**Business Week**
**28 May - 3 June**

## Nike resumes soccer ball production in Pakistan

28 May 2007

Nike is to resume production of its branded soccer balls in Pakistan, following the company's decision to end its contract with Saga Sports last November over labour concerns. It has signed an agreement with Sialkot-based ball producer Silver Star Group, which defines nine workplace conditions that must be met, including hourly wages for workers, full benefits and rights to freedom of association. All production must be done within Nike-approved facilities and technology must be installed to electronically track production and inventory.

It expects to place its first order with Silver Star this summer, with production to begin in autumn. Initial and ongoing production will be contingent upon the factory's ability to comply with product and compliance standards and fulfilment of its workers' rights commitments.

Through this agreement, Nike hopes to accomplish five objectives: to re-establish its presence in the country; to build a better manufacturing process which empowers workers, supports the community and enhances the local manufacturing process; to promote change for workers in the soccer ball industry; to see a transformed business model develop for soccer ball manufacturing that accesses its global supply chain and enhances the company's brand offering; and to further stimulate a broader stakeholder dialogue about supply chain models.

## Winners of 16th ispo BrandNew awards named

28 May 2007

The eight winners of the 16th ispo BrandNew awards have been announced, with 178 companies from 19 countries having applied.

The product awarded overall winner is Swiss made electric wheel motor, Easy Glider, an eco-friendly, 360 watt motor vehicle that can be used with inline skates or attached to a wheeled footbridge. The battery-driven device weighs almost 30 kg and travels at a maximum of 20 km/h.

The hardware accessories award was given for the Naturistick Fertilizer Cleats, developed by Daniel Wilhelms. The soccer cleats contain long-term fertilisers, helping to maintain grass as well as providing sure footing.

Hardware summer winner is US invention Extrong Surf Runner, a multi-functional sports device, primarily designed for kite boarding. Devised by Jay Seo, it can be used while sitting and even when there is little wind.

German company Waldmeister's Wooden Bike was named wheeler winner. The bike frame is composed of approximately 100 thin wood layers, offering comfort and advanced riding properties.

Style winner is a tree bark clothing collection from German brand Losgelöst, while US performance apparel producer Aegix was named sportswear winner for its snowboard and ski clothing.

US-based Blackeye was named accessories winner for its Blackeye Two helmet camera which allows wearers to film sporting activities while taking part. Sportswear accessories winner was technical membrane Vayu Verde from German company Iqtex, which offers temperature and humidity control as well as breathability. It becomes waterproof in wet conditions, preventing moisture from getting into clothes. The company also manufactures a footwear membrane, Vayu Vent.

The winners will present their products at ispo Sport & Style, which will take place July 8-10 in Munich.

## 25% sales increase at PrimaLoft in 2006

28 May 2007

Insulation for outdoor products brand PrimaLoft has reported a 25% sales increase for 2006 compared with 2005. This has been attributed to expanded apparel and accessories ranges from manufacturers that use the company's insulation and its new family of products including PrimaLoft yarn.

The insulation is currently used in gloves, jackets, sleeping bags and footwear and is used extensively by the US military.

PrimaLoft yarn is scheduled to launch in the UK this autumn in Lorpen's range of technical socks.

## Italy and Colombia discuss bilateral trade

28 May 2007

Italian minister for foreign affairs, Massimo D'Alema, recently held a meeting with vice president of Colombia, Francisco Santos Calderon, to discuss ways to improve bilateral trade.

Italy's National Institute for Foreign Trade, ICE, described

Colombia as a country that is at the forefront of foreign trade; a country that is economically free and open. It added that the country has an important geographical location as a member of the Andean Community of Nations—also comprising Bolivia, Ecuador and Peru—and benefiting from special customs agreements with the Caribbean Community (CARICOM).

In the last three years, Colombia has imported approximately 2,400 different types of product from Italy, totalling around €253 million ($340 million) in 2005. The 'Made in Italy' tag appears to be the most attractive element for the Colombian market with clothing and food products at the top of the list.

Colombian exports to Italy increased 13.6% to €512 million in 2005, with textiles and clothing, leather and chemical products among the most popular items.

## Gerber Technology acquires Data Technology

28 May 2007

US-based supplier of automated manufacturing systems for apparel and flexible materials, sign-making and specialty graphics Gerber Scientific, Inc., the parent company of Gerber Technology, has successfully completed the acquisition of Data Technology, Inc. Based in Wilmington, Massachusetts, Data Technology manufactures multi-functional, precision cutting systems for the rigid and flexible materials, packaging and graphics industries.

In its last fiscal year Data Technology recorded annual revenues of slightly under $10 million. The integration of the two companies' operations, networks and customer facing organisations is already under way.

Gerber Technology's vice president of global sales, Sam Simpson, said that the cutting systems would particularly help to strengthen its fast-growing technical textiles and composites segments.

