

ITMF's indicator for business situation in the textile industry has been dragging in negative territory for quite some time. While ITMF's latest Global Textile Industry Survey (GTIS) has not shown signs of further deterioration, it has not shown real progress either. Globally, participants to the survey do not expect marked improvement in 2024.

The detailed analysis of the latest GTIS is presented in Articles 1-8 of this edition of the ITMF newsletter alongside interesting ITMF and partner news. Don't miss the extended analysis on fibre quality through the cotton production pipeline by Mr. René van Sluijs to understand the latest trend in cotton testing.



Mr. Olivier
Zieschank
director, ITMF

Contents

ITMF NEWS

ITMF's newest members

ITMF & IAF Conference 2024 in Uzbekistan: a high-level program takes shape

PARTNER NEWS

15th IGDS World Department Store Summit to be held in Berlin on 12-13 September

ITMA ASIA & CITME 2024 be held on October 14-18th in Shanghai
R-Inove traces authenticity of PPE, wool, and polyamide

EXTENDED ANALYSIS

Understanding and preserving fibre quality through the cotton production pipeline – part 2

UPCOMING EVENTS

REPORT: THE 26TH GLOBAL TEXTILE INDUSTRY SURVEY

Article 1: Business situation is dragging in negative territory

Article 2: Business expectation remain positive, with no changes expected in 2024

Article 3: Order intake improved slightly but is no boost

Article 4: Order backlog showed a minor uptick

Article 5: Capacity utilization rates witnessed a modest rise

Article 6: Major concern is weak demand but trending downwards

Article 7: Order cancellations remains low

Article 8: Inventory levels still deemed average

EXECUTIVE SUMMARIES

Business situation is dragging in negative territory



The latest GTIS shows an economic situation marginally improving due to a higher number of companies deeming the business as "satisfactory" rather than a true improvement. The unusually long phase of weakness forces companies to producing at a loss or lower the capacity utilization rate.

[> read more](#)

Business expectations remain positive, with no changes expected in 2024



The business expectation has been stagnating in positive territory for a year, illustrating respondents' optimism rather than knowledge of an actual improvement. Overall, the entire supply chain lacks orders and suffers from high costs that pressure down or even wipe out profit margins.

[2 > read more](#)

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Order intake improved slightly but is no boost



The balance between “good” and “poor” order intake improved slightly. Expectations about order intake in six months also trended upwards, which can be seen as a good sign. A clear upward trend has been recorded in South-East Asia and South Asia.

[> read more](#)

Order backlog showed a minor uptick



Since the summer of 2023, order backlog is fluctuating around 2 months on average across all regions and segments. It rose slightly from 1.9 months in March 2024 to 2.1 months in May, but it is premature to interpret this increase as a positive trend.

[> read more](#)

Capacity utilization rates witnessed a modest rise



The average capacity utilisation rate increased from 70% in March to 71% in May 2024. The indicator was on a downward trajectory since it peaked at the end of 2021 at 80%. Survey participants anticipate a better capacity utilisation in six month-time.

[> read more](#)

Major concern is weak demand but trending downwards



Weak demand has remained the main concern for the textile value chain since September 2022, although the indicator has lost relative importance in the last 6 months. Other are high raw material prices, geopolitics, and high energy prices. The lack of workers / talents has reached the highest recorded level.

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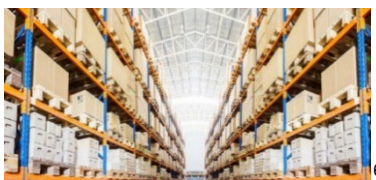
Order cancellation remains low



Globally, 58% of respondents did not experience any order cancellations at all. This is slightly down from 59% in March, an all-time high. Africa and Europe recorded relatively low order cancellations while the phenomenon is felt more strongly in the Americas. Among segments, the highest levels of order cancellation are reported by spinners and finishers / dyers / printers.

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Inventory level still deemed average



In May 2024, 59% of companies reported average inventory levels. Among the regions, North America registered the highest levels, while among the segments, spinners had the highest. Inventories at brands and retailers remain high but are slowly decreasing.

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ITMF NEWS

ITMF's newest members

ITMF has welcome three new corporate members in the last few weeks. This illustrates how important our unique platform is for companies and organisations in different regions and segments of the global textile value chain.



Testex is a globally active and independent Swiss testing and certification organization, focusing on testing and certification of textiles and leather products. It was founded in 1846 as the "Silk Drying Institute Zurich". Today the company employs more than 300 people at around 40 locations worldwide.

[> read more](#)



Established in 1975, Busana Apparel Group is one of the largest garment manufacturers and exporters with 30 manufacturing facilities located in Indonesia and Ethiopia. The company portrays itself as a one-stop shop for woven apparel production, specializing in men's and women's casual wear, formal wear, active sportswear and technical garments with a total capacity to produce and export of 50 million pieces per annum.

[> read more](#)



Somteks Pazarlama Ticaret A.Ş. is one of oldest representation companies in Türkiye. As such, the company founded in 1979 by Orhan Torfilli serves as a vital link in the textile supply chain by providing machinery, equipment, and parts essential for textile manufacturing processes.

[> read more](#)

ITMF & IAF Conference 2024 in Uzbekistan: a high-level program takes shape



The ITMF & IAF Conferences 2024 will be held on **September 8th-10th** in Samarkand, Uzbekistan. During the event, industry experts will share the cutting-edge developments defining the textile-apparel industrial complex. The collaboration between the two organisations is a great asset and will also be a central theme of a special session featuring **Inditex**, **Epic Group** and **International Finance Corporation** (IFC, part of the World Bank Group). This session will focus on decarbonization and will show how a collaborative approach across the supply chain can achieve the real progress.

As regulation in the apparel and textile industries is rapidly increasing, representatives of the **American Apparel & Footwear Association** (AAFA), the **China National Textile & Apparel Council** (CNTAC), the **European Textile & Apparel Industry Federation** (EURATEX), and the **Japan Textile Federation** (JTF) will also explain the shape that regulation will take in their countries and regions in the coming years.

These topics and others including fibers, digitalization, and AI, will be discussed in the ancient city of Samarkand, Uzbekistan, a country with a rapidly growing textile and apparel industry, attracting interests from across the world. This convention will be a unique industrial gathering of leaders from across the entire textile and apparel supply chain, from all parts of the world.

Register to the [ITMF & IAF Conference 2024 in Samarkand](#)

PARTNER NEWS

15th IGDS World Department Store Summit to be held in Berlin on 12-13 September



IGDS
World Department
Store Summit
12-13 September 2024 | Berlin
www.wdss2024.org

The 15th IGDS World Department Store Summit (WDSS 2024) will be held on 12-13 September 2024 in Berlin, Germany. The event will address the development, outlook and opportunities in the retail and department store industries, featuring a line-up of CEO speakers on the topic **Embracing Experiential Retailing**.

[> read more](#)

ITMA ASIA & CITME 2024 be held on October 14-18th in Shanghai



ITMA ASIA + CITME 2024 is scheduled to be held from October 14th to 18th, 2024, at the National Exhibition and Convention Centre in Shanghai, China. The event will bring nearly 1,600 textile machinery manufacturers from around the world together, covering an exhibition area of over 160,000 square meters. The exhibits encompass a wide range of machinery equipment and design software across the entire textile and garment industry chain, including spinning, weaving, knitting, printing, dyeing, non-woven, embroidery, sewing, braiding, anti-staining, testing, packaging, and textile chemicals.

[> read more about ITMA Asia](#) [> read more about CIME](#)

R-Inove traces authenticity of PPE, wool, and polyamide



R-Inove is a technology start-up specialised in traceability of the entire textile value chain and winner of the ITMF Start-Up Award 2022. The company uses a binary code printed on the textile thread before it becomes a mesh or fabric to trace all production steps from field to store and beyond. Its technology can now be used to trace authenticity of personal protective equipment (PPE) as well as wool and polyamide textile products.

[> read more](#)

EXTENDED ANALYSIS

Understanding and preserving fibre quality through the cotton production pipeline – part 2



As was highlighted the first part of the article published in the [ITMF newsletter 96](#) in April 2024, fibre quality is of paramount importance and there is an international consensus that the measurement of cotton fibre properties by the traditional method of subjective classing should be replaced by objective measurement by high volume testing instruments.

