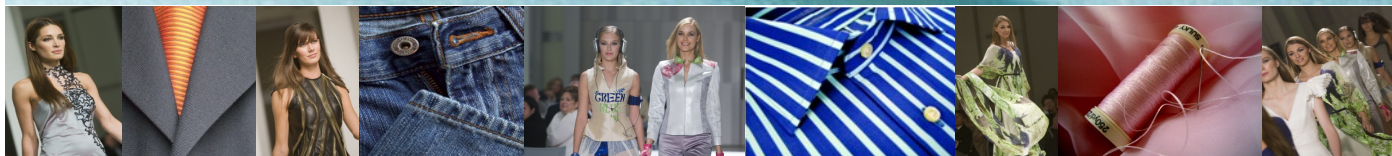




BUILDING BRIDGES IN THE FASHION CHAIN

IAF NEWSLETTER

April, 2011



LETTER FROM THE PRESIDENT

Dear IAF-members,

It's six months since I became the President of the IAF, and I can tell you that, since then, I have received a lot of new information and insight into the industry, which I have used while creating the new business plan, to be presented in Frankfurt.

One of the questions to be answered is whether we are on the right path, or whether we need to adapt our strategy. During my entrance speech I set out various goals for the IAF and one of those was to attract more (corporate) members. To what extent can this be realized? During the past few months I've been in contact with companies and international federations within the fashion industry, to gain a better understanding of how substantially the IAF could grow.

Promotional tours

During my trip to (South) America, together with Han Bekke, we promoted the IAF in various ways and the feedback was very promising. I did the same in France, where I visited the IFFTI (International Federation of Fashion Technology Institutes), where they had a conference, the IFM (Institut Française de la Mode) where I also had meetings with Jean Pierre Mocho and some important people from our network. Fédération Française du Prêt à porter Féminine and François Marie Grau from the French Apparel Association, as well as Philippe Libera from Lectra. We have learned a lot from all the conversations that we had during these trips. Right now, we are busy following up on these meetings and planning a promotional tour in Italy.

IAF business plan 2011-2012

The results of all these efforts and conversations with some of you will be of great help in developing a new vision for the IAF and in deciding whether the IAF is on the right path. During the IAF Spring meetings in Frankfurt, Germany (23 and 24 May) I will present the new business plan for 2011-2012, which will include our vision, achievable goals and strategy.

More developments International cooperation

Next to attracting more members, my goal was to advance international cooperation. During the past few months, there has been contact with federations and other players in the apparel industry, and we have been able to make appointments to meet some of them in the near future, for example the International Textile Manufacturers Federation (ITMF), the International Exhibition of Textiles and Garment Machinery ITMA and the International Fur Trade Federation (Mark Oaten).

Newsletter

Another thing to mention is our new GR (global responsibility) Newsletter. We were happy to learn from you that this newsletter offers added value, and we will work on continually improving the quality of this newsletter. For example, we plan to add relevant information from all continents. Further on, as you probably noticed, the Education Committee offered free access to some interesting journals (regarding Fashion Marketing and Management and Clothing Science and Technology), recently. See page 4 of this newsletter. Next to that, we have intensified the contact with the chairmen of the IAF Committees. This has led to new insights which are very useful for our business plan. I will be happy to share these insights with you, during the Spring Meetings in Frankfurt.

Price increase

During our Conference in Mexico, we will put some major issues on the agenda, like the price increase caused by shortage of raw materials and increased oil prices, and the consequences for the fashion chain.

I am glad to end my words by welcoming Li & Fung Limited as our newest IAF member.

I look forward to seeing you soon!

Harry van Dalfsen

President

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The newsletter editorial team welcomes input, news and press releases from all IAF members. Please send your input to: nep@iafnet.com

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27TH IAF WORLD APPAREL CONVENTION TO BE HELD IN MEXICO

This year's IAF World Apparel Convention will be held from October 13th-16th, 2011, in Puerto Vallarta in Mexico.

The 27th edition of this prestigious event will take place in combination with the 35th congress of the Mexican apparel association, the Camara Nacional Industria Vestido (CANAIVE).

IAF President Harry van Daltsen and CANAIVE President Marcos Cherem recently signed a memorandum of co-operation in Mexico City (picture below) to join forces in order to make both events successful.

The theme of the convention will be **"Transformation of Fashion Business"**.

High ranking speakers from all over the world will touch upon actual and future developments in sourcing strategies and retail concepts. They will answer questions how creativity and innovation can shape a positive business environment for the fashion supply chain.

The general assembly of IAF is planned for Thursday October 13th, whereas the convention will be held on Friday 14th and Saturday 15th October. With the IAF International Designer Award fashion show the convention will be closed.

From October 16th-19th IAF and CANAIVE will organize an optional study tour to apparel factories in and around Guadalajara.

