Proceedings

Hanoi, Vietnam
November 6, 2012
Committee of Management members from the following countries attended:

Australia  Italy
Austria  Kenya
Brazil  Korea Rep.
China  Pakistan
Chinese Taipei  Portugal
Egypt  South Africa
France  Switzerland
Germany  Turkey
Hong Kong, China  United Kingdom
India  USA
Indonesia  Vietnam

ITMF Officials: The Director General

In the Chair: Bashir H. Ali Mohammad (Pakistan)
President of ITMF
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## Attachments

- document no. 1a
- document no. 1aa
- document no. 1b
- document no. 1bb
Opening Remarks by the President

The President of ITMF, Mr. Bashir Ali Mohammad (Pakistan) welcomed the participants of the meeting and thanked everybody for having attended the Federation's Annual Conference 2012 in Hanoi/Vietnam. He thanked especially the Vietnam National Textile & Garment Group (VINATEX) for having hosted the conference and for a spectacular and memorable Gala Dinner in the court yard of the Temple of Literature.

Proceedings of the Last Meeting & Matters Arising There From

The Proceedings of the last meeting of the Committee of Management of ITMF, held in Barcelona, on September 19, 2011, were duly circulated on December 6, 2011 and were approved by way of correspondence. There were no matters arising from the Proceedings other than those included in this agenda.

ITMF Statutes: Change of the Board Structure

Based on the discussions about a change of the Board structure at the last two Board meetings in Milan and Shanghai and on the proposal attached to the agenda for the Board meeting in Hanoi (document no. 1a), the meeting discussed a streamlined version of the proposal for a change of the Board structure (document no. 1aa). The President stated that the formation of one Board with up to eleven members consisting of three Executive Board Members (President, Vice President and Treasurer) and up to eight Non-executive Board Members represents practically a merger of the current Board and Advisory Board and has two main reasons:

1. to reduce the time of commitment of Executive Board Members from six to four years and

2. to strengthen the Board by widening the regional representation within the Board and encouraging the active participation of a bigger group of Board Members.

The Board had agreed to submit the streamlined version (see text below in yellow and document no. 1aa) for approval to the Committee of Management at its meeting on November 6, 2012 in Hanoi.

“Article X. Honorary Officers and Officials

(1) There shall be a Board consisting of up to eleven members with one President, one Vice President and one Treasurer forming the Executive Board. The President and Vice President shall hold office for a period of not more than two years. The Treasurer shall hold office up to four years. The other members are non-executive members of the Board who shall hold office for a period of not more than six years. The executive and non-executive members of the Board
shall be elected every other year from among the delegates and representatives to the Committee of Management."

The proposed change was unanimously approved by the Committee.

**ITMF Statutes: Amendment for a New Category of Associate Members**

The President presented also the proposal for an amendment of the statutes based on the discussion at the last Board meetings held in Milan (April 2012) and Shanghai (August 2012) and on the proposal attached with the agenda for the Board meeting in Hanoi (document no. 1b). The participants of the meeting received a slightly changed version of the proposal (document no. 1bb). The President stated that such a new category of Associate Membership aims at helping to attract additional members from countries where national textile associations are fragmented.

"V. Associate Membership

(1) Eligible for Associate Membership shall be

... 

(iii) Textile associations in countries where there are corporate companies whose combined subscription fees surpass the statutory subscription fee for the respective national textile association. In this category only the official office bearers and honorary officers of such associations are eligible to attend ITMF events.

..."

The amendment was unanimously approved by the Committee.

**Appointment of Auditors, Solicitors and Bankers**

The following appointments were confirmed:

Auditors: Universe (AG für Unternehmensberatung und Revision), Zürich
Solicitors: Dres. Pestalozzi Lachenal & Patry, Zürich
Bankers: Credit Suisse, Zürich
Financial Report by the Honorary Treasurer

The following report was presented by Mr. Bassem Sultan (Egypt), Honorary Treasurer of the Federation:

The Balance Sheet and the Statement of Income and Expenditures as authorized by Universe, Zürich, were circulated to the Members of the Committee on March 26, 2012 and approved by post.

