Business Week
16 Apr - 22 Apr

Dates announced for Sportex 2007

16 Apr 2007

More than 5,000 visitors are expected to attend Sportex Middle East 2007, which will take place on November 11-13 in Dubai. Exhibitors will present a range of items at the event including footwear and apparel, camping products and fitness equipment and accessories.

Polo Ralph Lauren extends presence in Japan

16 Apr 2007

American apparel company Polo Ralph Lauren Corporation plans to acquire approximately 80% of the outstanding shares of Impact 21 Co., its Japanese sub-licensee for men's, women's and jeans apparel and accessories. The offer for 2,600 yen ($22) per share in cash is supported by the board of Impact 21 Co., and is also supported by Onward Kashiyama Co., Ltd. which, together with its affiliates, is the single largest shareholder in the company. Onward Kashiyama has agreed to tender all of its and its affiliates' shares in conjunction with the offer. The purchase price represents a 19% premium to Impact 21's closing stock price of 2,190 yen as of April 12.

Polo Ralph Lauren has also entered into an agreement to purchase the remaining 50% interest in its Japanese Master Licensee, Polo Ralph Lauren Japan, held by Onward Kashiyama and others, for 2.7 billion yen ($23 million). The acquisition will be completed upon the acceptance of the tender offer, thereby making Polo Ralph Lauren Japan a wholly-owned subsidiary of Polo Ralph Lauren Corporation.

Staff changes at Lija

16 Apr 2007

Canadian women's golf and sportswear company Linda Hipp has hired Michelle Herbert as manager of Product Development and promoted Ayr Barnett to director of Operations & Business Development.

Ms Herbert has worked as apparel product manager for Sierra Designs, where she was colour design and trend merchandiser.

Ms Barnett joined the company in 2003 and assisted with its re-branding from Hyp Golf.

New Turkish facility for Hyosung

16 Apr 2007

Korea-based Hyosung is to establish a new creora spandex production facility near Istanbul in order to gain closer access to its European customers. This will involve an investment of $130 million and will expand the company's production capacity by 15,000 tons per year. Production is expected to start in November.

It also plans to invest $50 million in a limited liability company in Turkey named Hyosung Istanbul Tekstil Ltd. Sti and $35 million for a plant in Zhuhai, China. With the addition of the new facility, which will increase production by 5,000 tons per year, the company's overall annual capacity in China will be 39,000 tons and 87,000 tons globally.

March sales rise 16% at Gap

16 Apr 2007

US-based clothing and accessories retailer Gap Inc. has reported net sales of $1.56 billion for the five-week period ended April 7, a 16% increase compared with $1.35 billion for the five-week period ended April 1, 2006.

Year-to-date net sales of $2.47 billion increased 11% compared with sales of $2.21 billion for the corresponding period in 2006.

China to lower tax rebate for textile exports

16 Apr 2007

The Chinese government is preparing to cut the export tax rebate on textile products in order to help to balance the country's trade surplus. Reports indicate that the rebate rate on textile products, covering the cotton textile and chemical fibre sectors, could fall from 11% to 9%, the rate on garments may be reduced from 13% to 9%, and the rebate on chemical fibre products could be cut from 9% to 5%.

The China National Textile Industry Council has lobbied to maintain the original rebate rate on textile products and reduce the rate on garments to 11%, claiming it would prevent fluctuations in exports. The government has adjusted the rebate rate on textile products and garments four times since 2001.

It is estimated the growth in garment exports would fall from 25% to 10% if the rebate rate was cut by 2%. This would reduce exporters' revenues by $1.6 billion, given that the 2007 growth rate for garment exports is likely to be around 15%.

The US filed a complaint with the World Trade Organization in February alleging that China was using export subsidies to help its companies, including those in the clothing sector. As the largest destination of China's textile and clothing exports, it could impose a 27.5% tariff on Chinese clothing if negotiations on the issue fail to produce results.

Vice Commerce Minister Gao Hucheng said that the government would decide whether to readjust export rebates in accordance with market changes. Customs sources estimated that Chinese exports of garments and textiles totalled $143.99 billion in 2007, a growth of 25.2%, while imports totalled $18.09, up 5.6%. The country's trade surplus soared to $46.44 billion in the first quarter of 2007, although it dropped to just $6.87 billion in March—less than a third of the February figure.