There are, however, some technical and operating issues to overcome to ensure that classing facilities and all other testing facilities are standardised, so that they provide dependable, consistent, and repeatable results.

One way to do this is by participating in Interlaboratory Round Trials and this led to the creation, by the International Cotton Advisory Committee (ICAC), of a Task Force on the Commercial Standardisation of the Instrument Testing of Cotton (CSITC) in 2003.

Read more about the how round trials work as well as the benefits of participation for classing and testing facilities, growers/producers, traders, and spinners in this article by **Mr. van der Sluijs**, Principal Consultant Textile Technical Services and Chair of CSITC.

[> read more](#)

UPCOMING EVENTS

2024

[**Texworld Apparel Sourcing Paris**](#)

July 1-3, 2024
Paris-Porte de Versailles, France

[**Premier Vision**](#)

July 2-4, 2024
Paris, France

[**3rd International Conference on Advanced Textile Science and Technology**](#)

July 5-8, 2024
Shanghai, China

[**Istanbul Fashion Connection 2024**](#)

August 7-9, 2024
Istanbul, Türkiye

[**ITMF Annual Conference & IAF Fashion Convention 2024**](#)

September 8-10, 2024
Samarkand, Uzbekistan

[**Texhibition Istanbul 2024**](#)

September 11-13, 2024
Istanbul, Türkiye

[**CAITME 2024**](#)

September 11-14, 2024
Tashkent, Uzbekistan

[**Dornbirn GFC 2024**](#)

September 11-13, 2024
Dornbirn, Austria

[**IGDS World Department Store Summit 2024**](#)

September 12-13, 2024
Berlin, Germany

[**Market Week**](#)

September 16-19, 2024
New-York, USA

[**Cinte Techtextil**](#)

September 19-21, 2024
Shanghai, China

[**ICAC's 82nd Plenary Meeting 2024**](#)

Sept. 30 - Oct. 3, 2024
Tashkent, Uzbekistan

[**Amsterdam Textile Show**](#)

October 2-4, 2024
Amsterdam, The Netherlands

[**ITMA Asia & CITME 2024**](#)

October 14-18, 2024
Shanghai, China

[**ICA-Trade Event 2024**](#)

October 16-17, 2024
Liverpool, UK

[**Uzbek Textile Expo Autumn 2024**](#)

October 15-17, 2024
Tashkent, Uzbekistan

[**Sustainability Talks Istanbul 2024**](#)

December 3, 2024
Istanbul, Türkiye

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REPORT: The 26th GLOBAL TEXTILE INDUSTRY SURVEY

Snapshot on the state of the global textile industry since May 2021

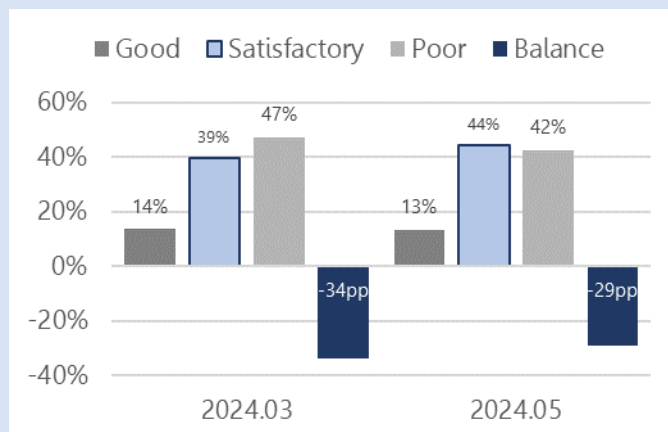
Article 1: Business situation is dragging in negative territory

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

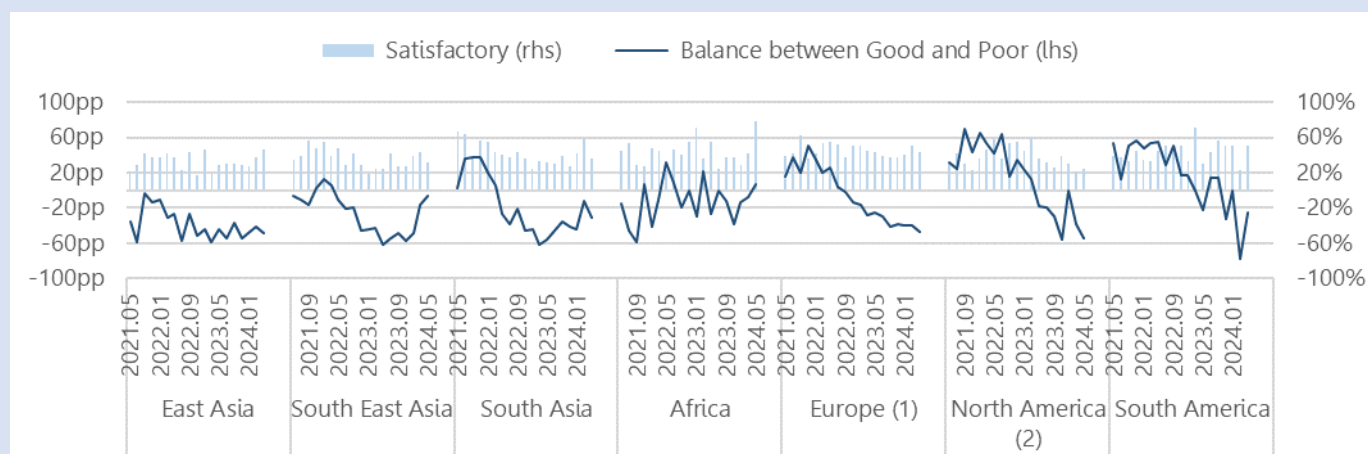
Around 350 persons participated in the 26th ITMF Global Textile Industry Survey (GTIS) which was conducted in the second half of May 2024. On average 44% of survey participants judged their business situation as poor (see Graph 1). 42% judged it as satisfactory. Only 13% perceived it as good. The balance between good (+13%) and poor (-42%) resulted in a balance of -29 percentage points (pp).

In comparison to March 2024, the balance improved marginally from -34pp to -31pp (see Graph 4). The main reason is that more companies had a satisfactory business situation. Nevertheless, since March 2023 the overall business situation is hovering between -25pp and -45pp. It can be summarized that the global textile value chain

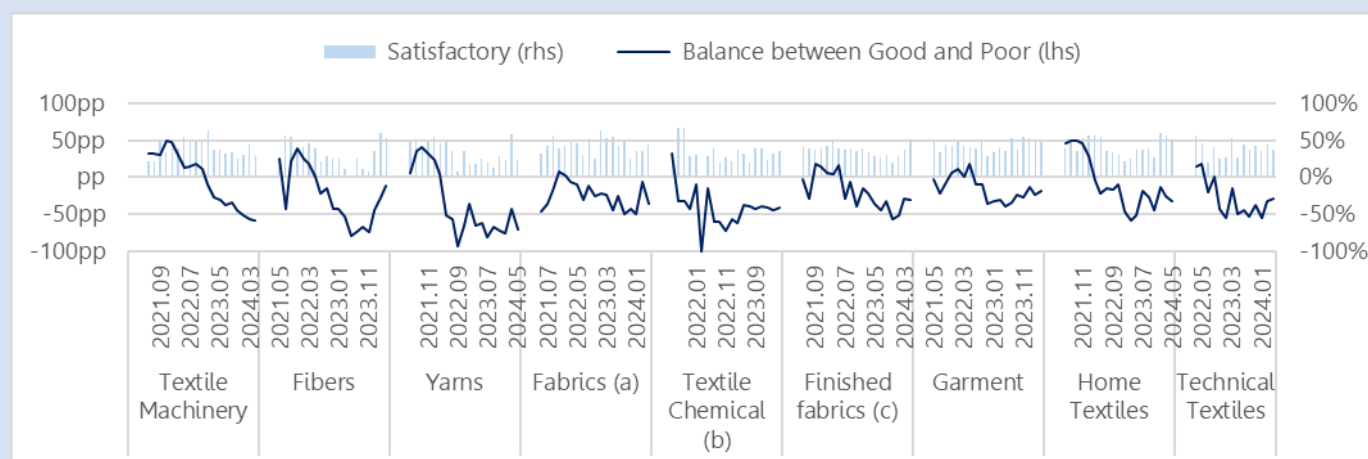
Graph 1: Business situation (World balance*) in May 2024



