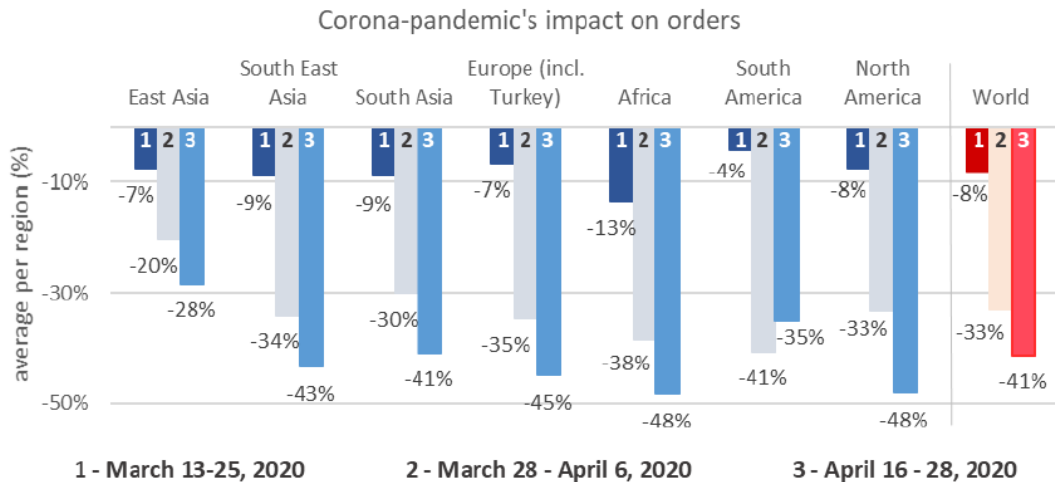


3rd ITMF-Survey about the Impact of the Corona-Pandemic on the Global Textile Industry

Between April 16-28, 2020, ITMF has conducted a third survey among ITMF Members and affiliated companies and associations about the impact the Corona-pandemic on the global textile value chain, especially on current orders and expected turnover in 2020. In total 600 companies from around the world participated.

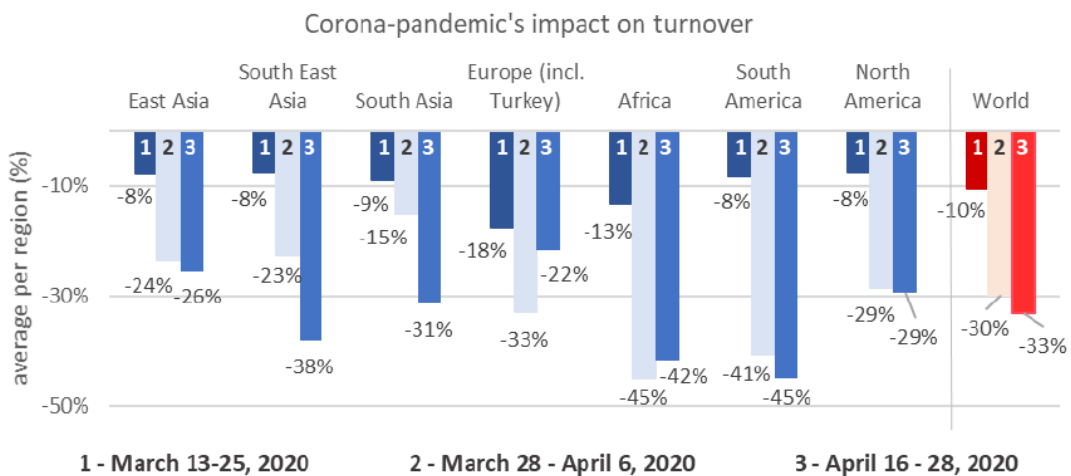
Worldwide, current orders are down by -41% on average



Source: ITMF

Orders in East Asia dropped visibly less (-28%) than in all the other regions (-40% and more). It can be assumed that this region, which was hit first by the Corona-crisis, is also recovering first from it. Especially China and Korea were able to contain the epidemic 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 behaviour will be like in China, Korea and other places once shops are open again.

Worldwide, expected turnover 2020 is down by -33% on average compared to 2019



Source: ITMF

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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-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.

Challenges:

- securing enough liquidity
- supply chain disruption
- uncertainty

Opportunities:

- increasingly thinking about diversification, currently focusing on medical textiles
- streamlining organisation and production processes
- accelerating the reassessment of existing supply chains
- accelerating digitalisation and investing in sustainable production

Government Support:

- Many companies receive little to no help, even if governments have support policies in place.
- Government support can comprise:
 - o loans with low interest rates and deferred repayment
 - o delayed tax payments
 - o delayed social security payments
 - o short-work schemes
 - o reduction of power costs
- **The biggest relief comes when retailers/brands discuss adaption to the unwinding crisis with their suppliers instead of cancelling orders unilaterally**

ITMF, April 29th, 2020