New appointments at Quiksilver

17 Apr 2007

Outdoor sports lifestyle company Quiksilver, Inc. has appointed Joe Scirocco as chief financial officer following the resignation of Steve Brink, who has decided to pursue other interests. Mr Scirocco has served in various executive capacities for Tommy Hilfiger Corporation including chief financial officer from 2002 to 2006.

Meanwhile, David Morgan, formerly the company's executive vice president of Finance and Operations, has now been named chief operating officer.

International revenues boost Cherokee results

17 Apr 2007

American licensor and brand management company Cherokee Inc. has reported improved financial results for the fourth quarter and fiscal year ended February 3. Revenues were enhanced by the receipt of $33 million in connection with the sale of its Mossimo Finder's Agreement, which resulted in total fourth quarter revenues of $42.2 million, compared with $9.9 million in the comparable prior year period. Net earnings were $20.7 million compared with $4.4 million.

For the year, net revenues rose to $76.6 million (including the one-time $33 million payment) compared with $42.7 million last year. Full-year sales exceeded $4 billion. Net earnings increased to $34.8 million compared with $18.3 million in 2006.

Coolmax wins Spanish competition

17 Apr 2007

The Coolmax team has made a positive start to the 2007 Extreme Raid World Championship by winning the first competition of the season.

The team—comprising Emma Roca, David Rovira and Fran Lopez—won La Pineda Platja 07 competition held in Tarragona, Spain, with over 40 teams starting the race.

The event involved cycling more than 20km and line skating more than 10km as well as caving, archery, trekking, canoeing and kayaking. The team, wearing outfits made from Coolmax fabrics, finished more than an hour ahead of the team that came second.

Record European presence at Motexha

17 Apr 2007

A record 60 European companies from the UK, Turkey, Italy, Portugal, Poland and Hungary, exhibited at the garment, textiles, leather and fashion accessories show, Motexha 2007, held recently in Dubai. The higher number of European participants was attributed to higher incomes and increased wealth in the Middle East region, which has boosted mainstream demand for mid-to-high-end products.

In total, some 226 exhibitors and over 100 international brands from over 25 countries participated at the show—a 35% increase over the previous year.

Skechers refiles lawsuit against Asics

17 Apr 2007

US lifestyle footwear company Skechers USA, Inc. has announced that it will be refiling its lawsuit against Asics Corporation and Asics America Corporation for trade libel, unfair competition and tortious interference with prospective economic advantage and economic business relations. The suit will be re-filed when Skechers answers a similar complaint made by Asics.

Skechers will seek $100 million in punitive damages and a declaration that none of its designs infringe Asics' trademarks.

Commenting on the decision to refile the suit, Skechers' general counsel, Philip Paccione stated, "Skechers dismissed its lawsuit against Asics without prejudice in the 'interest of judicial economy' and will be re-filing the suit as counterclaims in Asics' lawsuit, which was explained in a March 28, 2007 letter to Asics' lawyers. Given that Skechers' declaratory relief claim against Asics involves the same legal and factual issues as

Asics' infringement claims against Skechers, we elected to re-file as counterclaims and avoid wasting public tax money by maintaining separate suits. It was an opportune time to dismiss and consolidate since the parties were attempting to resolve the matter and the Skechers' suit had not yet been served." He added, "On April 13, 2007, Asics' lawyers issued a press release stating that Skechers dropped its trade libel suit. The press release did not include relevant information given to Asics in the March 28 letter, including the reason why Skechers dropped the suit, that the suit was dismissed without prejudice, and that Skechers intends to re-file when it answers Asics' complaint."

Marathon runner wins in 'banned' footwear

17 Apr 2007

Oleg Strijakov of Russia has won the Masters "Over 40" Boston Marathon wearing a pair of 'banned' Spira running shoes, featuring the company's WaveSpring technology. Mr Strijakov won the race in 2:28:55. Spira running shoes which feature 'springs' are banned from competition under Rule 143 of the International Amateur Athletic Federation (IAAF) and the United States Association of Track and Field (USATF) which does not allow spring technology to be used in footwear. Spira footwear filed a lawsuit in US Federal District Court last week against IAAF and the USATF, alleging that the application of this rule constitutes a violation of the Sherman Anti Trust Act and a restraint of trade.

New Wave Group to acquire Cutter & Buck

17 Apr 2007

Designer of consumer products for the corporate promotional and consumer retail markets in Europe New Wave Group AB has signed a definitive agreement to acquire US designer of golf and sportswear Cutter & Buck Inc. The deal is said to provide Cutter & Buck with a significantly expanded product offering for the United States market and offers New Wave a golf a sportswear brand to distribute in Europe.