At the end of 2011, the Federation’s net assets stood at CHF 594,382, down -21.1% from their level in 2011 (CHF 753,142). The main reasons for this decrease in assets are lower cash and bank balances (approx. -52.9% or approx. -CHF 120,000) as well as lower market valuation (2011: CHF 398,899 versus 2010: CHF 424,101) of the marketable securities as a result of lower bond and stock markets.

The Federation’s total income in 2011 fell to CHF 526’586 compared to 2010 (-7.7% or -CHF 44,163). The main reasons for this decrease were lower membership subscriptions (2011: CHF 477,000 versus 2010: CHF 490,040) and lower income from publications (2011: CHF 95,622 versus 2010: CHF 105,075). Due to weak performing bond and stock markets in 2011 the contribution of net investment and interest income was negative (-CHF 21,754 as compared to +CHF 9,803 in 2010). While the value of the portfolio dropped by -20.5% in 2008, its value recovered in 2009 by +8.0% and in 2010 by another +4.8%. Last year the portfolio’s value fell by -3.7%.

Fees from member associations amounted to CHF 255’000. Compared to the CHF 276,540 in 2010 this represents a decrease of -CHF 21,540 or -7.8% which is a result of resignations of several smaller member associations. In addition subscription fees of most other member associations – mainly of the industrialised world – are shrinking due to lower textile production on which member associations are being levied. Income from associate members fell from CHF 107,000 to 99’000 (-7.5%), while fees from corporate members increased by +15.5% to CHF 123,000.

Income from publications were down by -CHF 9,453 (-9.0%) compared to the previous year amounting to CHF 95,622.

Loss on receivables – mainly payment defaults on outstanding invoices from 2009 and 2010 – fell compared to 2010 from CHF 42,195 to CHF 24,490.

It is proposed that for 2013 the basis of calculation of Member Associations’ subscriptions remains unchanged:

- The minimum levy shall therefore remain CHF 4,000.

- The maximum levy shall therefore remain CHF 57,000.

- Subscription which fall between the upper and lower limits shall continue to be calculated according to the subscription formula based on an unaltered unit rate of CH 0.065064.

- No Member Association shall pay a subscription representing less than 60% of total national yarn production by the spinners, and consumption by the weavers, in the cotton-system sector.

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It is also proposed that **Associate Members**' levies shall for 2013 be as follows:

**Textile Associations**

CHF 15,000  
Taiwan Textile Federation

**Cotton Associations**

CHF 7,000 each  
American Cotton Shippers Association  
Cotton Incorporated  
International Cotton Association  
National Cotton Council of America

CHF 5,000 each  
Australian Cotton Shippers Association  
Bremen Cotton Exchange  
Cotton Egypt Association

**Textile Machinery Associations**

CHF 15,000  
German Machinery Manufacturers Association (VDMA)

CHF 13,000  
Italian Textile Machinery Association (ACIMIT)

CHF 12,000  
Swiss Machinery Manufacturers Association (Swissmem)

**Corporate Members** shall pay an annual levy on the basis of turnover, the minimum amounting to CHF 3,000 for companies with a turnover not exceeding USD 50 million. For a turnover between USD 50 and 200 million, the annual levy will be CHF 5,000 and for a turnover in excess of USD 200 million it will be CHF 7,000 (maximum).

> The report by the Honorary Treasurer was unanimously approved by the Committee.

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**Report by the Spinners Committee**

In the interest of time, the Chairman of the Spinners Committee, Mr. Andrew Macdonald (Brazil), suggested to take the minutes of the Spinners Committee meeting as this year’s report.