Graph 2: Business situation by region since May 21



Graph 3: Business situation by segment since May 21



(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics *Balance = share of respondents answering good vs. poor Source: 8-26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024)

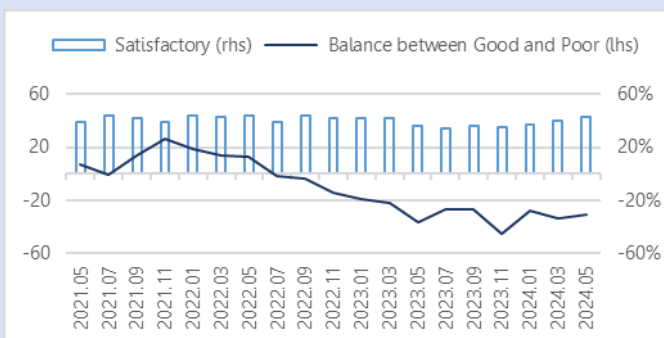
finds itself in an unusually long phase of weakness. The last peak was reached in the 4th quarter of 2021. Since the beginning of 2023 companies are finding themselves in a perfect storm – weak demand and rising costs that are reducing profit margins (see article 6). Often companies are producing at a loss or are forced to lower the capacity utilization rate (see article 5).

For the global textile value chain, the year 2024 seems to become a transitory year. Companies around the world are working very hard to come to terms with an unprecedented slowdown that was marked by weakening demand due to the end of pent-up demand and inflation on the one side and rising input costs on the other. Nevertheless, inflation has come down rapidly during 2023 and continues to do so at a slower pace in 2024.

Real wages are growing again which are increasing disposable income. Some smaller central banks have started lowering interest rates like Canada, Czech Republic, Hungary, Sweden and Switzerland. The European Central Bank was the first large economy to lower interest rates. Because labour markets in most countries are tight and wages are increasing, the speed of interest rate cuts has slowed, especially in the USA, out of fear that this could fuel additional inflationary pressure. An important factor for the relatively weak demand is the high inventory level that was built up in 2021 and 2022 when brands and retailers struggled to get enough merchandise on their shelves. To meet pent-up demand, they increased their inventories significantly (see article 8). In 2023 and 2024 these inventories were coming down slowly and are likely to reach the pre-pandemic levels in the 2nd half of 2024. This could be seen as a real turning point, where brands and retailers are start placing more orders again.

The **regional** analysis reveals that especially South-East Asia was performing relatively well since January 2024 compared to all other regions. In South Asia the recovery process was stopped and slightly reversed. While India's

Graph 4: Business situation (World balance*) since May 21



*Balance = share of respondents who answer good vs. poor |
Source: 26th ITMF Global Textile Industry Survey (17-27.05.2024) |
pp : percentage point

economy is one of the fastest growing economies in the world with a strong domestic market, Pakistan and Bangladesh are facing significant energy and labour costs increases. East Asia's business situation was also in May very subdued and remained in deep negative territory. China's growth rates are not enough to pull the region out of the doldrums. Europe's downward trend continued in May 2024. The situation in North America is somewhat volatile despite a continued strong US-economy, while South America saw a strong recovery in May 2024.

As for the various **segments** the business situation remained in negative territory in all of them (see Graph 3). But there are some visible differences. Fibre producers reported improved business in the last few surveys. In November 2023 the balance was -85pp but recovered to -12pp in May 2024. Spinners on the other hand suffered from a challenging market situation with falling cotton and yarn prices. Fabric producers reported a balance of -17pp in May after -7pp in March. This is not good but significantly better than chemical producers as well as dyers/finishers/printers. The downstream segments (garment, home textile and technical textile producers) remained in the range of -35pp and -20pp.

Article 2: Business expectation remain positive, with no changes expected in 2024

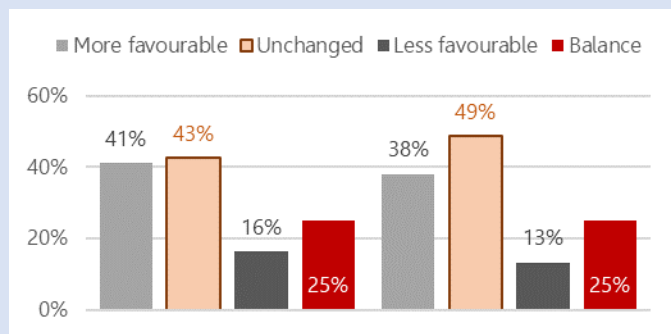
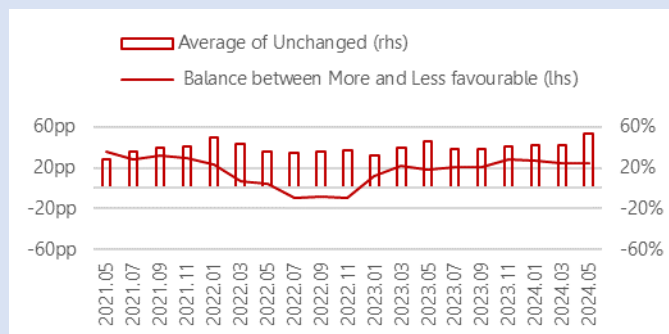
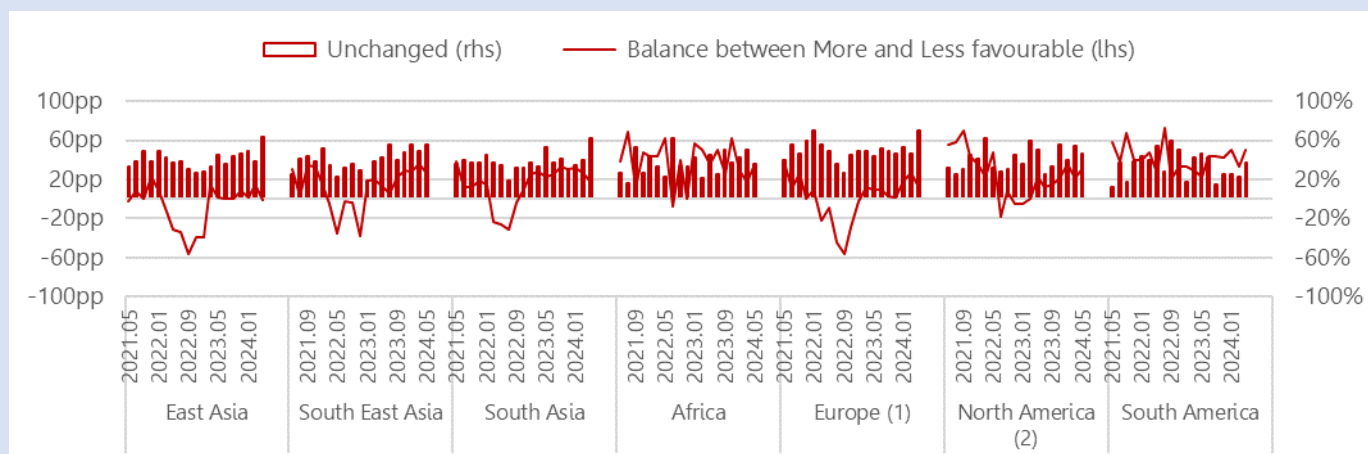
by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

The 26th ITMF Global Textile Industry Survey (GTIS) was conducted at the end of May 2024. The **business expectations** remained unchanged in positive territory at +25 percentage points (pp) (see Graph 1 and 2). While 38% of companies expect business to be more favourable in six months' time, 13% anticipate a less favourable business environment. 49% of survey participants believe business not to change in the next half year.

Since March 2023 business expectations are fluctuating between +25pp and +30pp. So far, the expectations have

not materialized. One could argue that the majority of the companies have always said that they expect the business situation to be unchanged.