Under the terms of the agreement, Cutter & Buck Inc. shareholders will receive $14.38 per share of Cutter & Buck Inc. common stock for an aggregate consideration of $156.5 million.

"We are excited about the opportunities presented by this combination," said Ernie Johnson, Cutter & Buck Inc.'s CEO. "We will have access to proven products that should provide us significant growth in our current markets. In addition, this combination allows Cutter & Buck Inc. access to New Wave Group AB's broad distribution network in Europe as well as New Wave Group AB's exceptional product related resources throughout the world."

The transaction is subject to customary closing conditions, including approval by the shareholders of Cutter & Buck Inc. and the receipt of applicable regulatory approvals.

CMAI hosts petrochemical workshop

18 Apr 2007

CMAI Europe Ltd. is to hold the Petrochemical Industry Fundamentals Workshop at the Royal Garden Hotel in London on June 8. Developed by experienced CMAI consultants, the one-day workshop is designed to give participants a solid foundation in many aspects of the petrochemical industry. Topics will include basic chemistry & terminology, transportation, demand drivers, olefins, aromatics, chlor-alkali & vinyls, methane-based chemicals, polymers, and synthetic fibres.

Avery Dennison exhibits at Apparel Sourcing Show

18 Apr 2007

Avery Dennison Retail Information Services is exhibiting a full range of information and brand management solutions at the Apparel Sourcing Show currently being held in Guatemala City.

Products on display include brand identity tags and labels, ComfortTag heat transfer labels (tagless labels that can carry a combination of product identification, brand identification and care instructions on apparel and footwear components), RFID integrated solutions, label printers, custom packaging and poly bags.

Avery Dennison RIS offers a range of brand identification products and solutions, including woven and printed fabric labels, hang tags, and leather patches.

Interfilière preview to be held

18 Apr 2007

After 56.4% of exhibitors at Interfilière Lyon favoured bringing the show dates forward, organisers Eurovet have launched a preview for winter 2008/09, which will be held on June 26-27.

The event, Interfilière Evolution Days, will see 56 exhibitors from France, Germany, Austria, Switzerland, Italy, Spain and Portugal present lace, embroidery, knits, wovens, accessories and haberdashery as well as their winter 08/09 colour ranges.

Decline in sales at Burlington Coat Factory

18 Apr 2007

New Jersey-based branded apparel retailer Burlington Coat Factory has posted a decline in sales for its third quarter ended March 3.

Third quarter sales decreased $36.4 million (3.6%) compared with the prior-year period and comparative store sales decreased 2.6%. Income was $31.1 million compared with $58.3 million during the period ended February 25, 2006.

For the nine months ended March 3, the company reported a 0.3% increase in net sales totalling $2.63 billion compared with $2.62 billion for the comparable period ended February 25, 2006.

It recorded a net loss of $9 million for the nine month period compared with net income of $87.8 million for the first nine months of the prior year.

Wolverine World Wide posts record results

18 Apr 2007

US producer of casual, work, outdoor sport and uniform footwear and apparel Wolverine World Wide, Inc. has reported record revenue for the first quarter of 2007 ended March 24. Revenue increased 6.9% to reach $281.1 million, compared with $262.8 million in the comparable period a year earlier.

According to Blake Krueger, president and COO, three of the company's four major branded operating groups contributed to the revenue increase, with both the Outdoor Footwear Group and the Heritage Brands Group posting double-digit gains. Hush Puppies reported low-single-digit revenue gain, while the Wolverine Footwear Group was negatively impacted due to a planned decrease in its military contract business.

The company's brands include Bates, Hush Puppies, Hytes, Merrell, Sebago and Wolverine. It also holds exclusive footwear licences for brands such as Cat, Harley-Davidson and Patagonia.

New Balance names new CEO

18 Apr 2007

Boston-based athletic footwear brand New Balance has appointed Robert DeMartini as chief executive officer. He has more than 22 years experience in the consumer products industry.

Rapid expansion at Keri golf

18 Apr 2007

Golf bag and accessories company Keri golf has recorded growth of 50% in the first quarter of 2007 following the successful introduction of the brand's spring women's collection.

Boosted by the debut of its new 'bermuda collection' at the 2007 PGA Merchandise Show, the three-year-old company has rapidly expanded its global presence. It has added high-profile clubs such as Baltusrol and Winged Foot to its list of premier accounts that also includes Doral, Trump National, Reynolds Plantation, The Breakers, Kiawah Island and Isleworth.