## Nester software changes name

29 May 2007

US-based developer of production optimisation solutions Nester Software has been renamed Plataine, reflecting the company's recent expansion of its solution suite to provide optimisation and decision support for the entire production process, from order to assembly.

Plataine specialises in the optimisation of production processes that involve two-dimensional cutting of raw material and the assembly of the cut pieces into a finished product.

## Kazakhstan seeks Indian co-operation in textiles sector

29 May 2007

During a recent meeting with Indian Minister of State for Industry Shri Ashwani Kumar, Kazakhstan's Foreign Minister, Marat Tazhin, sought India's assistance to set up industrial clusters for textiles as well as co-operation in areas of technology and financial services. In turn, the Indian minister highlighted the South East Asian country's need for safe energy supplies in view of India's dependence on oil and gas imports from mineral rich Kazakhstan, stating,

"Participation of Indian oil and natural gas companies in Kazakhstan would be a win-win situation for both Kazakhstan and India."

## Ashworth to cut jobs

29 May 2007

US designer of golf apparel and golf-inspired sportswear Ashworth, Inc. has made several management changes and plans to cut 16 positions at the company.

Edward Fadel has returned to the company as president, effective immediately, and will oversee all of Ashworth's sales, customer service and sourcing whilst sharing responsibility for design with John Ashworth. He replaces Gary Schneiderman who has left the company. Peter Holmberg, executive vice president - Green Grass Sales and Merchandising, has also resigned in order to return to his home in Seattle.

The company has also eliminated 16 staff positions in an effort to streamline operations and "better align its cost structure with its core business strategy".

## Unifi names new board member

29 May 2007

US-based producer and processor of multi- filament polyester and nylon textured yarns Unifi, Inc. has appointed Stephen Wener to its board of directors.

Mr Wener has served as president and CEO of Dillon Yarn Corporation since 1980, the polyester and nylon texturing operations of which were purchased by Unifi on January 1.

Unifi's brands include aio, Sorbtek, A.M.Y., Mynx UV, Repreve, Reflexx, MicroVista and Satura.

## Gap names new head of design

29 May 2007

US specialty apparel retailer Gap Inc. has appointed Patrick Robinson as executive vice president of design for Gap Adult and gapbody. He will oversee all elements of design for Gap women's and men's apparel, accessories and intimates lines in North America, reporting to Marka Hansen, president of Gap North America, and Gary Muto, president, Gap Adult and gapbody.

He joins Gap from Paco Rabanne in Paris, where he has been artistic director since 2005. Prior to this he held senior design and leadership roles at Perry Ellis and Anne Klein.

## Mixed results at Fountain Set

29 May 2007

Hong Kong-based knitted fabrics manufacturer Fountain Set (Holdings) Limited has posted mixed results for the six months ended February 28. Turnover from the production and sales of dyed fabrics, sewing threads and yarns fell 12.4% to approximately HK$2.658 billion ($340.1 million), due to a temporary reduction in production at its Dongguan Fuan Textiles facility during the rebuilding an effluent treatment plant at the site. Meanwhile turnover from the production and sales of garments reached approximately HK$317,521,000, a sharp increase of 56.56% compared with the same period last year.

With a global staff of approximately 20,000, Fountain Set has production facilities in China, Sri Lanka and Indonesia, and marketing and representative offices in eight countries around the world.

## Perry Ellis signs Original Penguin footwear agreement

30 May 2007

US designer, distributor of men's and women's apparel and accessories Perry Ellis International has entered into a new licensing agreement for the USA with ACI International Inc. to design, manufacture and distribute men's, women's and children's footwear for the Original Penguin by Munsingwear brand. Relaunched in 2002 the Original Penguin brand includes men's and women's apparel and accessories, including sportswear, dress shirts, tailored suits, denim, and swimwear.

Dave Frazier, former vice president of sales and marketing for Lacoste Footwear in the USA and ten-year veteran at Ralph Lauren Footwear, will be president of the Original Penguin footwear division at ACI International.

The line will initially launch at retail in autumn, followed by a broader launch in the spring of 2008.

## Toray teams up with Pony to launch new footwear line

30 May 2007

Toray Ultrasuede (America), Inc. has teamed up with Pony International LLC to launch two new shoe styles designed to combine Pony's fashionable designs with Toray's functional Ultrasuede fabric.

Commenting on the partnership, Pony's public relations director Colin Brickley stated, "We tested Ultrasuede and it performed far higher than actual suede in terms of abrasion-resistance."

## Invista names new president

30 May 2007

Integrated producer of fibres, fabrics and finishes Invista has named Dave Trerotola as president of Invista Apparel, based at the company's headquarters in Wilmington, USA. He replaces Bill Ghitis, who has retired. Prior to accepting this position, Mr Trerotola served as global president of Invista's Performance Materials business.

