Pentek’s philosophy focuses on innovation since the very first steps.
The new measures introduced by the U.S. Customs and Border Protection in fiscal year 2022 were tough in some cases to enforce trade laws and regulations governing textiles and apparel including tariffs collected, commercial fraud penalties, non-IPR seizures, but soft liquidated damages claims and audits completed.

The US Custom imposes one of the highest import tariffs on textile and apparel that are also subjected to additional tariff under Section 301 if imported from China. Importers try many ways to bypass these tariffs that include under-invoicing, or false marking and labeling, wrong claims of origin, illegal transshipment, and false declarations of the right to make entry, wrong trade preference claims, and smuggling.

Section 301 duties collected in the 4th quarter of 2022 stood at $953 million against $813 million in 3Q of the same year and $697 in 4Q of 2021. Non-IPR seizure numbers were 379 in 4Q of 2022, 612 in 3Q of 2022 and only 106 in 4Q of 2021. Non-IPR seizure value was $6.99 million, $9.9 million and $1.2 million respectively. In 4Q of 2022 IPR seizure numbered 1,072 valuing $13.58 million, in 3Q of same year the number of seizures was 1149 and the value was $15.8 million. In the 4Q of 2021 the number of seizures were 1125 valuing $21.7 million.

Textile and apparel in the US face the highest import tariffs EU inaction on energy issue eroded competitiveness of EU textile value chain

After the European Council summit proposed measures to tackle the energy crisis, the European textiles industry has expressed concerns on the loss of competitiveness of Europe demanding earliest action to save the industry. The major factor in the sharp decline in the competitiveness of European textiles is energy cost. The energy cost in Europe is 6 times higher than the United States and China. Other textile economies also have access to cheap energy. This is the reason that most of the European textile companies still in operation are incurring losses while most have closed. The textile and clothing sector of Europe is still operating because of its sense of responsibility towards European Society.

While other economies like China, India and the US tackled the energy issue proactively the EU acted passively and slowly in responding to the crisis. The Biden administration for instance came up with the 369-billion-dollar scheme of the Inflation Reduction Act.

If the status quo is maintained, not only the EU will not be able to recover its competitive position on the global business stage, but it will also fail its plans to reach zero-net emissions, achieve circularity and its sustainable objectives for the coming years.

The 17th ITMF Global Textile Industry Survey (GTIS, formerly known as ITMF Corona-Survey) shows that, on average, the business situation in the global textile industry deteriorated further in November 2022. At the same time, in six months, global business expectations remained in negative territory but did not get gloomier. The indicators for order intake, order backlog, and capacity utilization rate dropped globally.

According to the survey, the business situation in the three Asian regions and Europe remained especially poor. In North & Central America, the business situation has improved again markedly. Except for the textile machinery segment, which still benefits on average from a long order backlog, all other segments found themselves in negative business situations, especially fiber producers and spinners. Global business expectations have remained negative but “stabilized” around -10 percentage points (pp) since July 2022. Expectations have improved significantly in South Asia to +10pp, and Europe to -30pp. Business expectations in all segments remain negative, with four out of seven recording improvements.

Order intake nose-dived in November, in line with a weaker business situation and weaker demand, currently the biggest concern for the global textile value chain. Only companies in North & Central America registered a good order intake on average, while all other regions faced an unsatisfactory order situation. Except for South-East Asia and North & Central America, the order backlog fell. The only segments where the order backlog increased were the downstream segments of garments and home textiles. The capacity utilization rate dropped in all regions in November 2022, and it only increased in the textile machinery segment but fell otherwise.

“Weakening demand” is the biggest concern in the global textile industry, followed by the root causes of demand reduction, namely high energy and raw material prices, which lead to high inflation rates. The good news is that logistical costs are no longer a concern. On the other hand, concerns about geopolitics have increased again in the past two months.