Donaldson Membranes to present performance fabrics at Techtextil

18 Apr 2007

Provider of filtration systems and replacement parts Donaldson Membranes will present a selection of performance fabrics, industrial filtration and technical products at Techtextil in Frankfurt am Main, Germany, on June 12-14.

The company has developed a range of performance fabric products which can be tailored for applications including military, workwear, firefighting, law enforcement and recreational wear, which are both waterproof and breathable and, when used in garments, offer comfort and durability. The laminates used are designed to meet some of the toughest international military specifications and to help keep the wearer safe, warm and dry.

Its Tetratex ePTFE membrane is manufactured from 100% PTFE polymer resin. Tetratex is dimensionally and chemically stable in almost any environment ranging from -270º C to +260º C. Whilst it is highly water repellent, the membrane allows air and moisture vapour to permeate, providing a hydrophobic and breathable fabric.

Preliminary Q1 results from Callaway Golf

18 Apr 2007

US-based Callaway Golf Company has posted estimated net sales of $330 million to $335 million for the first quarter ended March 31, based on current information. This is an estimated increase of approximately 10%. For the first quarter of 2006, it reported net sales of $302 million.

The estimated increase in sales has been attributed to the early launch of the FT-I and FT-5 fusion technology

products, increased irons sales associated with the X-20 and X-20 and new X-forged tour models, and increased footwear, bags and glove sales.

New sales manager at Aku

19 Apr 2007

Italian trekking and outdoor footwear company Aku has appointed Mirco Battaglia as sales manager for Italy. Mr Battaglia has previously held roles in sales management at companies such as Benetton Sportsystem, Marcolin eyewear, The North Face and Trudi.

In this new role he will develop the sales of New Zealand pure Merino sporting apparel brand Icebreaker, which Aku distributes in Italy.

Mr Battaglia's appointment is part of an ongoing management restructuring strategy at the company that has also included the appointments of Andrea Cattaneo as product manager and Vittorio Forato as marketing manager in the last six months.

Sales rise at Cognis

19 Apr 2007

German supplier of specialty chemicals and nutritional ingredients Cognis has posted a significant sales increase in 2006. Sales rose 6.2% to €3,372 million whilst operating results improved 10.7% to €394 million, representing a return on sales (Adjusted EBITDA as a percentage of sales) of 11.7% compared with 11.2% in 2005. The improved results have been attributed to growth in sales volume, the associated capacity utilisation, and ongoing efficiency improvement measures, particularly in the USA.

All of the company’s strategic business units reported sales increases, with Care Chemicals (+5.6%) and Functional Products (+10.4%) achieving the highest growth rates. The joint venture Cognis Oleochemicals performed at almost the same level as in 2005. Sales generally grew across all regions.

Its Process Chemicals division, which manufactures products for the textile and leather industries, reported 4.1% higher sales at €258 million euros, driven by strong demand in the Asia-Pacific region and new contracts with apparel manufacturers.

Cognis employs about 8,000 people and operates production sites and service centres in 30 countries.

Adidas possible takeover target

19 Apr 2007

Following the announcement last week that German sportswear company Puma is to be taken over by French luxury goods company PPR, which owns labels such as Gucci, it appears that adidas has become the next takeover target. According to reports, UK-based private equity firm Apax Partners, which counts Tommy Hilfiger amongst its portfolio, is believed to be considering a 25% stake in the German sportswear company for just over €10 billion, which could well be the first step towards a takeover bid.

European Commission proposes new foreign market strategy

19 Apr 2007

The European Commission has adopted a new strategy for breaking down trade barriers abroad and creating new export opportunities with the Communication Global Europe: A Stronger Partnership to deliver Market Access for European exporters. Part of the Commission's new Global Europe trade policy framework, the proposal involves a new decentralised partnership between the Commission, Member States and businesses in third countries where local expertise makes trade barriers easier to identify and tackle.

Commenting on the strategy, EU Trade Commissioner Peter Mandelson said, "EU business relies on growing markets abroad to fuel economic growth and jobs at home. We need to ensure that European companies are able to compete fairly in those markets. This renewed strategy focuses on co-ordinating and strengthening the work of the Commission, Member States and business where it really matters—on the ground in our key markets."