**Spinners’ Committee Country Visit to Turkey in 2011**

The Chairman showed photos taken during the visit to Turkey (October 23-28, 2011) and summarized the impressions and recommendations of the report. It was circulated among the Committee’s members and among all ITMF members. The report is available as a free-download on the ITMF-website.

**Spinners’ Committee Country Visit to Australia in 2012**

The Chairman showed photos taken during the visit to Australia (April 30 - May 4, 2012) and summarized the impressions and recommendations of the Committee’s report. Among other impressions he pointed out that it was very interesting to see the new so called “round modules” which are automatically wrapped and placed at the edges of the cotton fields, using the new harvesting machines from John Deere. Since
these bales are considerably smaller than the conventional larger modules, the concern is that the seed cotton will be less blended in these modules than in larger modules which could result in less even running cotton at the spinning level. The report was circulated among the Committee’s members as well as among all ITMF members and is available as a free-download on the ITMF-website.

**Consequences of the Volatility of Cotton Prices for Spinners**

The Committee discussed the consequences of cotton price volatility, the relationship between yarn and cotton prices and the risks this presents to spinners, and how these risks might be minimized.

It was mentioned that in the past yarn forward selling was relatively common, and for this there existed the Osaka Future Yarn Contract. Since many years, such yarn contracts are not used any more. In theory cotton yarns can be hedged with cotton futures; but there are so many different yarn types nowadays that in practice it is not done. In addition the global cotton yarn market realities are such that there are always some desperate spinners that are selling at a discount.

Terry Townsend pointed out that cotton price volatility during the past decades was relatively low and that there were only two periods during which volatility was very strong (1986/87 and 2010/2011). In the aftermath of the price hikes in 2010/2011, volatility was much reduced in 2011/2012. He especially referred to other commodities that recorded even higher volatilities into the 2011/2012 season.

The Chairman pointed out that even so a very considerable amount of money had been lost by both spinners and the trade due to the volatility of 2010/2011 and therefore new thoughts should be brought to bear on the problem.

It was therefore discussed whether an insurance solution could be developed, referring to the Chairman’s proposal presented on behalf of the Spinners in Bangkok in March 2011. The Chairman advised that the ICA Board was studying an insurance scheme, but he was rather doubtful as to the possible outcome, without the use of options and futures to protect the underwriters.

Still hedging yarn with cotton futures, though not perfect could be a way forward, and further studies were underway.

**Defaults and Enforcement**

The Committee discussed how ITMF could assist in the current default scenario, since defaulters who are not fulfilling arbitral awards tend to be unfair competitors for those cotton spinners, who honour their contractual obligations.

The Committee agreed that a working group should be established immediately to establish the ITMF “Code of Conduct” for our members and associates, which would include the aspect of sanctity of contracts for cotton and any other raw material.

**Better Cotton Initiative (BCI)**

The Chairman informed the meeting about the current situation/development of BCI. He reiterated ITMF’s point of view that the term “better cotton” used by the Better Cotton Initiative (BCI) is not appropriate as it is suggesting that the cotton produced within the BCI scheme is better in quality as compared to other cottons. In reality the
term means that the cotton production of a certain cotton growth has been improved in comparison to the previous season.

The Committee noted that while in theory no premium should be paid for BCI cotton, in practice often a premium is being paid by spinners.

The Committee concurred with the concept that BCI should become the overall body for all sustainable cotton production, including such cotton producing countries like Australia (BMP) and the USA.

Terry Townsend explained to the Committee the concept of Mass Balance Administration (MBa), which has been suggested to be used for cotton within the textile value chain industry, as this would considerably reduce the cost for traceability.

For example in the palm oil industry, MBa is based on a credit scheme, the certified producer receives a credit for his production, which he can pass on to his buyer, but the actual physical oil does not have to be traced to the final consumer, but the producer is rewarded for being certified encouraging all to do the same.

The system therefore allows mixing of certified and non-certified palm oil, and as such the volume of certified outputs never exceeds the certified inputs.