In his new role, Mr Trerotola is now responsible for leading the global apparel portfolio of brands including Lycra, Coolmax, Cordura, Tactel, and Supplex.

## Malaysia and Pakistan mull improved co-operation

30 May 2007

Malaysia and Pakistan discussed the possibility of establishing joint ventures in several sectors, including textiles and sporting goods, at a Malaysia-Pakistan Business Forum held during the recent Third World Islamic Economic Forum (WIFE) in Kuala Lumpur, Malaysia.

Addressing the forum, Tanvir Ahmad Sheikh, president of the Federation of Pakistan Chambers of Commerce & Industry (FPCCI) highlighted the liberal investment policy in Pakistan and urged Malaysian businesses to consider investment either individually or through joint ventures.

## Hohenstein Institutes opens second Indian office

30 May 2007

German testing house Hohenstein Institutes has opened a second contact office in India in response to the increasing demand for textile testing in the South East Asian country. Having opened an office in Mumbai just over a year ago, the new office is located in the textile hub of Tirupur in Southern India.

As the second official agency of the International Oeko-Tex Association, the office is primarily responsible for the certification of textile products in accordance with Oeko-Tex Standard 100, but will also offer a range of standard materials and merchandise testing, as well as carrying out internationally recognised tests of performance and treatment processes.

## David C. Poole acquires Wellman's Wellstrand assets

30 May 2007

As part of its strategy to focus on its chemical-based business, US manufacturer of polyester products Wellman, Inc. has sold the equipment used to manufacture its Wellstrand fibre and licensed the use of the Wellstrand name in the USA to distributor of synthetic staple fibres David C. Poole Company, Inc.

Wellman's products include PermaClear brand PET and Fortrel brand polyester fibre.

## CK revenues lift results at Phillips-Van Heusen

31 May 2007

American clothing and footwear company Phillips-Van Heusen Corporation has posted net income of $53 million for the first quarter of 2007 compared with $48.7 million for the corresponding period in 2006. Earnings included $1.9 million of pre-tax income comprising a $3.3 million gain in connection with the sale of minority interests in certain entities, offset in part by $1.4 million of start-up costs associated with the company's Timberland wholesale sportswear business and Calvin Klein stores.

Total revenues in the first quarter increased 17% to $591.9 million from $506.4 million in the previous year with revenues rising 43% in the Calvin Klein licensing business and 14% in the company's combined wholesale and retail business.

## New performance award at ispo Sport & Style

31 May 2007

Ispo Sport & Style has introduced a new Performance Award for four categories—footwear, clothing, hardware and others—of products which overlap different sporting segments, allowing the comparison of products from various areas such as streetwear, outdoor and swimming. The products will be assessed on their functional and technical solutions as well as ease-of-use. Meanwhile, products designed to be environmentally compatible will also be recognised in a special Eco Responsibility category.

The deadline for submissions is June 14 and winning products will be presented at ispo in July.

## Competition raises price pressure on breathable textiles sector

31 May 2007

Dublin-based research company Research and Markets has added market analysis firm Frost & Sullivan's 'World Breathable Textiles Markets' report to its portfolio.

The report provides growth forecasts for the market from 2006 to 2013 and segmentation of the market by technology, chemistry and geography as well as by end-user application. It also provides a detailed market share analysis covering both coated and laminated textiles.

According to the report, the Asia Pacific region is becoming a favoured destination for the production of breathable textiles as a result of attractive growth rates and new participants entering the market. Meanwhile there is a definite decline in the production of breathable textiles in both Europe and North America, which will intensify as the market in Asia Pacific develops. However, high-tech applications and high specification products are likely to remain in these regions.

## Improved results at Polo Ralph Lauren

31 May 2007

US apparel and luxury goods company Polo Ralph Lauren Corporation has reported net income of $73 million for the fourth quarter of fiscal 2007 compared with $63 million for the prior-year fourth quarter, a 17% increase. For the year, net income grew 30% to $401 million compared with $308 million for 2006.

Fourth quarter net revenues increased 6% to $1.03 billion compared with $972 million for the fourth quarter of 2006, while net revenues for the year increased 15% to $4.3 billion compared with $3.75 billion last year.

Excluding the effects of the Polo Jeans and footwear acquisitions, consolidated revenues increased 10% compared with the same period last year.

Wholesale sales in the fourth quarter increased 10% to $629 million compared with $574 million in the prior-year period. For the full year, wholesale sales were up 19% to $2.32 billion versus $1.94 billion in the same period last year. Excluding the effect of the Polo Jeans and footwear acquisitions, revenues increased 9% primarily through increased sales in Europe as well as domestic sales gains in Lauren, Chaps for women and children, and in the men's business.

