textile industry.

Between 13 and 15 March 2020, ITMF conducted a survey among its members about the impact that the Covid-19 pandemic has been having 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.

Worldwide, current orders are down by 8%

The results show that on average companies in all regions of the world have suffered significant numbers of cancellations and/or postponements. On average, current orders have dropped by 8%. The decrease in orders ranges from 4% in South America to 13.3% in Africa.
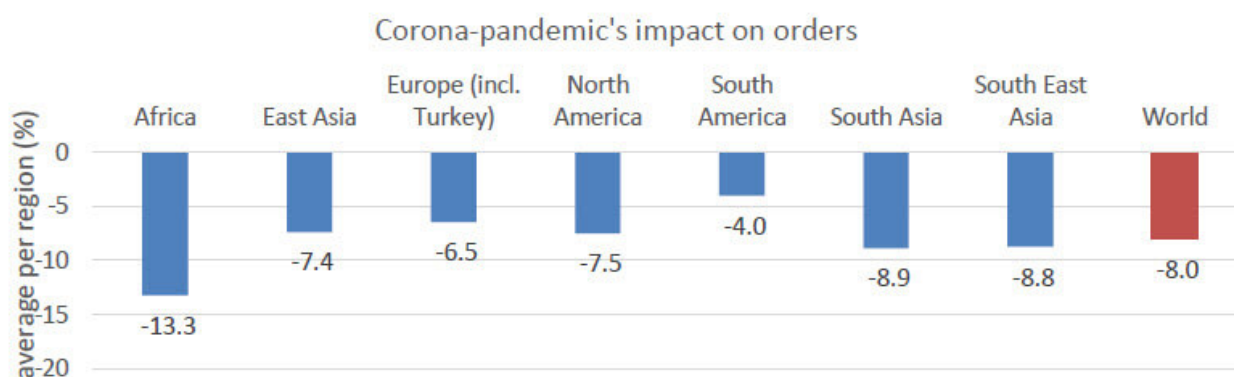
Worldwide, current orders are down by 8%. Source: ITMF

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 average, the turnover in 2020 is expected to be 10.5% lower than in 2019. While in North America the expected plunge will be on average 7.5%, companies in Europe are expecting a drop of 17.5%.
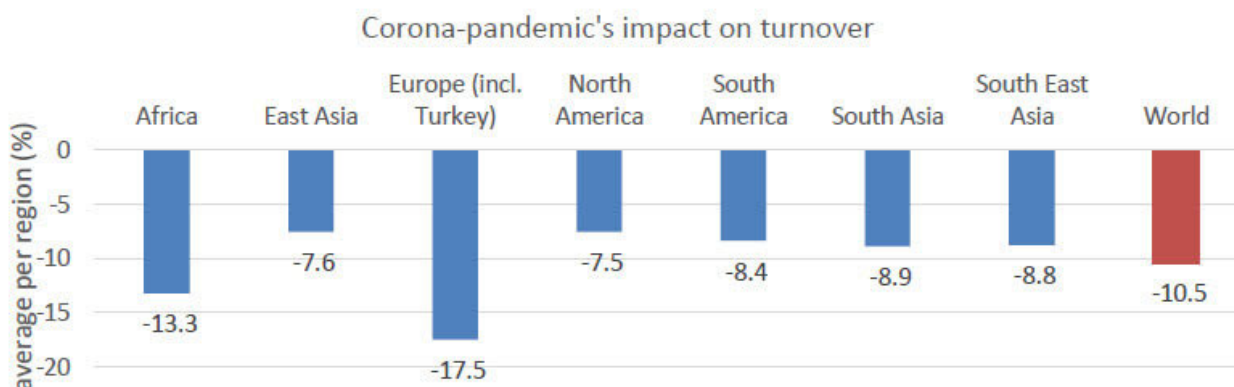
Worldwide, expected turnover 2020 vs 2019 is down by 10.5%. Source: ITMF

"The replies are very worrying," says Dr Christian Schindler, director general at ITMF. "Obviously, the uncertainty under which the companies replied are enormous because no one has ever experienced anything similar.