The newly-proposed Market Access Partnership will aim to benefit the interests of both larger and smaller EU businesses and Member States. Key elements include closer and more action-oriented co-operation between the European Commission, Member States and business, including the establishment of EU Market Access Teams on the ground in countries outside the EU, both to identify trade barriers before they appear and tackle existing obstacles to trade; better prioritisation of resources, focusing on certain target markets, key sectors or issues such as intellectual property rights; better use of opportunities presented by negotiations—in particular in the Doha Round and the new generation of EU Free Trade Agreements—to make progress on non-tariff barriers; a tougher focus on the enforcement of global and bilateral trade rules through institutional dispute settlement and Europe's trade barrier instruments; and a more efficient and transparent service to business, including more systematic registration and follow-up of cases and an improved Market Access

Database.

Lenzing plans new viscose plant in India

19 Apr 2007

Having opened its second viscose fibre plant in Asia last week, in China, Austrian producer of man-made cellulose fibres The Lenzing Group has announced plans to build a third such plant in Maharashtra State, south of Mumbai, India.

The new plant, which will be established in co-operation with the Indian Modi Group, will employ 700 to 800 staff and will have an initial production capacity of 80,000 tons. Production is scheduled to start in 2010/11, after a construction period of two years.

US announces anti-dumping duty on Chinese polyester staple fibre

19 Apr 2007

The US Commerce Department has announced a final anti-dumping duty determination involving imports of polyester staple fibre from China. The report found dumping margins generally ranging from 3.47% to 44%. Two large Chinese polyester staple fibre producers, Ningbo Dafa Chemical Fibers Company and Far Eastern Industries Shanghai received dumping margins of 4.86% and 3.47%, respectively. The Commerce Department found de minimis dumping margins by Cixi Jiangnan Chemical Fibers Company. Other Chinese companies' dumping margins will range from 4.44% to 44%.

The investigation was begun in June 2006 after American producers DAK Americas LLC, Charlotte, N.C.; Nan Ya Plastics Corp. America, Lake City, S.C.; and Wellman, Inc., Shrewsbury, N.J. filed a petition with the International Trade Commission (ITC) and Department of Commerce. The petition covered the types of polyester staple fibre typically used as stuffing.

Commenting on the decision, the lawyer representing the US producers, Paul Rosenthal, said, "While we are pleased that the Commerce Department confirmed that the Chinese are dumping their imports into the US, and we expect that the duties that will be applied will benefit US producers, the dumping duties should have been much higher."

Australian wool merger approved

19 Apr 2007

The Australian Federal Agriculture Minister, Peter McGauran, and the Federal Government, have approved the proposed merger of Australian Wool Innovation (AWI) with Australian Wool Services (AWS).

Welcoming the decision chairman of AWI, Ian McLachlan, said, “With significant cooperation between the two companies, the Federal Government has accepted our proposal and has been persuaded to fix the matter earlier rather than later, and is to be commended for that.“ He added, “This is one of the most important announcements in the history of the wool industry, providing clarity for our international customers and all Australian woolgrowers.”

Eleksen expands presence in the USA and Asia Pacific

19 Apr 2007

UK-based developer and manufacturer of touch-sensitive smart fabrics for consumer electronics, apparel and accessories Eleksen Group plc has opened new offices in San Francisco, USA, and Hong Kong.

“With demand for wearable technology growing swiftly worldwide, it became eminently clear that these new San Francisco and Hong Kong facilities were a necessity to keep us ahead of the curve,” said Robin Shephard, CEO. “This reflects our continued growth in both markets and the immense promise that Eleksen is bringing to consumer electronic and wearable technology markets.”

2006 marked a banner year for Eleksen as the company signed a record amount of deals and was the first smart fabrics company to have an initial public offering.

The company's core technology, ElekTex, is an electro-conductive fabric touch pad optimised for the creation of flexible, durable and rugged fabric touch screen interfaces. It is used in applications ranging from wearable electronic controls for consumer electronics and industrial wear to lightweight, low-power touch interfaces for accessories, telematics, military, transportation and space suits.

High attendance expected at Shanghai Apparel Fabrics 2007

20 Apr 2007

Apparel and textile trade event Intertextile Shanghai Apparel Fabrics 2007 will be held for the13th time on October 29 to November 1. Last year more than 52,000 buyers from 97 countries and regions attended the event, which also hosted 2,033 exhibitors. Pavilions from Germany, Italy, Japan, Korea, Pakistan, Portugal, Taiwan, Thailand and Turkey have already confirmed that they will return to the show this year.