**Cotton Contamination Survey 2011**

The Director General gave a short summary on the results of the Cotton Contamination Survey 2011, especially on the acceptance of the online questionnaire. The main result was that after some improvements in the recent past foreign matter, stickiness and seed-coat fragments in raw cotton still pose serious challenges to the cotton spinning industry worldwide. In the 2011 report, 119 spinning mills located in 24 countries evaluated 71 different cotton growths. The participation was higher than in 2009 and the online-participation is now well established. The Cotton Contamination Report 2011 is available as free download on the ITMF-website.

**International Committee of Cotton Testing Methods (ICCTM)**

The Director General informed the Committee about the activities of the ICCTM since September 2011, the last meeting of the Spinners Committee. The ICCTM met for its regular meeting in March 2012 at the fringes of the International Bremen Cotton Conference in Bremen/Germany. The main results of the meeting were, first, that two cotton testing machines were “recognized” by the Committee. More information about the “recognized” testing machines can be found on the following website:


Second, the Committee changed the structure of its executive body by replacing the individual Task Force Coordinators with an Executive Committee that is coordinating the activities jointly. The report of the meeting in Bremen will be made available on the ITMF-website in due time.

**Committee Membership**

The Committee discussed how a higher participation in meetings/country visits could be accomplished in future. The number of Committee members is currently twelve. It
was discussed whether also spinners of man-made fibres should be invited to become members of the Committee and whether also raw material and spinning issues related to man-made fibres should be discussed. In this context it was also discussed whether the name of the Committee should be changed/adapted. Furthermore, also the question of alternative members was discussed. This would mean that a member of the Committee could nominate a substitute that could also participate in meetings/activities of the Committee.

The Committee agreed to leave the name of the Spinners Committee unchanged in order to also discuss spinning issues in connection with man-made fibres. It agreed also to introduce the concept of "alternative" members (substitutes).

Next Country Visit
The Chairman informed the Committee that Mr. B.K. Patodia (India) has invited the Committee to visit India in 2013. The Committee appreciated very much this invitation to visit India again after its last visit in 2008. The development and changes in India’s cotton industry have been significant so that such a visit of an increasingly important cotton producing and consuming country is recommendable. The Committee agreed unanimously to visit India in 2013 after the Diwali festival in November/December.

Next Annual Committee Meeting
It is proposed that the next annual meeting of the Committee will be held in connection with ITMF Annual Conference 2013 which will be held in Bregenz/Austria from September 8-10, 2013.

Report by the Joint Cotton Committee
In the interest of time, the Chairman of the Committee, Mr. Jeff Elder (USA), suggested to take the minutes of the Joint Cotton Committee meeting as this year’s report.

Volatility of Cotton Prices
Terry Townsend, Executive Director, ICAC, stated by referring to research results from the ICAC that cotton prices over a period of 20 years are not more volatile than other commodities. As a matter of fact he pointed out that cotton prices have been only volatile in the seasons 1986/87 and 2010/11 when cotton prices surged beyond the long-term range.

It was stated that in China the volatility was much less as a result of the relative high support price of CNY 19’800 per ton in the 2011/2012 season and of CNY 20’400 per ton in the 2012/13 season. Only those Chinese spinners with import quotas can buy cotton at international price levels. All other spinners need to turn to much more expensive Chinese cotton. The Chinese Cotton Reserve Corporation has purchased the bulk of the Chinese cotton crop with the consequence of a very large stock pile of 6-8 million tons. The main question really is what will happen with the cotton in the Chinese reserves? In this context another question will be whether the Chinese
government will announce a support price for cotton in March 2013. Depending on the Chinese cotton policy cotton prices can go either way. A likely scenario that would prevent volatility in international cotton prices is a relatively slow release of Chinese cotton stocks combined with continued cotton imports into China.