More information about the convention and study tour to be expected in the coming weeks via www.iafnet.com



CÁMARA NACIONAL
INDUSTRIA VESTIDO



(Alexandro Faes - Mexcostura, Marcos Cherem - President CANAIVE, Harry van Daltsen - President IAF, Han Bekke - Secretary General IAF)

IAF SPRING MEETINGS IN FRANKFURT (GERMANY)

On behalf of IAF President Harry van Daltsen all members and associate members are invited to attend our spring meetings in Frankfurt (Germany) on May 23rd and 24th, 2011. The meetings are partly planned parallel to the two major tradeshows organised by our associate member Messe Frankfurt: Texprocess (May 24-27) and Techtextil (May 24-26).

Our schedule of meetings is as follows

Monday May 23rd
(room "Spektrum 2", Congress Center Messe Frankfurt, Level 2)

- 14.00 hrs. Executive Committee meeting (for EC members only)
- 16.00 hrs. Board meeting (for Board members only)
- 20.00 hrs. Frankfurter evening with food and beverages (for all members)

Tuesday May 24th
(room "Summit", Torhaus, Level 26)

- 09.30 hrs. Education Committee meeting (for all members)
- 10.30 hrs. Global Responsibility Committee meeting (for all members)
- 11.30 hrs. Technical Committee meeting (for all members)

- 12.30 hrs. Lunch (for all members)
- 14.00 hrs. General Assembly (for all members)

All meetings will be held at the fairgrounds of Messe Frankfurt. (the fairground map is included in the email you received) You will receive the agenda's for the meetings and other relevant information prior to the meetings.

The venue for the Frankfurter evening with food and beverages on May 23rd is not known yet. We will also update you on this at a later stage.

In view of the necessary preparations for these meetings we kindly ask you to indicate on the registration form that has been sent to you separately which meeting or function you and/or your colleague(s) will attend. Please return this form **asap** to Mrs. Mariet Solle at the IAF office via solle@iafnet.com or fax +31-30-2320999. In case you don't have the registration form, this form is enclosed in the email as well.

texprocess

Frankfurt am Main
24 – 27. 5. 2011

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NEW MEMBERS



LI & FUNG LIMITED

Li & Fung Limited

11/F LiFung Tower
888 Cheung Sha Wan Road
Kowloon

Hong Kong

CP: Emily Lau, secretary of Ms. Leung Wai Ping

T: +852-23002828

F: +852-23002820

waipingleung@lifung.com.hk

www.lifung.com

Li & Fung had its global multinational headquarters in Hong Kong. They are the world's leading supply chain manager operation in the consumer goods market. The company has a history for more than 100 years since 1906 with 15,000 employees worldwide. Orchestrated over 12,000 active suppliers in more than 40 economies to server about 2,000 customers.

Li & Fung is member of Hang Seng Index, MSCI Index, FTSE4Good Index, Dow Jones Sustainability Asia Pacific Index and Hang Seng Corporate Sustainability Index Series. They have a market capitalization of approximately US\$21 billion.

Awards / Recognitions:

- Hong Kong's top 10 companies in the Wall Street Journal Asia's "Asia's 200 Most Admired companies" (2009)
- Forbes Asia's "Fabulous 50" (2007-2009)
- Ranked no. 780 in Forbes' "Global 2000" (2010)
- The Financial Times' FT Global 500" (2010)

IAF ANNOUNCEMENT

The 'IAF group' on Facebook is replaced with an 'IAF fan page'. We will no longer use the group to sent out information about IAF events. So if you want to keep track of the new developments of IAF you should change now!

You can find the IAF Facebook fan page by clicking on the Facebook icon: 

You can also follow IAF on twitter  and LinkedIn: 

IAF MARKET NEWS EXPRESS

Garment Industry Pledges to Employ Evacuated Labourers / Naimul Haq

Bangladesh's garment factories and overseas recruiting agencies have pledged to employ a substantial number of Bangladeshi expatriates returning from politically volatile Libya, following the violent crackdown on opposition forces by Muammar Gaddafi's regime there.

IPS News, March 2011, p.1

Local clothing brands make their mark / Fazla Rabby

Clothing brands in Bangladesh are drawing in a wider span of consumers over the last decade as they continue to offer fashion-rich items that conform to native tastes. The affordable pricing range of the clothes has also been a key factor for the local brands' growing popularity, especially among the youth.

The Daily Star, March 2011, p.1

On U.S. farms, cotton pushes food crops aside / William Neuman

This spring, many farmers in Southern states will be planting cotton in ground where they used to grow corn, soybeans or wheat, encouraged by cotton prices that have soared as clothing makers clamor for more and poor harvests crimp supply.