The event includes a variety of apparel textile products including fabrics and accessories for womenswear,

menswear, children and infants, casual and sportswear, and intimates and lingerie. Products range from mass market to high-end and include cotton, wool, silk, linen/ramie, man-made fibres, knitted fabrics, embroidery & lace, functional fabrics, accessories, fibres and yarns and textile-related technology. Industry-related seminars will also be held and trend forecasts will be presented during the show.

China remains the largest exporter of apparel in the world, with more than $95 billion in total textile exports in 2006, nearly a third higher than in the previous year. The China National Textile and Apparel Council is anticipating a 20% increase in export and output value this year. Domestic apparel consumption rose 74% between 2000 and 2005 and rising wages and global influence are set to continue this upward trend.

Snugpak to distribute Native Planet goods

20 Apr 2007

UK sleeping bag manufacturer Snugpak has been appointed to handle the distribution of Israeli travel and accessory brand Native Planet, which offers a range of rucksacks and travel accessories for a variety of end-users from professional backpackers to weekend and business travellers. Its top-end technical rucksacks are designed and constructed with fully adjustable back-systems, which are said to be easy to adjust whilst fully-loaded and on the move.

Snugpak will develop a new marketing programme to help raise awareness of the brand and will officially launch the company at the OutDoor Show in Friedrichshafen on July 19-22.

American Eagle nominates new board member

20 Apr 2007

US clothing, footwear and swimwear retailer American Eagle Outfitters, Inc. has nominated Cary McMillan to the company's board of directors. The election will take place at the company's stockholders meeting on June 12. Upon election, he will take the seat of retiring board member Larry Wolf who has served as a director since May 2003.

Since 2005, Mr McMillan has been CEO of True Partners Consulting, LLC and prior to this he was executive vice president of Sara Lee Corporation. He currently serves on the board of directors of McDonald's Corporation and Hewitt Associates, Inc.

Malaysian clothing and footwear picks up in March

20 Apr 2007

According to the Malaysian Department of Statistics, the Consumer Price Index (CPI) for January to March increased 2.6% to 105.1 compared with 102.4 in the same period last year. The CPI increased 1.5% in March 2007 to 105.0 compared with 103.4 in March 2006 but decreased 1.5% compared with February.

The Clothing & Footwear sector registered a 1.3% decline between January and March but increased by 0.3% in March.

Tauer China Sourcing opens Chicago office

20 Apr 2007

Hong Kong-based Tauer China, a division of Ideators Limited (HK), has opened a new office in Chicago, Illinois, to offer either advice or provide a full package of services. These services will include outsourcing, developing and securing samples, selecting and sourcing yarns/fabrics, materials, graphics and packaging, arranging production and establishing joint-venture arrangements.

The office will also serve as a cross-cultural communication translation centre for English-Chinese, Chinese-English business liaison and Mandarin language document translation services.

The company is hosting two-day weekend Apparel Manufacturing Boot Camps between May 19 and June 30 for representatives from the garment industry.

Dow opens polyurethane systems lab in Egypt

20 Apr 2007

US-based The Dow Chemical Company has opened a new polyurethane systems market development and prototyping laboratory in Egypt, which will work to create new products to meet the growing needs of the local customer base across Middle East, India and Africa.

The new facility will support the development of polyurethane-based fully formulated products to serve a wide array of applications while the polyurethane systems facility will continue manufacturing and commercialising products for applications including footwear, coatings adhesives sealants and elastomers.

Dow opened an export office in Egypt over 30 years ago and opened its Dow Mideast Systems and polyurethane systems facility in 1997.

Brandix and Ocean Lanka to set up new knit fabric mill

20 Apr 2007

Sri Lankan apparel exporter Brandix has established a joint venture the country's largest knit fabric manufacturer Ocean Lanka which will see the companies invest $20 million in a state-of-the-art knit fabric mill at the Brandix Apparel City (BAC) in Andhra Pradesh, India.

Ocean Lanka is a joint venture partnership of Fountain Set (Holdings) Limited, Hong Kong, Brandix and the Hirdaramani group. Incorporated as Ocean India, the mill will serve the needs of apparel manufacturing units in BAC and is set to be the largest knit fabric mill in the South Asia region.

Based on a 'fibre-to-store' concept, BAC has capabilities in spinning, fabric, accessory and apparel manufacture supported by services such as centralised logistics, training facilities, laboratories and other ancillary requirements.

Commenting on the new venture, Fountain Set chairman and managing director Ha Chung Fong said, "The BAC is one of the most exciting new manufacturing locations in the world, and we are pleased to go in with a partner of the calibre of Brandix to set up this new manufacturing unit in India."