In the context of volatility it was stated that the cotton contract no. 2 (ICE, New York) is currently the only instrument to hedge a cotton position. Since this contract is based on US cotton only, it was suggested to encourage the establishment of a global contract that includes also deliveries of Australian and Brazilian cotton. In addition to a global cotton contract also the introduction of a yarn contract should be re-considered.

It was also stated that governmental interventions in major cotton producing countries like China and India can have a major impact on the volatility of cotton prices. While unpredictable short-term cotton policy measures in cotton producing countries can have a negative impact on cotton price volatility, a predictable long-term cotton policy can have a stabilizing effect on cotton prices. This might include a policy of buffer stocks in major producing/consuming countries.

The idea of an insurance against volatile cotton prices was presented by Mr. Andrew Macdonald, Chairman of the Spinners Committee. While this idea is being studied by the ICA, it was pointed out that the use of options and futures would be important to protect the underwriters.

**Proposed Changes of ICA’s Bylaws and Rules**

Mr. Antonio Esteve, Immediate Past President, ICA, gave a short report on the various new measures being taken by the ICA to assist enforcement of awards as well as creating deterrents for defaulters trying to circumvent awards. He emphasized that the principle of sanctity of contract is essential since defaulters who are not fulfilling arbitral awards are unfair competitors for those who honour their contractual obligations.

**Better Cotton Initiative (BCI)**

Mr. Andrew Macdonald informed the meeting about the current situation/development of BCI. He reiterated ITMF’s point of view that the term “better cotton” used by BCI is not appropriate as it is suggesting that the cotton produced within the BCI scheme is better in quality as compared to other cottons. In reality the term means that the cotton production of a certain cotton growth has been improved in comparison to the previous season.

The Committee shared the opinion that BCI is in principle a very good concept but criticized that some countries are excluded irrespective of their progressive and sustainable cotton production. Furthermore it was criticized that while in theory no premium should be paid in reality textile manufacturers are obliged to pay a premium for BCI cotton. Therefore, BCI should be seen as a concept rather than a (retail) brand. It was also stated that sustainable cotton production should also include the commercial aspect. In the concept of sustainability the commercial dimension is as important as the environmental and social dimensions.

Mr. Terry Townsend informed the Committee about the concept of Mass Balance Administration (MBa), which has been suggested to be applied for BCI-cotton within the textile value chain, as this would reduce the cost for traceability considerably. For example in the palm oil industry, MBa is based on a credit scheme, where the certified producer receives a credit for his production, which he can pass on to his buyer, but
the actual physical oil does not have to be traced to the final consumer. The producer is rewarded for being certified encouraging all to do the same. The system therefore allows mixing of certified and non-certified palm oil, and as such the volume of certified outputs never exceeds the certified inputs.

Reports from the ICAC Task Force “Commercial Standardization of Instrument Testing of Cotton” (CSITC)
The Chairman of the Task Force, Mr. Andrew Macdonald (Brazil), gave an update on the Task Force’s activities. He reported that the results of the latest round tests were encouraging with a lower divergence in testing results of the approximately 100 participating testing facilities. He encouraged all participants to further promote participation in these round tests.

Report on ITMF’s International Committee on Cotton Testing Methods (ICCTM)
The Director General informed the participants about the last meeting of the ICCTM in Bremen/Germany in March 2012 in conjunction with the International Bremen Cotton Conference. The ICCTM formally recognized two testing machines. More information about these two testing machines can be found on the following ITMF-website link:


Furthermore it was also agreed that the individual Task Force and their respective coordinators should give way to an Executive Committee which is comprised of a group of people that will identify a responsible person on an ad-hoc basis that will chair any group of persons looking at possible (research) activities. The ICCTM agreed that more attention should be given to parameters such as trash or maturity. The Committee should also focus more on topics that are of commercial interest in cotton testing.