The International Herald Tribune, March 2011, p.1

Developing countries share in EU imports increase / edited

The EU market for home textiles has been hit by the global economic crisis, showing a significant decline in consumption. Production in the EU decreased even more, as a result of strong competition in the market, which led to manufacturers outsourcing their production to low cost countries'

The Observer, April 2011, p.1

Rising salaries drives firms west / Yang Ning

A growing number of companies are moving to China's western or central areas because of rapidly rising labor costs elsewhere, according to a report released by Aon Hewitt, a global human capital consulting company.

China Daily, March 2011, p.1

Italian textile know-how an asset for local companies / Nasir Mahmood

Italian textile know-how is an extremely valuable asset for those Pakistani companies that look to quality improvement as the solution to overcome competition based on cost factors. Pakistan is one of the key markets for the Italian textile machinery in all sectors. The latest statistics on the exports of Italian textile machinery to Pakistan are most encouraging.

The Observer, March 2011, p.1

All items can be obtained from Josien Feenstra, IAF Information Specialist: feenstra@iafnet.com

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IAF ANNOUNCEMENTS

The IAF is delighted to introduce Emerald Publishing. In the spirit of cooperation Emerald have given free access to 2 academic journals which they hope will be of interest to all IAF members. It concerns the Journal of Fashion Marketing and Management (JFMM) and the International Journey of Clothing Science and Technology (IJCST).

'Emerald is a leading independent publisher of global research with impact in business, society, public policy and education'

**Access for IAF members:
March 27th 2011 to May 31st 2011**

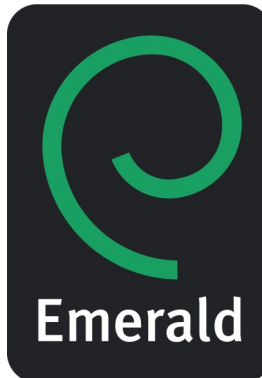
- Journal of Fashion Marketing and Management: <http://www.emeraldinsight.com/jfmm>
- International Journey of Clothing Science and Technology: www.emeraldinsight.com/ijcst

Both have the same login details which are:

Username : IAF2011

Password : emerald

If you would like further information about Emerald then the main we address for Emerald is www.emeraldinsight.com



The free access runs until the end of May after which time the Education Committee guided by your comments and feedback will talk to Emerald about future collaboration.

Enjoy reading and please give IAF your feedback on both items!

GET YOUR FREE TICKETS TO TEXPROCESS

texprocess

At Texprocess, the new leading international trade fair for processing textile and flexible materials from May 24 – 27, 2011 in Frankfurt, Germany, the international market leaders will present their innovations and high-tech solutions for the apparel and textile processing industry.

Additionally to the presentations of the technology leaders, Texprocess includes the sourcing platform Source it!. Over 60 production companies from Egypt, Bangladesh, Bolivia, Bulgaria, Italy, Lithuania, Lesotho, Kenya, Columbia, Mauritius,

Peru, Poland, Portugal, Romania, Tunisia, Turkey and Vietnam have signed up. Before the fair, you can research into which companies are of interest to you on the internet at www.itex-texprocess.messefrankfurt.com and make appointments with them before leaving for the fair.

IAF and its national member associations support Texprocess. Everybody who belongs to a member association of IAF could get a free ticket to Texprocess. Please contact your national textile and apparel association. Further information about Texprocess at www.texprocess.com.

NEWS FROM IAF MEMBERS

Textiles Intelligence

Textiles Intelligence strengthens its editorial team for future growth

Textiles Intelligence has added two new members to the editorial team at its international headquarters in Wilmslow, UK. Both members bring a new range of skills to the existing team, and have

been recruited to prepare the company for the next phase of its growth.

Shaheda Khanom holds a BSc in Management and Marketing of Textiles from the University of Manchester in the UK. Her course included a year in France, during which time she undertook a research project in design and supply chain management and developed her foreign language skills.

Rachel Varughese graduated in 2007 from Houghton College in New York, USA, with a BA in English and followed this up in 2010 with an MA in Contemporary Literature and Culture from the University of Manchester. Rachel has written extensively for various publications in the past, and has experience in a customer service role for bookstores in both the USA and the UK. Rachel's international background will

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further strengthen Textiles Intelligence as a company with a global perspective.

The recruitment of two talented people will help to develop the in-house editorial team at Textiles Intelligence.

Commenting on this latest development, Robin Anson said: "I am delighted to be welcoming these two valuable newcomers to our editorial team as we enter the next phase of our expansion. Last year -- the 25th anniversary of our flagship publication Textile Outlook International -- our financial performance hit a new record. This year we are aiming to launch new publications specifically aimed at markets in China and South Asia. Rachel and Shaheda will play a vital role in meeting our editorial needs for this next, exciting stage of the company's development."