"And the recovery depends on so many variables like the intensity and duration of the crisis, reactions of governments, companies and consumers etc around the world. Nevertheless, the results are certainly a very good indicator for the time being and show that the industry is struggling."

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 replied early (between 13 and 16 March) and reported additional orders were not (yet) directly or indirectly effected by the coronavirus pandemic. In other words, these companies and organisations were neither affected by the situation in their own country, nor were their customers (mainly in Europe and North America).

The later replies, which were received from 17 March onwards, and were more negative across all regions. After 16 March, more and more governments in Europe and North America introduced new regulations that were restricting public and business life (eg closing of kindergartens, schools, universities, shops, bars, cinemas, museums, sport facilities, ski resorts, borders, etc). 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 and opportunities

The main challenges that ITMF has outlined include safety, lack of supply or demand and liquidity. Meanwhile, potential opportunities include the development and production of medical textile products. Additionally, survey participants mentioned that streamlining their internal processes during the crisis will make them emerge stronger, while other company producing fibres, yarns, fabrics and end-products with health care and protection function are seeing new opportunities.

"I think that in the short term partners in the textile value chain have to assist each other in addition to the support they might receive from their respective governments," adds Schindler.

"At the end of the day, they will need each other once demand will pick up again. Then you want to work with reliable partners that will help you to get the right quality and number of products at the right time onto the shelves. The crisis will reveal how good and strong the partnerships really are."

He continues: "The time should be used to question all internal processes. The supply chain has to be assessed in terms of sourcing practises and also market access. Also, new markets should be looked at in the medical and protective textile segments. Product requirements might change as a consequence. It is certainly a good time to look holistically at one's business model."

ITMF is conducting another survey on the impact of the Covid-19 pandemic on the global textile industry for the period of between 28 March and 3 April, and the results of this will be published on 6 April.

"Do they see a light at the end of the tunnel? Or will the situation have worsened? It will be very interesting to see how they judge the situation and what their outlook is for the future. We plan to do a third survey in about two weeks' time," he adds.

Have your say. Tweet and follow us @WTiNcomment
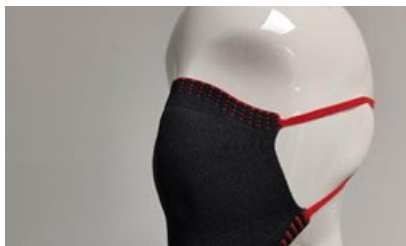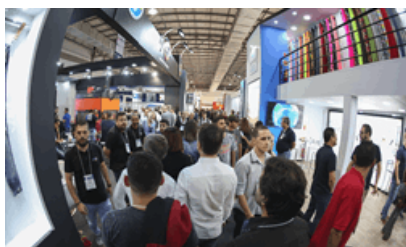
related articles

- WTiNews

- WTiNews

- WTiNews

- WTiNews

- WTiNews

The Discovery Panel is a subscriber only feature.

If you would like to learn more about subscribing to the site and services, then please contact +44 113 819 8155 or email sales@wtin.com.

If you would like to learn more about the Discovery Panel features and how it works then please click here.

Keywords relating to the article being analysed. Hover over the keyword to see the relevance (0 low relevance, 1 high relevance) and click a keyword to open a search for more related content.

Entity breakdown of article being analysed. The chart shows entities (companies, organisations, people, locations, regions and technologies) that are referenced in the article. Hover over an entity to see how relevant it is in the article (0 low relevance, 1 high relevance) and click an entity to open a search for more related content.

Concepts relating to the article being analysed. Hover over the main nodes to see the concept name and relevance. Click the concepts to see the relevant dpedia.com link. The child nodes from each concept are the most relevant other articles on wtin.com to that concept. Click these to open the article and hover over to see the article name and relevance to that concept. Relevance values are 0 to 1 with 1 being of most relevance.

Concepts relating to the article being analysed. Hover over the main nodes to see the concept name and relevance. Click the concepts to see the relevant dpedia.com link. The child nodes from each concept are the most influencing companies, organisations and people to that concept. Click these to open the a search to find more content related to that influencer. Influencer nodes are sized by how much influence they have on the concept they are linked to.