Report on ITMF’s Cotton Contamination Survey 2011
The Director General informed the meeting that ITMF’s Cotton Contamination Survey 2011 was published in early 2012. After a period with fewer spinning mill participation the number of participating companies increased again from 110 to 119 spinning mills. He reported that in the perception of the cotton spinners around the world the level of contamination increased slightly in 2011. Also the level of stickiness was higher in 2011 than in 2009. As far as the level of see-coat fragments is concerned also a higher level was recorded in 2011.

Report by the Home Textiles Producers Committee
It was suggested to take the minutes of the Committee of the Home Textile Producers as this year’s report.

Update: Pass-Through Analysis of Cotton Prices
An update of the latest research paper “Pass-through Analysis of Cotton Prices” by the ICAC and Cotton Incorporated was presented by Terry Townsend, Executive Director of the ICAC, which was followed by questions and answers on the presented results.
Volatile Cotton Prices and the Consequences for the Home Textiles Producers

The members shared their experiences of how producers of home textiles in various countries are dealing with the situation of volatile raw material prices after having plummeted from their highs in March 2011 of around USD 2.40 to current levels of around USD 0.70. They agreed that the volatility of cotton prices is hurting the cotton textile value chain and has led to many serious problems. The main problem of textile manufacturers certainly was and is that they find themselves in the situation of rising input costs (raw material, energy, labour, etc.) on the one hand and limited scope of passing on these increases to the retail/consumer level. In the light of lower cotton prices some retailers are cancelling/renegotiating existing contracts which in some cases leads to the situation that also further upstream existing contracts are not fulfilled including defaults on cotton contracts.

Presentation by “Euromonitor International”

Mr. Lamine Lahouasnia, Senior Retail Analyst, Euromonitor International, gave a presentation on “Regional and Global Trends in Home Textiles”, which was followed by questions and answers and a lively discussion on the various findings and results of the presentation.

“Heimtextil Management Report“ 2012 by Messe Frankfurt

Due to a lack of time it was agreed that the main results of the “Heimtextil Management Report 2012 – Individualization and the new identity markets” will be discussed during the next meeting of the Committee.

Next Meeting

It was suggested to meet again on January 12, 2013 around lunch time during Heimtextil 2013 in Frankfurt/Germany.

Report by the Intern. Committee on Cotton Testing Methods

The Director General informed the Committee that the last biennial meeting of the ICCTM was held in Bremen/Germany in March 2012 in conjunction with the International Bremen Cotton Conference. At its meeting the ICCTM formally recognized two testing machines from Premier Evolvics (India) and Textechno (Germany). More information about these two testing machines can be found via the following ITMF-website link:


Furthermore it was also agreed that the individual Task Forces and their respective coordinators are replaced by a so-called Executive Committee of cotton experts. This Committee will nominate on an ad-hoc basis one responsible person who will chair any group of experts looking at possible (research) activities.

The ICCTM agreed that more attention should be given to parameters such as length (especially Short-Fibre Index-SFI), neps, maturity, stickiness and colour which are according to the Steering Committee of commercial interest in cotton testing. The
Steering Committee offered to assist in raising funds for research activities on the basis of concrete and commercially relevant research topics.

The Committee also elected the following persons as

- Chairman – Mr. Vijay Shankar (Recron, Malaysia)
- Vice Chairman – Mr. Axel Drieling (Bremen Fibre Institute, Germany)

The Committee also elected the following persons as members of the Executive Committee:

- Mr. Axel Drieling (Bremen Fibre Institute, Germany)
- Mr. Stuart Gordon (CSIRO, Australia)
- Mr. Jean-Paul Gourlot (CIRAD, France)
- Mr. Jimmy Knowlton (USDA, USA)
- Ms. Malgorzata Matusiak (Lodz University of Technology, Poland)
- Ms. Mona Qaud (Uster Technologies, Switzerland)

The final report of the meeting of the ICCTM will be circulated to all members of ITMF after its completion in early 2013. A version will also be available on the general ITMF website under “Reports”.