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Gerber Scientific has new President of Asia Pacific

Gerber Scientific announced the appointment of Thomas Finn, currently senior vice president of Global Operations, to the additional role of President of Asia Pacific. He is charged with optimizing Gerbers' operating model to support increased business growth in the Asia Pacific region.

Based in Shanghai, China, Finn reports directly to Marc Giles, Gerber Scientific president and chief executive officer. "Tom understands that, to be successful, an organization has to be nimble, cost conscious and completely focused on customers' needs," said Giles. "With his breadth of experience, he will help us achieve our ambitious goals in the region, expand our product portfolio, and elevate the level of service and support that Gerber customers have come to expect."

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Gerber Scientific, Inc. Announces Organizational Changes

Gerber Scientific reported that John Hancock, President of Gerber Technology, will be leaving the company, effective April 30, 2011. Marc Giles, Gerber Scientific, Inc. President and CEO will assume leadership responsibilities for the Gerber Technology ("GT") business segment.

"We thank John for his many contributions to Gerber Technology and the key role he played in driving GT's growth strategy over the past few years. We wish him well in his new endeavors," said President and CEO, Marc Giles.

Giles also announced that as part of the company's transformation plan, Gregg Williams has joined the company in the newly created position of Vice President of Marketing, Product Management and Service. Gregg has a solid background in marketing, sales and service with a strong focus on identifying and capitalizing on customer and market needs.

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Gerber Technology's James Arthurs to Retire

Gerber Technology announces the planned retirement of James Arthurs, a 31-year veteran of the company best known for leading the company's foray into international apparel and industrial markets and solidifying Gerber's leadership position in the Asia-Pacific region. Arthurs, who is senior vice president of Gerber Scientific and chairman of Gerber Technology, will retire at the close of 2011.

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Life was easier years back, brands just needed good styling division and pattern designers, reliable suppliers somewhere and hard working sales and distribution divisions and the margin was assured. Nobody wanted to know anything about REACH, "AZO" amines, Phthalates or other restricted substances. The age of a worker was not relevant and wages were paid somehow. The main goal was to have attractive goods on the shelves and a decent calculation.

Times have changed!!! Fashion is going to become even faster and market and customer demands are challenging. It is a MUST to assure product safety and still today repeated testing of products is considered as unavoidable. On the other hand, intensive testing, if consequently applied throughout the process chain, is simply not affordable....

We know the hot spots in the textile and apparel chains and target our activities at the critical points of the process chain. This well-proven approach is not only easier to use and more efficient in its outcome than, but also considerably less expensive. Potential sources of error can be identified and addressed at a time when improvement is still possible and can be eliminated on a sustainable base.

3p - the key to new solutions

The new brand 3p consolidates international activities of the 3p Institute and gsm Global Sustainable Management around Corporate Responsibility, Sustainable Production and Product safety under one roof. Both organisations provide more than 15 year of practical experience in the implementation of socio-ecological standards in the entire supply chain of textiles and apparel.

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3p turns challenges into opportunities and combines knowledge with transparency following the principle of traceability as the basis for compliance and trust.

3p stands for verified inbound supply chain solutions; from source to shop!

3p@gsm-consulting.net
www.gsm-consulting.net/3p



Countering Rising Production Costs

Last week Euratex called for concrete action by the EU to address the problem of rapidly growing raw material costs impacting the European textile and apparel industry. At a time such as this when brands and retailers can feel powerless to spiraling costs of raw materials and labor, it's important to focus on the factors of business that can be controlled, and find better ways to execute. By looking across the supply chain, apparel brands and retailers can all find ways to reduce costs related to overhead, processing and capital.

Want to now some suggestions from Esther Lutz, MD of Business Development in Europe? Click [here](#) for a free white paper on 10 Ways to Counter Rising Production Costs.



Rick Darling Installed as AAFA Board of Directors Chairman

During the 2011 American Apparel & Footwear Association (AAFA) Annual Executive Summit in Washington, D.C., outgoing AAFA Chairman Killick Datta, Chairman and Chief Executive Officer of

International Brand Partners, LLC, turned over the chairmanship of the AAFA Board of Directors to Rick Darling, President of LF USA, a subsidiary of Hong Kong-headquartered multinational Li & Fung Limited. The officer rotation ceremony was held Thursday, March 3, 2011 at a gala reception and dinner at the Halcyon House in Washington's historic Georgetown neighbourhood.

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[TC]²'s Revolutionary In-Clothes 3D Scanning for Size Selection and Virtual Fashion at Home and at Retail

Leveraging recently released low cost scanning devices for home use, [TC]² has combined that low cost power and availability with its Size Selection, Avatar Creation, Virtual Fashion, and Weight Loss Visualization technologies developed over the years for use with high-accuracy 3D full body scans. The result is an extremely high value-low cost solution for retail, at-home, and web-enabled smart phone applications.