One reason why the balance does not go beyond +30pp is certainly "weak demand" (see article 6). Weak demand is of course a function of other factors like a disrupted supply chain in 2021-2022 and rising costs (energy, labour, capital, logistics, etc.) which resulted in higher inflation rates. Consumers in markets with high inflation rates saw their disposable income decline resulting in

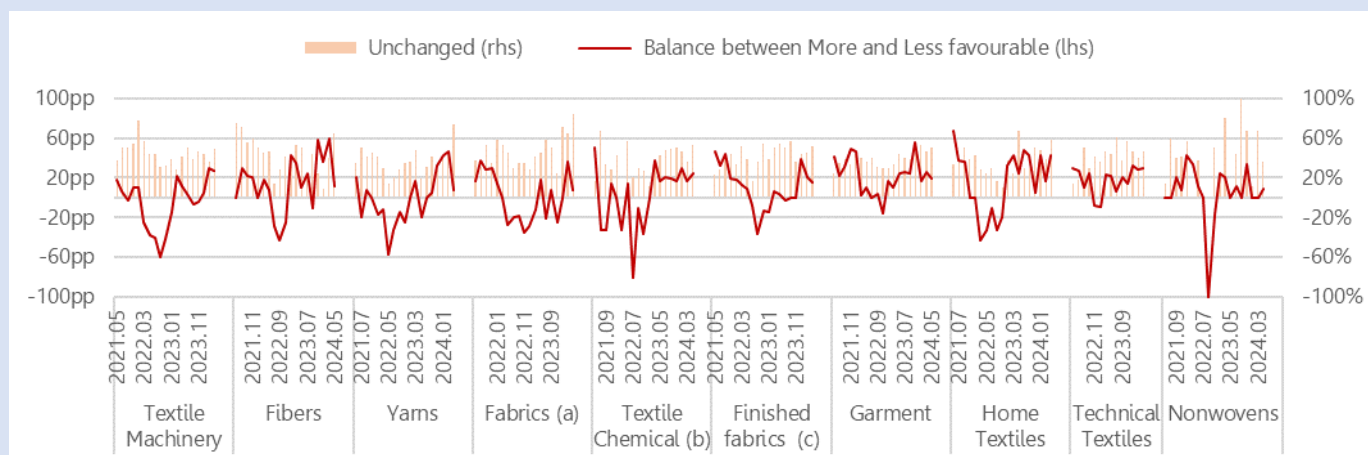
Graph 1: Business expectations (World balance*) in May 2024**Graph 2: Business expectations (World balance*) since May 21****Graph 3: Business expectations by region since May 21**

(1) incl. Türkiye and Central Asia | (2) incl. Central America | Balance = share of respondents who answer more or less favourable

Source: 8-26th TMF Global Textile Industry Survey (26th:17-27.05.2024)

lower demand. But demand did not disappear altogether. Nevertheless, since brands and retailers were sitting on high levels of expensive inventories, they focused on reducing them and consequently lowered their orders. The inventory levels of brands and retailers of apparel and accessories in the US peaked in the summer of 2022. Since then, they were reduced visibly and are close to the long-term average (see article 8). It is forecast by the Intl. Monetary Funds (IMF) that the global economy will also

grow in 2025 by 3.2%, slightly higher than in 2023 and 2024 (3.1%). While developed economies will slightly accelerate their growth rate, developing economies will slow down slightly. The overall perspective of lower inflation rates coupled with lower interest rates are likely to support global growth. Of course, there are also risk factors like geopolitical tensions but also risks like disrupted supply chains due to logistical challenges (Suez and Panama canals).

Graph 4: Business expectations by segment since May 21

(a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | Balance = share of respondents who answer more or less favourable | Source: 8-26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024)

In summary, it is likely that the global textile value chain will finally leave this prolonged phase of weakness at the end of 2024, beginning of 2025.

With the exception of East Asia (-1pp), all **regions** are expecting on average that the balance between less and more favourable will be positive. Especially South America, Africa, and North America (+50pp, +36pp, and +32pp respectively) followed by South-East Asia, (+26pp), South Asia (+17pp) and Europe (+12pp).

Nevertheless, it is important to point out that numbers of companies that do not expect any change of the current business situation is relatively high in several regions. In South Asia 63% of companies expect no change until November 2024. In Europe this number is at 59%, in South-East Asia at 56%, and in East Asia at 47%. In the other regions, namely Africa, South America and North America this number is significantly lower ranging between 32% and 38%. With other words, the positive balances (between more and less favourable) in the various regions must not be looked at in isolation. Considering the relative number of companies that do not see any change in 6 months' time is equally important.

The business expectations are positive in all the different **segments** both upstream and downstream (see Graph 4). But the positive balances between more and less

favourable vary significantly. Home textile producers are most optimistic with a balance of +42pp, while spinners' and fabric producers' balance are only +7pp and +8pp, respectively. All other segments had a balance of between +15pp (finishers/dyers/printers) and textile machinery producers (+27pp).

Also, when looking at segments is important to note that most companies in the respective segments do not expect any change until November 2024. An absolute majority of fabric producers (84%), spinners (73%), fibre producers (60%), home textile producers (58%), chemical textile producers (53%), and finishers/dyers/printers (52%) do not anticipate any visible change in the business environment. Also in the other segments, namely technical textile producers (46%), textile machinery producers (49%), and garment producers (50%), a relative majority of companies do not foresee their business to be in any other position. The only exception is the segment nonwovens. The balance of +9pp is relatively low, but so is the number of companies not expecting any change (36%).

While minor differences persist between segments, the overall outlook for them is similar. The entire supply chain is lacking orders and suffering from high costs that are reducing and often even wiping out their profit margins.

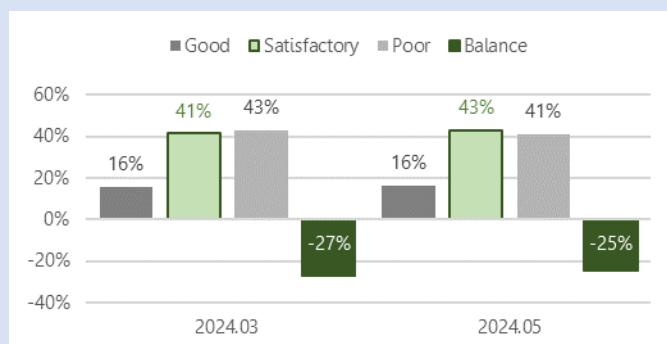
Article 3: Order intake improved slightly but is no boost

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

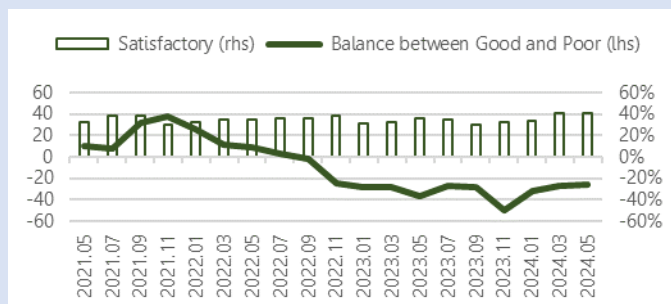
Around 350 persons took the 26th ITMF Global Textile Industry Survey (GTIS) which was conducted in the second half of May 2024. The balance between "good" and "poor" **order intake** improved slightly from -27 percentage points (pp) in March to -25pp in May. From a low of -50pp in November 2023 the current balance was a significantly step forward (see Graphs 1 and 2).

