

ITMF PRESS RELEASE

International Textile Manufacturers Federation, Wiedingstrasse 9, CH-8055 Zürich, Phone (+41-44) 283 63 80, Fax (+41-44) 283 63 89

Soaring Cotton Prices Threaten the Textile Industry Worldwide

At its Annual Meeting in Sao Paulo/Brazil the International Textile Manufacturing Federation (ITMF) expressed its concern about the soaring cotton prices and their negative implications for the international cotton textile value chain from fiber to retail. The ITMF stated that the textile industry all over the world is not in the position to absorb any longer cotton price increases of unprecedented dimensions recorded during the past months without risking its own existence.

The ITMF calls upon the retail industry to change its business model to this new business environment of higher raw material prices. During the past 20 years the global textile industry was exposed to a deflationary environment with nominal prices for apparel and home textiles having fallen during this period on average by approximate 50%. This trend is not sustainable and has to be reversed.

Before this background the ITMF invites the retailers, department stores, and distributors around the world to discuss with their suppliers the fundamental changes taking place in the global textile value chain in order to better understand the risks and threats involved for all stakeholders and to develop strategies that allow for a healthy and viable textile value chain.

The **International Textile Manufacturers Federation (ITMF)** is an international Association for the world's textile industries, dedicated to keeping its world-wide membership constantly informed through surveys, studies and publications and through the organization of annual conferences, participating in the evolution of the industry's value chain and publishing considered opinions on future trends and international developments. Through ITMF the textile industries cooperate at the international level with organizations representing other sectors allied to their industry.

November 8, 2010