Formal Formation of the New Sub-Committee “Fibre and Applications”

The Director General reported from a meeting of ITMF members interested in the establishment of a new Sub-Committee that will provide a platform for discussions and the exchange of information on topics related to both natural and man-made fibres and their applications. It was suggested in that meeting to propose to the Committee of Management to establish the new Sub-Committee “Fibres and Applications”.

*The Committee welcomed the proposal and it approved unanimously to the formation of this new Sub-Committee.*

Formal Formation of the Sub-Committee “Home Textiles Producers”

On the initiative of Mr. Josué Gomes da Silva (Brazil) and Mr. Bashir Ali Mohammad (Pakistan) a group of ITMF members interested in a more specialized platform for producers of home textiles met for the first time during the ITMF Annual Conference 2009 in Shanghai/China. Since then this group met on a regular basis during the ITMF Annual Conferences (São Paulo/Brazil, Barcelona/Spain and Hanoi/Vietnam) as well as during the international trade fair “Heimtextil” in Frankfurt/Germany (2010, 2011 and
2012). It was therefore suggested to the Committee of Management to also formally establish the Sub-Committee of "Home Textiles Producers".

*The Committee welcomed the proposal and it approved unanimously to the formation of this new Sub-Committee.*

**Membership**

Since the last meeting of the Committee of Management the following changes in the composition of the ITMF membership took place:

**ENTRIES:**
- Prilla 2000, South Africa (Corporate Member)
- 1888 Mills, USA (Corporate Member)
- Royal TenCate, Netherlands (Corporate Member)
- ISIN, Sri Lanka (Corporate Member)
- Kotak & Co., India (Corporate Member)
- Seardel Group Trading, South Africa (Corporate Member)
- Dyetex, Egypt (Corporate Member)
- Mahmood Group, Pakistan (Corporate Member)

**Date and Place of ITMF Annual Conference 2013**

It was proposed that the Federation's next Annual Conference will be held in Austria from September 8-10, 2013 in connection with the Dornbirn Chemical Fiber Congress (September 11-13, 2013).

The Committee of Management welcomed this invitation very much and thanked the two hosts, the Textile Industry Association of Austria (VTI) and Lenzing AG, for having invited the ITMF membership to Austria.
Elections of the Honorary Officers

The Committee elected unanimously the following Honorary Officers for a term of two years as Executive Board Members:

- **President** Josué Gomes da Silva (Brazil)
- **Vice President** Tiankai Wang (China)
- **Honorary Treasurer** Peter Gnägi (Switzerland)

The Committee elected unanimously the following Honorary Officers for a term of two years as Non-Executive Board Members (in alphabetical order):

- Jaswinder Bedi (Kenya)
- John Cheh (Hong Kong, China)
- Muharrem H. Kayhan (Turkey)
- Andrew Macdonald (Brazil)
- Heinz Michel (Switzerland)
- B.K. Patodia (India)
- K.V. Srinivasan (India)
- Bassem Sultan (Egypt)

The new President, Mr. Josué Gomes da Silva (Brazil), thanked Mr. Bashir H. Ali Mohammad (Pakistan) for his excellent and outstanding services as Vice President and President of the Federation during the past six years by presenting him an engraved silver plate. Mr. Bashir (Pakistan) was elected Honorary Life Member of the Federation. Mr. Gomes also thanked Mr. Bassem Sultan for his excellent work for and support of the Board as the Federation’s Honorary Treasurer during the past four years by presenting him also an engraved silver plate.

Concluding Remarks by the Newly Elected President

Mr. Josué Gomes da Silva thanked the Committee’s members for a good and efficient meeting. He thanked his colleagues from the Board and the members of the Committee for their confidence placed in him and asked for their support which is needed to continue the successful efforts of Mr. Bashir to strengthen the Federation by making it even more interactive, attractive and more meaningful for its members and potential new ones. He invited everybody to convene next year in Austria for the ITMF Annual Conference 2013.