Expectations about order intake in six months also trended upwards from -3pp in March 2024 to +1pp in May 2024. This can be seen as a good sign. Similarly, it is important to note that just like in March also in May 41% of companies reported a satisfactory order intake. This

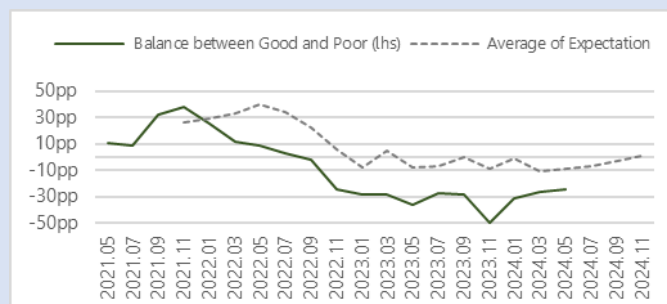
Graph 1: Order intake (World balance*) in May 2024



Graph 2: Order intake (World balance*) since May 21



Graph 3: Order intake (World balance* and expectations)



*Balance = share of respondents who answer good vs. poor | Source: 8-26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024)

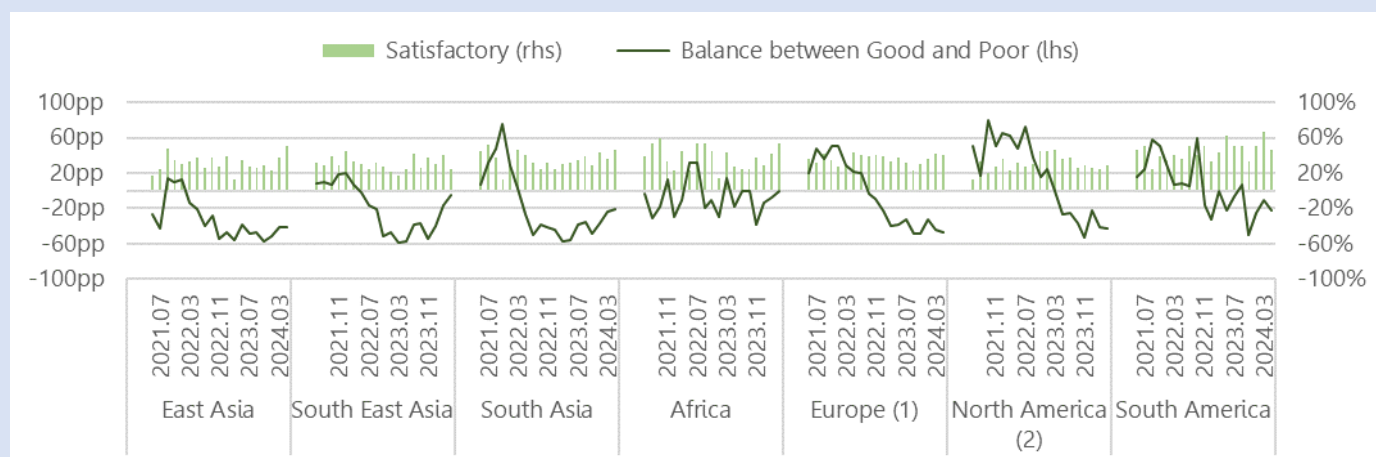
was the highest share since the start of the survey.

We had pointed out in the past that order intake very much correlates with the business situation (see article 1). This was not different this time. Interestingly, expectations about order intake do not correlate with business expectations (see article 2). While business expectations in six months' time turned positive in early 2023 hovering between +20 and +30pp, order intake

expectations only fluctuate around +/-0pp since the start of 2023. One explanation might be that order intake is only determined by demand, while the business situation is the results of all factors influencing the business, especially costs.

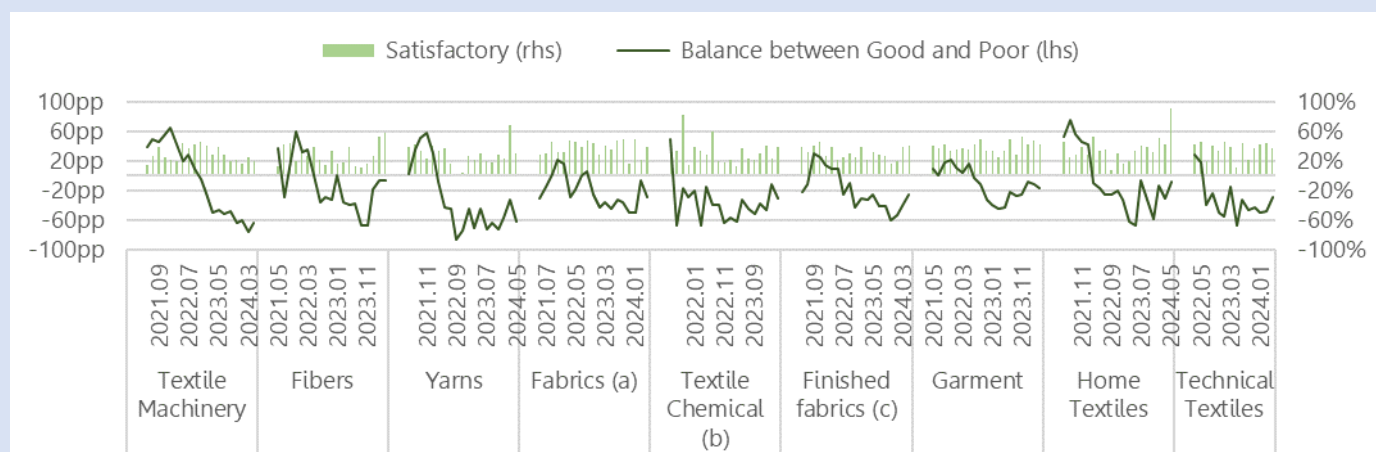
The two **regions** with a clear upward trend are South-East Asia and South Asia whose balance reached -5pp and -21pp, respectively (see Graph 4). Compared to November

Graph 4: Order intake by region since May 21



(1) incl. Türkiye and Central Asia | (2) incl. Central America | Balance = share of respondents answering good vs. poor | Source: 8-26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024)

Graph 5: Order intake by producer type since May 21



(a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | Balance = share of respondents answering good vs. poor | Source: 8-26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024)

2023 this is a massive jump from -55pp and -49pp, respectively. In Africa order intake improved even more from -38pp in November 2023 to +/-0 in May 2024. East Asia's order intake remained unchanged in May at 42pp compared to March. Order intake in Europe and North America remained in deep negative territory (-47pp and -43pp, respectively). Also, in South America the balance between good and poor order intake stayed negative at -23pp.

A look at the **segments** reveals that in May 2024 especially fiber producers reported a relatively good balance of -6pp (like in March 2024). If one also considers the high share of satisfactory order intake (59%), this is encouraging. Home textile producers saw an increase of their order intake (from -30pp to -8pp). Technical textile producers also experienced an uptick from -48pp to -29pp, while garment producers' order intake fell slightly from -12pp to -16pp.

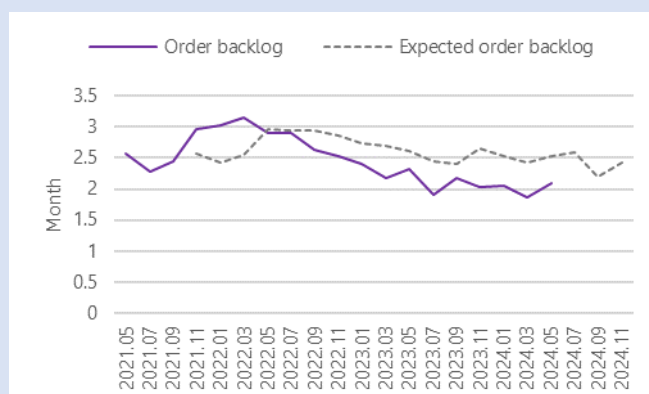
Article 4: Order backlog showed a minor uptick