There are already 10 million of these devices in homes now in the form of the Microsoft Kinect device for the Microsoft Xbox 360. Microsoft has publicly announced that it will be formally supporting external applications of this type later this year. [TC]² intends to launch its applications as soon as the support is commercially available.

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Development new program content

The 'International Marketing of Fashion Products' (post graduate program) is offering an option, 'Fashion E-Business'.

The creation of this option meets the new and important market of online sale of fashion products, accessories and clothing. This market concerns products from primary products to luxury ones and limited editions. Graduates trained to new Internet technologies will be eligible for positions as Project Manager web marketing / e-commerce, e-Business Manager or Community Manager.

The option "Fashion e-business" is a strong partnership in theory and practice with Brandalley company. This training program is partly based on the experience of the company Brandalley which is recognized as leader of e-commerce for fashion products of any brands. Brandalley participates in the board to develop the program and in the 3rd steering committee of this new option e-business. Brandalley is committed to students recruitment with alternately contracts and on education with lectures with the professional managers.

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MMU is are running industry focused short courses from their Open Professional Program

This Open Professional Program has been specifically designed to meet the demands of employers and employees. It has been developed in response to the need for a bite-sized approach to teaching, together with work-based learning where individuals on industry focused short courses are allowed to accrue credit over time. This program will provide a progression route for learners employed in the fashion and clothing

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industry that has not been previously available to them.

These are all 2 to 3 day courses and on completion the delegate will be awarded 5 credits which can be accrued towards a qualification of the University.

Course Fees : £580.00 per delegate / course

More Info?

Christine Shaw (0161 247 2694 / c.shaw@mmu.ac.uk)

Maria Ball (0161 247 2491 / m.ball@mmu.ac.uk)

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Yeşim keeps its global promise

Yeşim Tekstil renewed its report published in the internet for the period from September 2008 in scope of the Global Compact.

Recently, Yeşim Tekstil had its report on the social compliance and responsibility projects it has accomplished in the framework of the Global Compact published on the United Nation's website: <http://www.unglobalcompact.org/COPs/detail/10958>

The report covered human rights, worker standards, environment and fight against corruption efforts undertaken in conformity with the Global Compact and social responsibility activities run on the volunteering basis. The report also contained an article on the ideas and opinions of Yeşim Tekstil CEO Şenol Şankaya, who explained the relationship of the said efforts and projects with the internal processes of the corporation and graphs relating to the measurable parts



of the projects. The report was simultaneously published on Yeşim Tekstil's website.

A Meaningful Award to Yeşim from Burberry

Yeşim Textile was awarded for its sensitivity towards the environment, social responsibility and employees. Yeşim Tekstil was presented with "2011 Protect Award" by Burberry, which Yeşim Textile produces for since 2007, thanks to various activities in all the areas above.

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Prime Source Forum 2011: Challenges & Solutions

Prime Source Forum (PSF) 2011 discussions centred on the theme of "challenges and solutions" faced by today's global apparel industry. A global standardization workshop started the 2011 Forum, followed by panels on the balance of trade, lessons learned and alternative sourcing in Asia. Sessions also delved into the impact of currency fluctuations on the supply chain and the rising prices of raw material.



Over 400 senior executives attended and Close to 70 industry senior professionals and specialists also participated in various panels offering their insights and experience.

Following advice from major players in both the apparel and footwear industries, the seventh edition of PSF from 28 – 30 March 2012, will cover issues confronting the footwear industry, acknowledging the similarities in sourcing opportunities

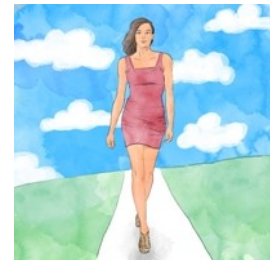
for both footwear and apparel executives.

www.primesourceforum.com
www.fashionnetasia.com

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Lawson Fashion PLM on the Cloud – Greater Choice – Flexible Capacity – Lower Entry Cost



Lawson Fashion PLM is a collaborative, web-based solution that helps support the design and development of fashion products from concept to sourcing. Specific modules include Line Optimizer, Storyboard, Fabric & Trim, Product Manager, Workflow and Source.

Because it is deployed via the Amazon EC2 cloud infrastructure, Lawson Fashion PLM on the Cloud helps fashion companies to extend or reduce their use of the application and computer processing power as their business and requirements change. Deployment on Amazon's EC2 global infrastructure helps reduce an organization's own technology infrastructure needs and delivers business benefits more rapidly because cloud deployment helps support faster implementation.

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The Fashion Education Website - Connecting global Fashion Institutes

Students are tomorrow's fashion industry future and to help them boost their career FashionUnited has started a non-profit initiative: The Fashion Education website.