January 2013
Change of ITMF Statutes

Article “X. Honorary Officers and Officials”

Current Version

(1) There shall be a President, two Vice-Presidents and a Treasurer of the International Federation, who shall be elected from among the delegates and representatives to the Committee of Management. The President and the Vice President shall hold office for a period of not more than two years. The Treasurer shall hold office for a period of not more than four years.

(1a) The Honorary Officers may set up an Advisory Board consisting of Past Honorary Officers and representatives from countries having a textile industry. The composition of this Advisory Board is to be reconfirmed every two years by the Committee of Management.

Proposed Version

(1) There shall be a Board consisting of up to eleven members with one President, one Vice President and one Treasurer forming the Executive Board. The other members of the Board are non-executive members of the Board. The President, Vice President and the Treasurer shall hold office for a period of not more than two years. The non-executive members of the Board shall hold office for a period of not more than six years. The executive and non-executive members of the Board shall be elected from among the delegates and representatives to the Committee of Management.
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Change of ITMF Statutes

Article “V. Associate Membership”

Current Version

(1) Eligible for Associate Membership shall be

(i) All associations and other duly constituted trade organizations of manufacturers of textiles in countries where there is already a Member Association.

(ii) Associations allied to the textile industry.

They may become Associate Members on application subject to the support of the Member Association representing the same country, and to the acceptance by a majority vote of the Committee of Management.

(2) Associate Members shall be entitled to attend meetings of the Committee of Management and conferences. They may propose subjects for discussion and may speak at such meetings and conferences, but shall have no power to vote.

(3) Any termination of membership by a Member Association shall not affect the status of any Associate Member in that country.

Proposed Version

(1) Eligible for Associate Membership shall be

(i) All associations and other duly constituted trade organizations of manufacturers of textiles in countries where there is already a Member Association.

(ii) Associations allied to the textile industry.

(iii) Textile associations in countries where there are corporate companies whose combined subscription fees surpass the subscription fee for the respective national textile association. In this category only the official office bearers and honorary officers of such associations are eligible to attend ITMF events.

They may become Associate Members on application subject to the support of the Member Association representing the same country, and to the acceptance by a majority vote of the Committee of Management.

(2) Associate Members shall be entitled to attend meetings of the Committee of Management and conferences. They may propose subjects for discussion and may speak at such meetings and conferences, but shall have no power to vote.

(3) Any termination of membership by a Member Association shall not affect the status of any Associate Member in that country.
Change of ITMF Statutes

Article “V. Associate Membership”

Current Version

(1) Eligible for Associate Membership shall be

(i) All associations and other duly constituted trade organizations of manufacturers of textiles in countries where there is already a Member Association.

(ii) Associations allied to the textile industry.

They may become Associate Members on application subject to the support of the Member Association representing the same country, and to the acceptance by a majority vote of the Committee of Management.

(2) Associate Members shall be entitled to attend meetings of the Committee of Management and conferences. They may propose subjects for discussion and may speak at such meetings and conferences, but shall have no power to vote.

(3) Any termination of membership by a Member Association shall not affect the status of any Associate Member in that country.

Proposed Version

(1) Eligible for Associate Membership shall be

(i) All associations and other duly constituted trade organizations of manufacturers of textiles in countries where there is already a Member Association.

(ii) Associations allied to the textile industry.

(iii) Textile associations in countries where there are corporate companies whose combined subscription fees surpass the statutory subscription fee for the respective national textile association. In this category only the official office bearers and honorary officers of such associations are eligible to attend ITMF events.

They may become Associate Members on application subject to the support of the Member Association representing the same country, and to the acceptance by a majority vote of the Committee of Management.

(2) Associate Members shall be entitled to attend meetings of the Committee of Management and conferences. They may propose subjects for discussion and may speak at such meetings and conferences, but shall have no power to vote.

(3) Any termination of membership by a Member Association shall not affect the status of any Associate Member in that country.