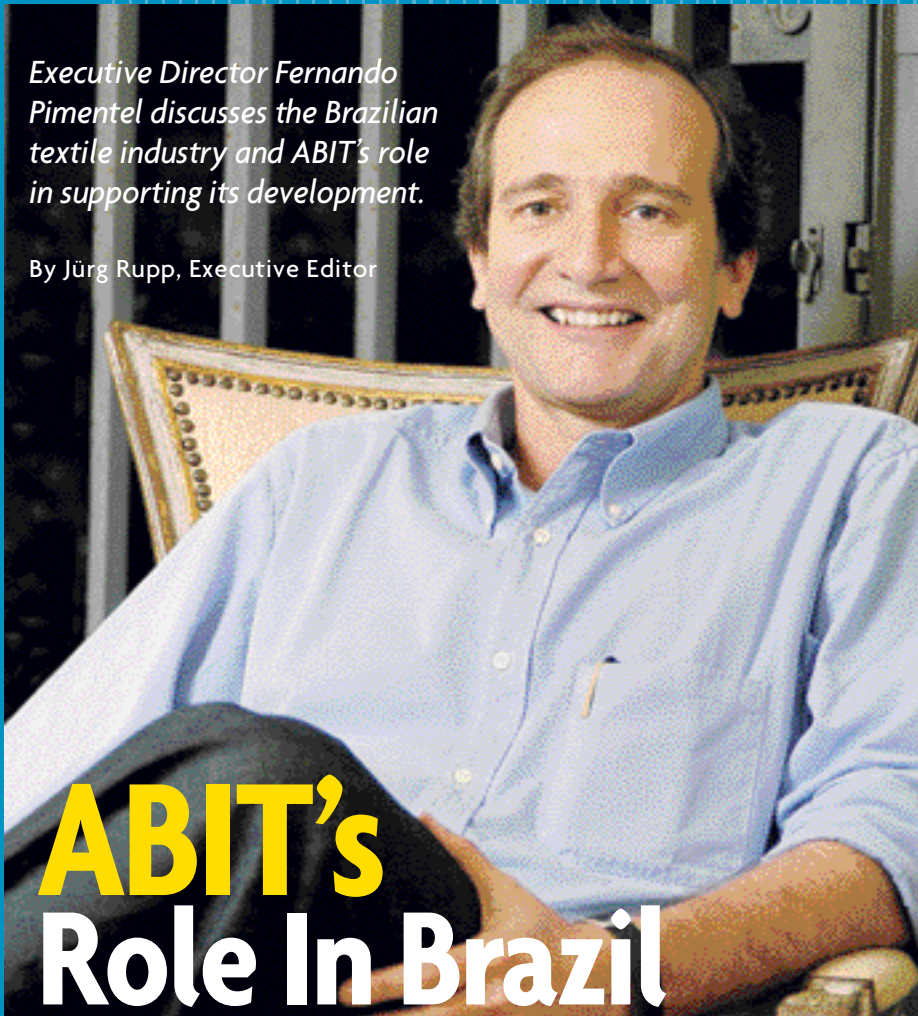


Executive Director Fernando Pimentel discusses the Brazilian textile industry and ABIT's role in supporting its development.

By Jürg Rupp, Executive Editor



ABIT's Role In Brazil

The Brazilian Textile and Apparel Industry Association (ABIT) represents the entire Brazilian textile industry. Founded in the early 1960s, ABIT sponsors some 30,000 companies directly or indirectly working for the whole textile production chain. The following aspects are covered within ABIT's sector committees:

- machinery, quality and productivity/infrastructure/standards;
- finance and statistics;
- marketing;
- foreign trade;
- fibers, including cotton, raw wool, wool tops and yarn, long-staple fibers;
- spinning, including cotton, viscose, man-made fibers, linen and ramie;
- texturizing;
- sewing threads;

- weaving, including denim;
- knitting;
- warp knitting;
- apparel; and
- home textiles, including rugs and carpets.

Fernando Pimentel, who has been the association's executive director since 2005 and who has worked in the textile industry since 1976, says ABIT's mission is to support the sustainable development of the Brazilian textile industry, representing its interests in the presence of governmental and international organizations, as well as making the textile sector better known to the general public. One event sponsored by ABIT is the ABIT Fashion Prize, which brings together key personalities of different sectors to publish outstanding achievements by Brazilian textile companies.