The Fashion Education website offers fashion schools and institutes a global

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network platform with related content, where they can establish relevant new relationships and collaborate online to improve knowledge in the fashion chain.

Currently FashionUnited collaborates with several schools and students to promote the developments and quality in fashion education. Today, the Fashion Education website represents more than 30 different top fashion institutes from around the world and has over 2000 subscribers to its monthly newsletter.

By connecting schools and institutes around the world, this initiative aims to enhance educational and inter-cultural exchanges in education.

Educators and students can read and discuss news, search the job board for the latest positions, view and upload pictures and send requested discussion topics.

The Fashion Education website hopes to contribute to the next generation of fashion professionals by providing tools that help start off a successful career.

www.FashionUnited.com/Education

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MFG.com and Messe Frankfurt Announced Alliance

[MFG.com](http://www.MFG.com), the largest global sourcing marketplace for the manufacturing



industry announced a partnership with Messe Frankfurt, Inc., the U.S. subsidiary of Germany's leading trade show organizer. Both companies will begin their partnership by working together on the New York July 2011 textile events, which are comprised of Texworld USA, International Apparel Sourcing Show and Home Textiles Sourcing Expo all taking place July 19 – 21 at the Javits Convention Center.

Link to press release: <http://apparel.edgl.com/news/MFG-com-and-Messe-Frankfurt-Partner-on-Textile-Sourcing-Shows71196>

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MFG.com launched its Textiles site and sourcing platform in 7 languages

MFG.com, the world's largest online sourcing platform and marketplace has recently launched their Textiles site now in Chinese, Italian, French, Spanish, Portuguese, English, and German. Buyers and Suppliers can now connect and collaborate with each other on

www.MFG.com/textiles in the language of their choice.

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WRAP Opens Office in Bangladesh

Worldwide Responsible Accredited Production (WRAP) announced the opening of its liaison office in Dhaka, Bangladesh on February 1, 2011. Mr. Saifullah Khawaja is the organization's Country Manager. Saifullah is well known in the social compliance arena in Bangladesh and has prior work experience with brands, audit firms, donor agencies, buying houses and manufacturing units.

He can be reached at: skhawaja@wrapcompliance.org

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GLOBAL APPAREL NEWS

USA - Retail prices slip in February.

Retail prices for apparel and footwear rose in response to surging raw materials costs and other price pressures. Seasonally-adjusted retail prices for all types of apparel fell 0.9 percent in February. Prices fell across the board, with prices declining in February for infants' and toddlers' apparel (-1.6 percent), women and girls' apparel (-1.2 percent) and men's and boys' apparel (-0.9 percent). Overall footwear prices fell (-0.4 percent) in February from the previous month, as lower prices for women's footwear (-0.7 percent) outweighed unchanged prices for men's footwear and an increase in

prices for juvenile footwear (+0.3 percent). Overall prices for apparel (-0.4 percent) and footwear (-0.7 percent) also slipped in February from February 2010. Lower February prices (versus February 2010) for women's and girls' apparel (-1.6 percent), men's and boys' apparel (-0.3 percent), infants' and toddlers' apparel (-3.7 percent) and women's footwear (-2.5 percent) more than offset price increases for juvenile footwear (+0.8 percent) and men's footwear (+0.9 percent). Stoking inflation fears, overall retail prices increased by 0.5 percent in February on a seasonally-adjusted basis. Overall retail prices also increased on year-on-year terms, up by 2.2 percent

from February 2010.

Source: AAFA

USA - Apparel/footwear sales rise in February.

Retail sales at U.S. clothing and clothing accessories stores, including shoe stores, rose 0.8 in February from the previous month, and increased 3.8 percent over February 2010 sales. February seasonally adjusted retail sales at U.S. department stores rose a modest 1.0 percent over January, but sales remained 1.9 percent lower than in February 2010. February seasonally

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adjusted retail sales at all U.S. general merchandise stores (which includes discount stores like Kohl's, Target and Wal-Mart as well as regular department stores) increased 0.7 percent from January with sales growing 2.6 percent over February 2010 levels. Overall retail sales increased 1.0 percent in February, and were and whopping 8.9 percent higher than in February.

Source: AAFA

EUROPE - Deal on textile labelling: fur must be mentioned.

European Parliament and Council negotiators reached a compromise deal on a new EU regulation on textile labelling. Parliament ensured that any use of animal-derived materials will be stated on garment labels. The Council also agreed to ask the Commission to do an assessment report, by 2013, on a possible origin labelling scheme. This report may be accompanied by a legislative proposal.