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

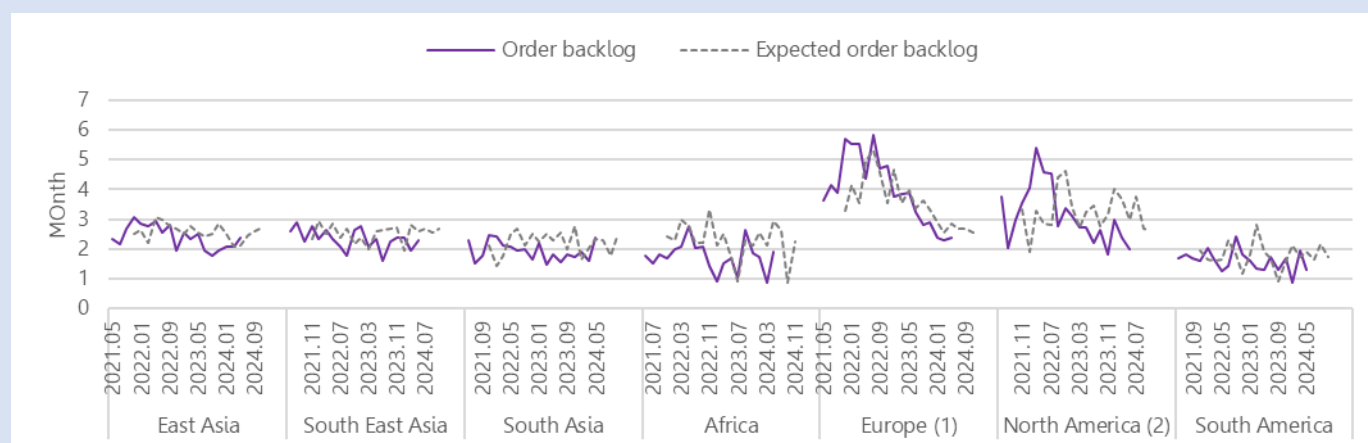
On average across all regions, **order backlog** in the textile value chain rose slightly in May 2024 to 2.1 months from 1.9 months in March (see Graph 1). This is one of the findings of the 26th ITMF Global Textile Industry Survey (GTIS) conducted at the end of May 2024.

Since the summer of 2023, order backlog is fluctuating around 2 months on average across all regions and segments. It seems that the companies along the value chain have adjusted to a level of order intake that allows them to supply their customers quickly without holding too much inventory (see article 8). Consequently, many companies have also reduced their capacity utilization rate (see article 5).

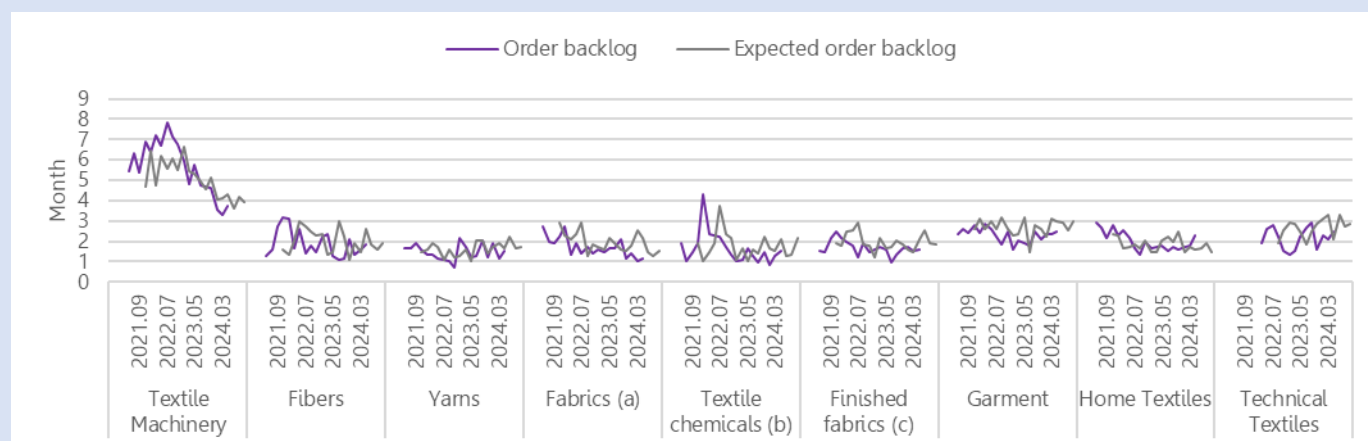
Graph 1: Order backlog (World average) since May 21



Graph 2: Order backlog by region* since May 21 (in Months)



Graph 3: Order backlog by producer type* since May 21 (in Months)



(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | *average | Source: 8th-26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024)

A look at the **regions** shows that order backlog is hovering around 2 months (see Graph 2). Even Europe, where a lot of machinery producers participate in the survey which usually have a longer order backlog, is now down to 2.6 months compared to a peak of 5.8 months in July 2022. As for the **segments** the situation is very similar to the overall industry average. The upstream

segments – fibre, yarn, fabric, chemical, and finished fabric producers – reported an order backlog between 1-2 months, while the downstream segments recorded an order backlog of between 2-3 months. The only exception is the segment textile machinery. Their order backlog had reached a low of 3.3 months in March. In May this number went up slightly to 3.6 months.

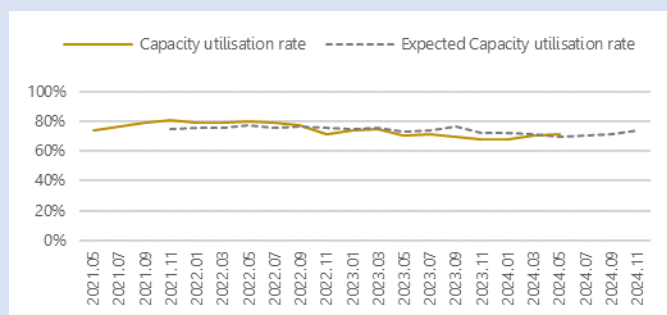
Article 5: Capacity utilization rates witnessed a modest rise

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

The 26th ITMF Global Textile Industry Survey (GTIS) was conducted at the end of May 2024. The average **capacity utilisation rate** increased from 70% in March to 71% in May 2024 (see Graph 1). The capacity utilization rate was on a downward trajectory since it had peaked at the end of 2021 when it had reached 80%. As far as expectations are concerned, survey participants are anticipating that their capacities will be better utilized in six months (74% in November compared to 72% in September).

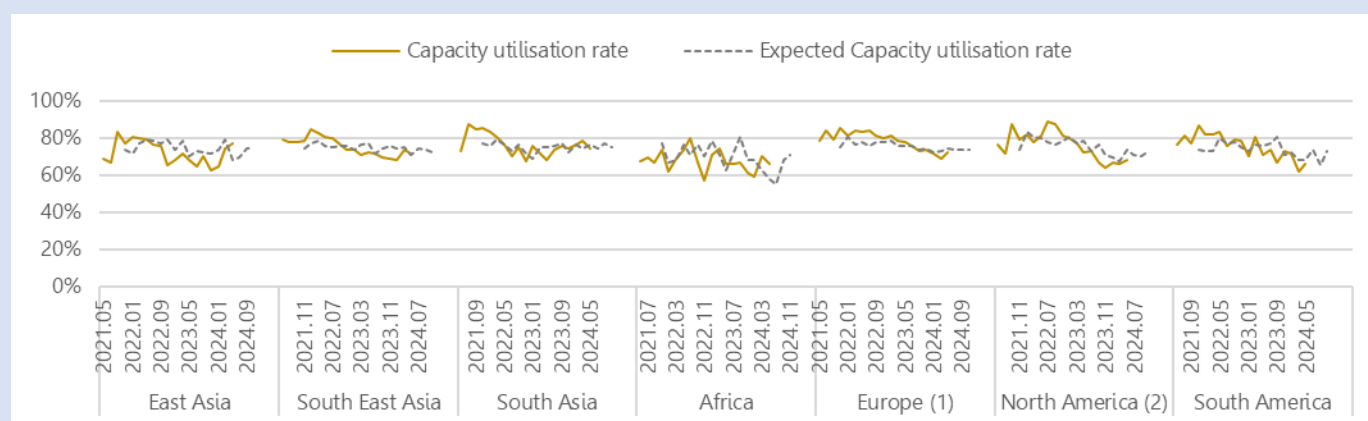
The **regional** analysis does not show many differences (see Graph 2). Interestingly, the recorded trend is slightly positive in South-Asia and negative in Europe and the Americas.

