



[Interview]



## Dr. Christian Schindler: Our confidence in battling the COVID-19 in the world's textile industry

The current pandemic situation in China has been stabilized, while overseas the pandemic situation is still a challenge in many regions. What impact did this pandemic have on the world's textile industry? How should the global textile industry respond to minimize the impact of the pandemic? To this end, our reporter conducted an exclusive interview with Dr. Christian Schindler, director general of the International Textile Manufacturers Federation (ITMF).

**China Textile:** Between April 16 - 28, ITMF has conducted a third survey among ITMF members and affiliated companies and associations about the impact the Corona-virus pandemic had on the global textile value chain, especially on current orders and expected turnover in 2020. How about the current orders and consumption behavior?

**Dr. Christian Schindler:** In total 600 companies from around the world participated in this Survey. It shows that orders in East Asia dropped visibly less (-28%) than those in all the other regions (-40% and more). It can be assumed that this region, which was hit first by the Corona-virus crisis, is also recovering first from it. Especially China and Korea were able to contain the pandemic successfully. In the last few weeks, most Chinese



textile companies have ramped up production significantly. Likewise, off-line retail stores have reopened, and consumption is picking up again in East Asian countries. It remains to be seen what the consumption behavior will be like in China, Korea and other places once shops are fully open again.

**China Textile: What is the expected turnover in 2020 down compared to that in 2019 through this survey?**

**Dr. Christian Schindler:** Companies in Europe are expecting turnover in 2020 to be down by "only" -22%, a figure significantly better than the -33% reported in the second survey. Companies in East Asia are expecting turnover to be down by -26%, which is close to what was reported in the second survey (-24%). Companies' turnover expectations in South East Asia and South Asia on the other hand have deteriorated significantly. These regions were hit later by the Corona-virus pandemic and hence the full impact was felt with a delay. Compared to 2019, expected turnover for 2020 is down to -38% in South East Asia and to -31% in South Asia. Turnover expectations in Africa, South America and North America have not changed much since the second survey.

**China Textile: What are the most difficult issues that challenge the global textile industry now? What kind of opportunities are there?**

**Dr. Christian Schindler:** The biggest challenge companies are confronted with during this crisis is to secure liquidity. With cancellations and postponements of orders and/or delays of payments, many companies are struggling to keep their companies financially afloat. It is of utmost importance to provide companies with affordable access to liquidity. In many countries, governments have come up with financial programs using loans, grants, short-work schemes, delayed tax payments, delayed social security payments, reduc-

tion of power costs, etc. Also, international financial organizations are coming up with programs to support especially those countries that do not have enough resources. The biggest relief is of course when retailers/brands discuss in a cooperative manner with their suppliers how to overcome this crisis together instead of cancelling orders unilaterally.

Another big challenge are of course the disruptions within the global textile supply chains. It will take a few months until many complex supply chains will function again properly. Above all is the uncertainty of the future. How long will this pandemic affect the global supply chain negatively? With other words, when and how will consumer start to consume again? Regarding opportunities, some companies were able to shift production swiftly to masks and personal protective equipment (PPE). In general, this crisis offers the opportunity to streamline their organizations and production processes. In addition, companies will accelerate their reassessment of existing supply chains. Furthermore, companies will accelerate the implementation of their digitalization strategies as well as their investments in sustainable production.

**China Textile: If you want to reiterate your confidence in battling the pandemic in the world's textile industry, can you try to make a firm and concise sentence to express it?**

**Dr. Christian Schindler:** The Coronavirus-pandemic has shown that resolute and quick actions by governments – providing the health system with the necessary capacities and resources as well as supporting companies and employees with liquidity – and their people – applying social distancing and hygiene rules – is crucial to overcome the crisis. Cooperation and solidarity between countries and partners in the textile supply chain are mitigating the negative effects and are providing the basis for a strong resurgence. 