"With this agreement we take a big step towards completing the internal market for textile products, with clear advantages for consumers, the industry and Member States. I am proud of what we achieved. I think Parliament has shown a clear vision on consumer issues", said Parliament's rapporteur Toine Manders (ALDE, NL), after the second-reading deal between Parliament's negotiating team and the Council presidency. The agreement will be put to the approval of the full house during the May plenary in Strasbourg. Although the proposal was originally purely technical, aiming to simplify existing textile labelling rules and allow faster introduction of new fibres and innovative products to the market, Parliament won important political concessions in the negotiations.

Fur and leather

Consumers will no longer risk inadvertently purchasing real fur or leather products when they would prefer not to do so. Allergy sufferers would also benefit, because fur can pose a potential health hazard to them. The Commission is also asked to carry out a study, by 30 September 2013, on whether there is a causal link between allergic reactions

and chemical substances (e.g. colourings, biocides, or nanoparticles), used in textile products.

Parliament has ensured that textiles containing such products must be labeled "non-textile parts of animal origin", to enable consumers to identify such products.

"Made in" labels

To enable consumers to check the origin of textile products manufactured outside the EU, Parliament had proposed that "made in" labels be made mandatory for them. The Council has agreed to have the Commission look further into this issue.

The Commission is asked to present a study, by 30 September 2013, on the feasibility of an origin labelling scheme to give consumers "accurate information on the country of origin and additional information ensuring the full traceability of the textile product". This assessment report may be accompanied by a legislative proposal.

The Council also agreed to a political statement underlining the importance of providing accurate information to consumers, in particular in relation to country of origin, "so as to protect them against fraudulent, inaccurate or misleading claims".

Exemption for self-employed tailors

The agreement also provides for an exemption from mandatory labelling requirements for customized textile products made up by self-employed tailors.

Possible new labelling requirements and new technologies

The Commission's report should also assess the feasibility of harmonising care labelling requirements (currently voluntary), an EU-wide uniform size labelling system for clothes, social and ecological labelling, the indication of allergenic substances, and flammable clothing.

Finally, Parliament also stressed the need to assess how new technologies, such as micro-chips or radio-frequency identification (RFID), could in future be used instead of traditional labels to

convey information to consumers.

Next steps

The agreement will be put to a plenary vote in Strasbourg in May.

Source: EU Press office

USA - Apparel industry frustrated by trade deal

The Obama administration has reiterated its commitment to approving long-delayed trade deals with Colombia, Panama and South Korea this year - but frustrated the apparel industry by refusing to lay out a clear timetable for action.

The President's 2011 Trade Policy Agenda and 2010 Annual Report, says key goals for the year ahead include implementing the US-Korea Free Trade Agreement (KORUS FTA). Also on the agenda is work to resolve outstanding issues related to trade agreements with Panama and Colombia, and substantial progress in the Trans-Pacific Partnership (TPP) talks and the Doha round of trade talks at the World Trade Organization (WTO). The administration has also called for the renewal and long-term extension of key programs such as Trade Adjustment Assistance and expired trade preferences. But while the President has made no secret of his goal of boosting the US economy by doubling the country's exports by 2014 and creating new jobs, the trade deals with Colombia (agreed in 2006) and South Korea and Panama (2007) have still not been passed by the US Congress.

Source: just-style.com

USA - AAFA continues call for elimination of trade barriers worldwide

The American Apparel & Footwear Association (AAFA) released the following statement regarding the publication of the 2011 National Trade Estimate Report. The NTE Report is an annual review coordinated by the Office of the U.S. Trade Representative (USTR) of foreign trade barriers faced by U.S. companies. "Knocking down barriers to trade at home and around the world improves America's competitiveness in the global

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marketplace," said AAFA Vice President for International Trade Nate Herman. "This report, which outlines many of the trade barriers faced by U.S. brands and exporters, can be a valuable tool in achieving President Barack Obama's goal of doubling U.S. exports by 2015."

"The Obama Administration and Congress must continue to aggressively pursue a variety of opportunities to open markets both at home and abroad," Herman said. "Passing the longpending free trade agreements with South Korea, Colombia, and Panama and completing negotiations for a commercially-meaningful Trans-Pacific Partnership (TPP) agreement will move us one step closer to achieving that laudable goal." "The U.S. apparel and footwear industry supports more than one million jobs here in the United States because of international trade," said Herman. "U.S. brands are the best in the world. In fact, much of our recent growth has been abroad, especially in China. Having a 21st century trade policy that opens more markets to U.S. apparel and footwear brands will allow us to reach more customers and create more U.S. jobs."