Promoting The Domestic Textile Industry

Textile World: *Fernando Pimentel, how do you promote Brazilian textiles?*

Pimentel: In 2001 ABIT, supported by Apex-Brasil [Brazilian Trade and Investment Promotion Agency] launched TexBrasil, the trademark that promotes Brazilian textile products abroad. In parallel with promoting Brazilian textile products in the world market, TexBrasil develops strategic programs for exportation, stimulating Brazilian entrepreneurs through its activities and courses to increase their exports. The export strategies developed by TexBrasil have now become a benchmark for Apex.

TW: *What are ABIT's activities for your domestic textile industry?*

Pimentel: To achieve excellence within the textile sector, ABIT develops special professional training programs and supports social and environmental programs, among other activities.

TW: *What do you want to achieve as executive director?*

Pimentel: My job is to promote, organize and propose programs to increase awareness of the Brazilian textile industry. It is important to know that ABIT is backed by 50 leaders from all sectors of the textile industry. The motto of the forthcoming ITMF conference in São Paulo — "Compliance, Sustainability and Profitability" — matches perfectly our own ABIT philosophy. All the small and mostly medium-sized member companies are called to work according to ethical, legal and sustainable standards.

Second-largest Industry

Brazil's textile industry ranks second in importance behind the food and beverage industry. Seventeen percent of Brazil's workers are involved in the textile industry, with 7 million



Brazil's textile industry employs 17 percent of its workers, including 7 million working directly in the industry and some 7 million to 8 million subcontractors and suppliers.

working directly in the industry and 7 million to 8 million working indirectly as subcontractors and suppliers.

TW: *Is Brazil basically a cotton-growing country?*

Pimentel: Up to now, one can say so. Sixty percent of all textile products are made of cotton. However, man-made fibers are processed more and more in Brazil — basically because of Petrobras, one of the country's largest companies, producing domestic oil products. Therefore, man-made fibers are gaining importance, also for the export industry.

Market Questions

TW: *How do you see the current market situation? Was Brazil hurt by the financial crisis?*

Pimentel: Thanks to our big domestic market, it was not so bad. That market is growing by 12 percent, and production is rising, but also, imports grew by 60 percent in 2009. We have a strong currency and competition mainly from China. For 2010, our gross domestic product (GDP) is expected to grow by 4 percent.

We hope that finally, all markets have the same conditions, not only China. Domestic consumption is soaring, and the domestic market is open. We are very concerned and, of course, we want free trade, but the

same rules and yardsticks for everybody, please.

TW: *This is quite a big challenge.*

Pimentel: Yes, and it is a new challenge. Already, we export more technical textiles and nonwovens than apparel. Brazil is not a cheap market anymore. We need 2 million new jobs every year. The standard of education is rising on all levels. Oil and gas industry investments in the next five years will be \$250 billion. For the domestic infrastructure, \$300 billion is spent every year. At the moment, textiles consumption per capita is some 11 to 12 kilograms (kg). With an annual GDP growth of 5 percent, we can double consumption in the next five years.

TW: *But you cannot only depend on the domestic market.*

Pimentel: Of course not. As mentioned above, if problems occur again, the Brazilian market will be under great pressure from foreign countries.

Market Position

TW: *What are the main advantages for Brazil and its textile industry?*

Pimentel: From raw material up to the finished product, we have all production stages. Our machinery equipment and technology are up to date. Our domestic market has big

development potential. The population is growing by 2 percent — 2 million people — every year. The textile industry is a growing, positive sector.

TW: *Why should an entrepreneur invest in the Brazilian textile industry?*

Pimentel: We have a lot of advantages compared to other countries: a stable economy, a lot of different raw materials available, labor peace, a serious workforce. Brazil is a democracy and a multiethnic society with no problems, and one single language with no conflicts and clear rules for everybody. All this supports a favorable investment environment.

ITMF Conference

The idea to bring the 2010 ITMF Annual Conference to Brazil was developed by ITMF and ABIT to show the world how important the Brazilian textile industry is for the country as such.

TW: *What do you expect from the ITMF congress?*

Pimentel: On the one hand, this is a very important moment for the country to show the local authorities the importance of the textile industry. On the other hand, it is a platform to be accepted. However, we don't have an open door only for overcapacity production, but also for true long-time investments. I can only say to the world: Here we are with open arms, but let's work together with equal social and environmental standards.

TW: *And what do you expect from the congress for Brazil's textile industry?*

Pimentel: We expect many visitors to demonstrate the advantages of a production site in Brazil. We do a lot of promotion among young people, to show how attractive the textile industry is. This has to be done in a Brazilian way of life, and I welcome everyone to join us in October 2010 in São Paulo for the ITMF conference. **TW**