Graph 1: Capacity utilisation rate World average, since May 21

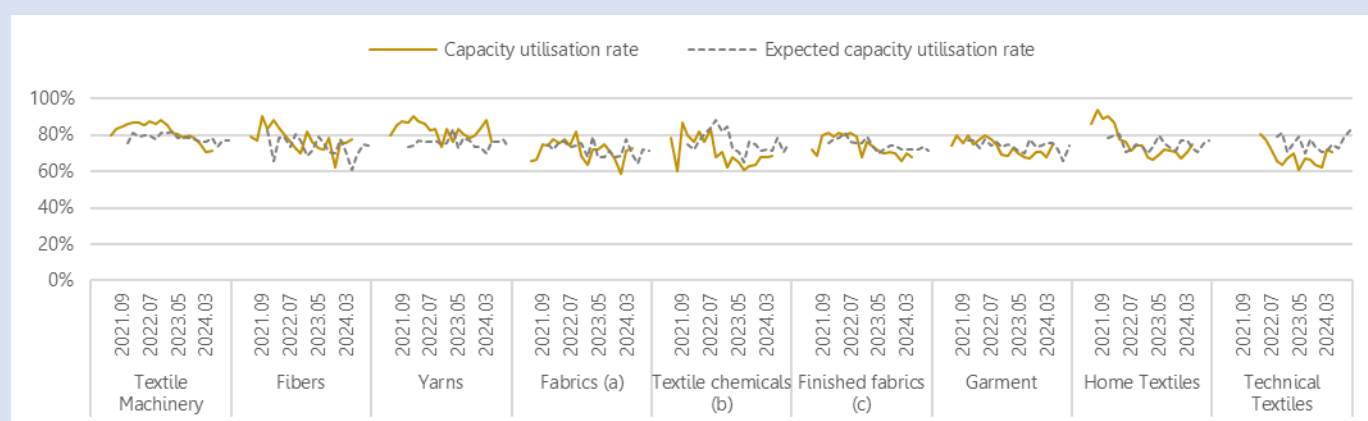


*average | Source: 8-26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024)

Graph 2: Capacity utilisation rate by region* since May 21



Graph 3: Capacity utilisation rate by producer type* since May 21



(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | * average | Source: 8-26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024)

The capacity utilization rates differ more between **segments** (see Graph 3). The upstream segments fibre, yarn and fabric producers reached a rate of between 75-78%. What stands out is the drop of spinners' rate from 89% in March to 77% in May. Producers of textile chemicals and finished fabrics were significantly had a lower utilization rate of around 68-69%. On the other side

of the spectrum, the upstream segments garment and home textile producers reported a capacity utilization rate of 75%, technical textile producers of 71%. After falling since March 2023, textile machinery producers have stabilized their capacity utilization rate in May 2024 at around 71%.

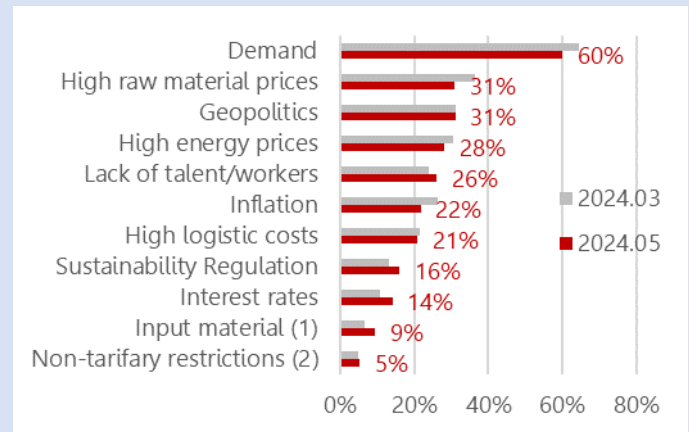
Article 6: Major concern is weak demand but trending downwards

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

The 26th ITMF Global Textile Industry Survey (GTIS) was conducted at the end of May 2024. Since September 2022 weakening demand was the main concern for the textile value chain (see Graph 2). At that time 51% of survey participants saw weak demand as a major concern going forward. This number rose to 77% by November 2023 but has fallen continuously since to 60% in May 2024 (see Graph 1 and 2). Nevertheless, weak demand was and will remain THE major concern until the end of the year.

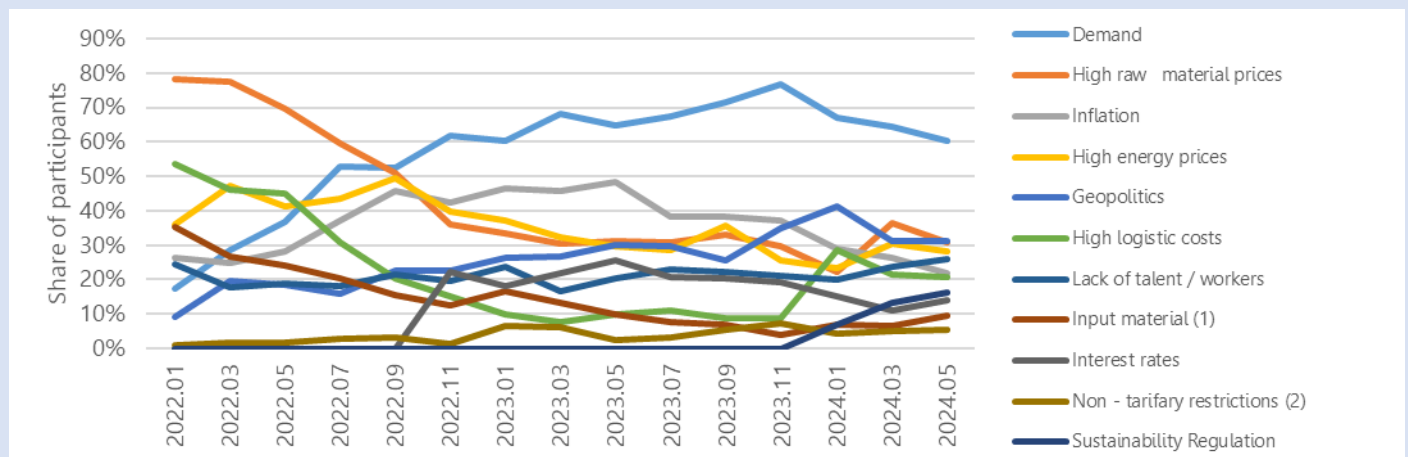
Other concerns were trailing weak demand – high raw material prices stood at 31% as did geopolitics and high energy prices were a concern to “only” 28%. The lack of workers / talents as a major concern has reached the highest level at 26%. The good news was certainly that inflation was not perceived anymore a major concern (only

Graph 1: Major concerns



Source: 26th ITMF Global Textile Industry Survey (17-27.05.2024)

Graph 2: Major concerns since January 2022



(1) Lack of or delayed receipt of | (2) Adoption of | Source: 8- 26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024)

22%), compared to 48% one year ago. At 14%, interest rates were still not a major concern to most survey participants. It became once again evident that the entire textile supply chain is waiting for brands and retailers to place more orders (see Article 3).

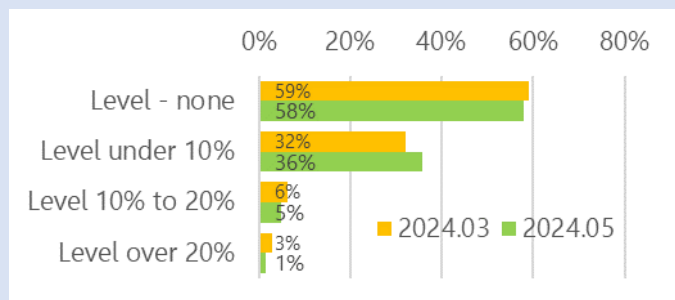
While there are a few green shots when it comes to order intake, it seems that a major improvement can only be expected once inventory levels of brands / retailers have come down further to a level where more orders must be placed to keep shelves full of merchandise (see Article 8).