Source: *fibre2fashion.com*

VIETNAM - Vietnam strengthens garment & textile cooperation with Denmark

On 28th March 2011, in Hanoi, Embassy of Denmark organized the seminar "Vietnam – Denmark Partnership in the Textile and Garment Industry". The seminar aims at promoting the Vietnam – Denmark relationship in the field of trade and investment, simultaneously opening cooperative opportunities in the textile and garment industry. Deputy Minister of Industry and Trade Tran Tuan Anh attended the seminar. Speaking at the seminar, Danish Ambassador to Vietnam John Nielsen said that the seminar was the first step in the long-term cooperation relationship between the two countries' enterprises, especially in the textile and garment industry. According to Deputy Minister Tran Tuan Anh, at present, Vietnam is enjoying trade surplus in trade relationship with Denmark. In 2010, Vietnamese exports to Denmark reached 195 million USD, mainly textile and

garment products, footwear, consumer goods. Vietnam's import turn-over from Denmark was 116 million USD. In the first two months of 2011, Vietnam's export volume to Denmark increased by 59.5% as compared to the same period of 2010. At present, the textile and garment industry is playing an important role in the Vietnam – Denmark economic cooperation. In 2010 only, Vietnam's textile and garment exports to Denmark attained 64.8 million USD, accounting for 33.2% of the total export turnover of Vietnamese goods to this market, up 60.5% in comparison with 2009. Deputy Minister Tran Tuan Anh also said that the Vietnam Government always took interest in and supported enterprises within the WTO commitments. At the same time, he expressed his wish that Danish enterprises would take part in textile and garment investment projects to create favorable condition for the quality improvement of Vietnamese exports to Denmark.

Source: *fibre2fashion.com*

CHINA - Clothing firms fear slowdown in Japanese orders / Wang Fangging

Chinese textile and clothing companies supplying the Japanese market are concerned about a sharp drop in profits in 2011, as Japan's economy suffers following the earthquake and tsunami earlier this month. "I think orders will drop about 10% to 15% this year from 2010," Kitty Huan, general manager of Shanghai Hebo Industry & Trade, whose major clients include high-end Japanese fashion houses Onward Kashiyama and World, told just-style. "We are actually lucky because our clients are in Tokyo and Osaka [not the devastated north], so orders are still coming, though much less," she said, adding some Chinese mass market clothing exporters to Japan have lost so many orders, they are almost out of business.

"Their clients have all pulled back," she said. Things look better at sportswear manufacturer Shanghai Challenge Textile, whose Japanese clients contribute about 30% of its annual sales. "We got enough orders before the disaster, so right now we are not worried," said Daisy Dai, sales at the company. "But it's hard to say how things could be like in

the second half of this year." That said, export analysts are predicting the disaster's economic impact will probably not last long. "Manufacturers will surely see their order books getting thinner over the next several months as Japanese consumers will have much less interest in shopping after the quake," Xiong Xiaokun, analyst at Shenzhen-based research firm CIConsulting, told just-style. "But in the long run, say next year, the orders will likely be boosted with Japan's recovery," he added.

Source: *just-style.com*

TAIWAN - Textile & garment sector to benefit from new export policy

The Ministry of Finance (MOF) made an announcement to the effect that, March 30, 2011 onwards the exporters would be entitled to permanent tax rebates in respect of their goods. The decision, amongst others, is looked upon to greatly benefit the textile, garment and many other industries. With this decision, the tax-rebate system would be extended for all the exported items. The system was resumed on March 30, 2009 to aid the exporters to better survive the effects of the global economic slump. Earlier in August 1983, it was decided to exclude the claims where the rebate amount was less than one percent of the FOB (free on board) prices of exported products, in view of the high administrative cost. However, pursuant to the new provisions, March 30, 2011 onwards all the exporters would be entitled to rebates on their exports, irrespective of their value or share in the FOB prices of the items exported. The move though would benefit the export of high-valued items, but the industries exporting goods produced while using low-cost import components and parts, like textiles and garments would be the biggest beneficiaries.

Source: *fibre2fashion.com*

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IAF MEMBERS EVENT CALENDAR

MAY 2011

Creative Amsterdam 2011

Pakhuis de Zwijger, Amsterdam
11 - 13 May
www.creativeamsterdam.nl

Cairo Fashion Week 2011

Conrad Cairo Hotel, Cairo
19 - 21 May
www.cairofashionweek.com

IAF Spring Meeting

Frankfurt
23, 24 May
Contact: nep@iafnet.com
www.iafnet.com

Texprocess

23 - 27 May
www.texprocess.com

Istanbul Fashion Apparel Conference

Istanbul, Turkey
5, 6 May
www.tgsdconf2011.com

SEPTEMBER 2011

Ethical Fashion Show

Carrousel Du Louvre, Paris
1 - 4 September
www.ethicalfashionshow.com

Apparel Sourcing by Texworld

Le Bourget, Paris
19 - 22 September

OCTOBER 2011

TITAS - Taipei Innovative Textile Application Show

Taipei World Trade Center (Hall 1)
12 - 14 October
www.titas.com.tw

Taipei IN Style

21 - 23 October
www.taipeiinstyle.com

**If you have any event you want to display on our calendar
please send it to nep@iafnet.com**

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