Article 7: Order cancellations remains low

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

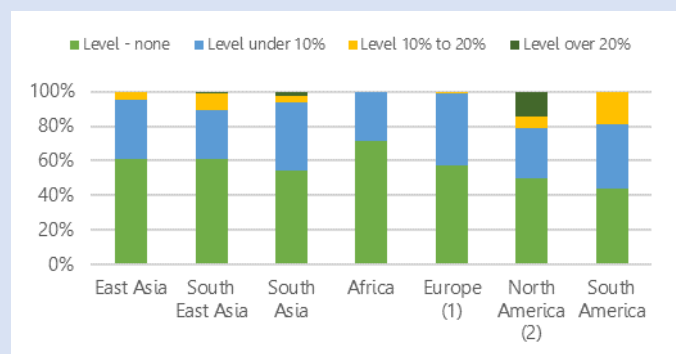
The 26th ITMF Global Textile Industry Survey (GTIS) was conducted at the end of May 2024. On a global average, 58% of all companies did not experience any order cancellations at all. This is slightly down from 59% in March, an all-time high. The number of smaller order cancellations increased by 4 percentage point to reach 36% in May 2024 since the last survey in March 2024. Cancelled orders in the range between 10-20% dropped by 1 percentage point to 5%. Order cancellations higher than 20% fell by 2 percentage point to only 1%. These numbers seem to indicate that on average companies are not faced with an erratic order behavior but with a below-average overall order situation.

Graph 1: Order cancellation in the past 4 months



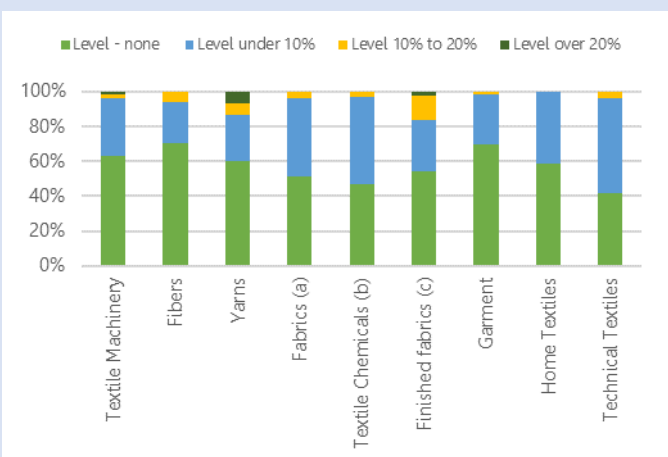
Source: 25th-26th ITMF Global Textile Industry Survey (26th: 17-27.05.2024 | 18-26.03.2024)

Graph 2: Order cancellation by region in May 2024



(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabrics | Source: 26th ITMF Global Textile Industry Survey (17-27.05.2024)

Graph 3: Order cancellation by segment in May 2024



A look at the regions and segments reveals that order cancellations differ quite significantly between regions and segments. Looking at **regions** even shows significant differences. The regions that suffer less from order cancellations are Africa and Europe. The phenomenon remains low in Asia but is quite strong in the America, especially in North America where 14% of companies

reported over 20% of cancellations. With regards to **segments**, downstream segments such as garment, home textiles, and technical textiles suffer less from order cancellation. The tendency is stronger for the categories finished fabrics and yarns, where the share of companies reporting cancellation over 10% reached 16% and 14%, respectively.

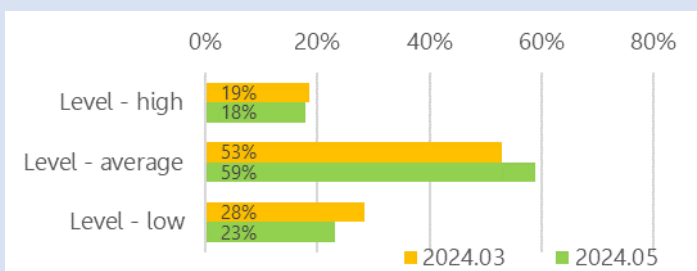
Article 8: Inventory levels still deemed average

by Christian Schindler, director general, ITMF and Olivier Zieschank, director, ITMF

The 26th ITMF Global Textile Industry Survey (GTIS) was conducted at the end of May 2024. 59% of companies stated that in May 2024 their inventory level is average (Graph 1). This was up from 53% in March 2024. 23% of companies perceived their inventory levels as low (down from 28% in March 2024). Only 18% reported that they deem their inventory levels in May 2024 too high which is marginally down from 19% in March 2024.

The situation on inventories varies between **regions** quite visibly (see Graph 2). In North America almost 36% reported a high inventory level, whereas in Africa this number was 0% and reached around 14% in South-East Asia.

Graph 1: Inventory level* How would you rate your current inventory level?

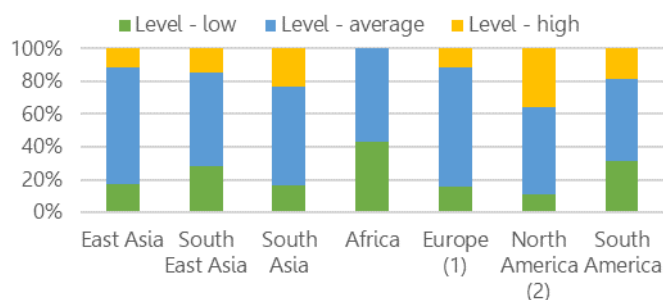


Graph 2: Inventory level by regions* in May 2024, How would you rate your current inventory level?

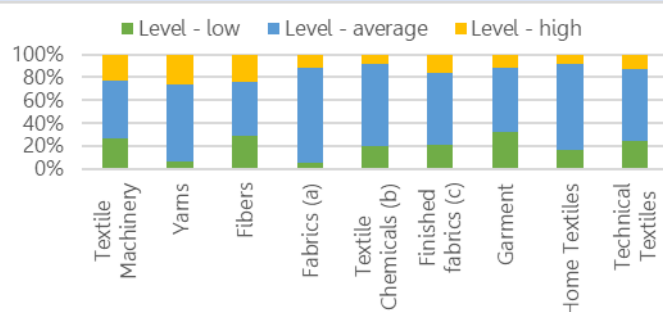
As for the **segments**, 27% of spinners recorded a high inventory level (see Graph 3). The other upstream segments reported a rather high inventory level like weavers/knitters (almost 17%) or fiber producers (almost 24%). In the downstream segments garment, home textiles and technical textiles this share was only around 10%.

While inventory levels in the textile value chain were regarded on a global average to be average, the **inventory level at brand and retail level (clothing and clothing accessories)** was certainly relatively high in most developed economies after the end of the pandemic. Since the second half of 2021 and until the end of 2022, brands and retailers benefited from an enormous pent-up demand (see Graph 4). Since their inventory levels had dropped during the pandemic between April 2020 and July 2021 to record lows of around USD 70 billion, brands and retailers ordered much more than in previous years to compensate for low inventories and above-average demand. This led to inventories of brands and retailers surge to around USD 100 billion, much higher than the long-term average of around USD 82 billion. Since the end of 2022 inventories are coming down only relatively slowly because consumer demand slowed due to inflation surging especially in 2022 and coming down in 2023.

By March 2023 the inventories of brands and retailers stood at around USD 88 billion. This is significantly lower compared to the peak but still above the long-term average of around USD 82 billion. It will take a few more months until brands and retailers have further reduced their inventories and will start placing more orders again. It seems that the years 2023 and 2024 are very tough transition years for the textile value chain before a normalization is likely to be seen in 2025 – hopefully.

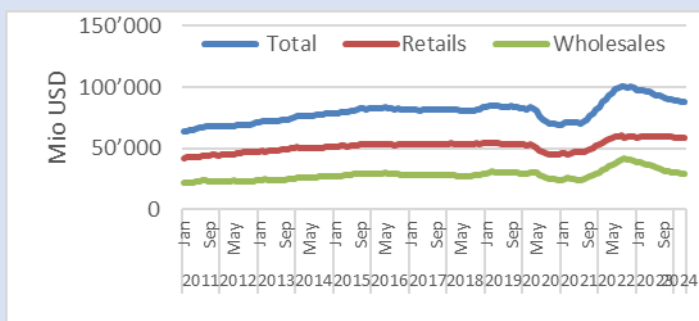


Graph 3: Inventory level by segment* in May 2024, How would you rate your current inventory level?



(1) incl. Türkiye and Central Asia | (2) incl. Central America | (a) incl. woven and knits | (b) incl. auxiliary and dyes, (c) incl. dyed, finished and printed fabric | *Share of respondents | Source: 26th ITMF Global Textile Industry Survey (17-27.05.2024)

Graph 4: Evolution of inventory levels in the USA



Source: US census, illustration: ITMF (last data point: Jan 2024)