Retail sales were up 3% to $346 million in the fourth quarter compared with $335 million, while retail sales for the full year were up 12% to $1.74 billion compared with $1.56 billion last year.

## Sales rise at Cognis

31 May 2007

Germany-based supplier of specialty chemicals and nutritional ingredients Cognis has reported a 1.7% increase in net sales for the first quarter to reach €890 million, driven by growth across all of its strategic business units.

Process Chemicals' sales of €64 million were flat with the first quarter of 2006, although sales volumes in both the Textile and the Leather Technology businesses improved slightly as a result of strong growth in the Asia-Pacific region following the addition of new capacity in China in 2006.

## Fila USA names new VP

31 May 2007

Sports footwear and apparel manufacturer Fila has named Andrea Greco as vice president and chief operating officer for Fila USA. He rejoins Fila USA—having held the position of vice president of Supply Chain from 2001 to 2005—from IT outsourcing company EDS, where he was vice president of Global Sourcing.

Based at Fila's New York office and Sparks, Md. Headquarters, in his new role, Mr Greco will oversee the company's operations including inbound and outbound logistics, customs compliance and information technology. He will also be responsible for distribution and facilities including the company's US warehouse in Brandon Woods, Md.

## Gildan closes manufacturing facilities

31 May 2007

As part of its strategy to consolidate sock production at its new facility in Honduras, Canada-based activewear and apparel manufacturer Gildan Activewear is to close two sock facilities in Mount Airy, North Carolina, USA. Commenting on the closures, the company stated that the relocation of capacity to offshore facilities was necessary in order to be globally competitive.

Approximately 520 employees will be affected by the closures, which will be completed by the end of August. The company will also cut retail sales and administrative jobs at its Kentucky Derby Hosiery head office in Hopkinsville, Kentucky.

## BASF offers new services for REACH

31 May 2007

To assist manufacturers and importers with the implementation of the new EU REACH chemicals regulations on June 1, German chemicals supplier BASF is expanding its portfolio to include a new service. As part of its Success sustainability service, BASF will pool its competence in the area of product safety to offer consulting services and support in the implementation of REACH.

The range of services will extend from status quo analysis and employee training sessions on pre-registration to all areas of registration and approval.

"Manufacturers are interested in knowing which of their substances are subject to the new chemicals regulations. Anyone who imports chemicals for use in formulations wants to know what requirements must be met before such chemicals can be imported into the EU. And users want to know what information they have to provide to manufacturers," said Dr. Andreas Kicherer, head of the Success team at BASF. "For this reason, our experts first analyse whether and how the given company is affected by REACH. In a second step we work together with our customers to identify their special requirements in order to develop the right solutions. In this way we get our customers ready for REACH, which also ensures our own success."

## Nilorn supports UK fashion student

1 June 2007

Nilorn UK, a subsidiary of Swedish woven labelling firm Nilorn Group, has supplied all the labels for UK fashion design student Kayleigh Hammond's spring/summer collection.

Ms Hammond, who studies at the University of Lincoln, used the Keighley-based company's 500 woven satin labels in white, silver and dark silver for her final degree 'work wear' collection.

Commenting on the collection she said, "It's extremely important when putting together a fashion collection, whether for a degree course or actual sale, that the whole concept works, from the actual design to garment detail and packaging."

The Electric City collection is designed for young professional women and includes dark, lightweight pinstripe suit fabric contrasted with white cotton shirts offset by electric blue tights and accessories. All the items have added volume to distinguish them from traditional tailored suits.

Nilorn produces a range of items from printed labels to swing tickets, hanger stickers, care labels and packaging.

## Wholesale demand for textiles falls

1 June 2007

According to the Distributive Trades Survey, produced by the Confederation of British Industry (CBI), strong demand has led to increased retail prices. The survey showed that 53% of UK retailers said year-on-year sales volumes were up in May with just 21% reporting a decline. The rounded balance of +31 marked the sixth consecutive month of growth, although it was lower than April's three-year high (+44) and expectations for May (+36).

Overall, retailers said their sales for the time of year are good (a net balance of +21) and orders placed with suppliers increased at their fastest rate since June 2004.

Despite this, there are some signs that sales growth, both in terms of volume and prices will abate over the coming months. The headline balance of +31 for sales volumes in May was lower than in April and the expected balance for June is +23. If realised, this would represent the slowest rate of growth for three months.

The balance of retailers anticipating higher average selling prices next month compared with a year ago was +23, lower than the balance reported for May (+33), but stronger than the trend of recent surveys.

Wholesalers reported further growth in annual sales volumes to May but the balance of +21 was lower than April's high of +34 and below expectations (+28). However, demand for clothing, textiles and footwear was down (a balance of -44).

The survey was conducted on May 1-16 and involved 160 businesses, representing 20,000 outlets and 40% of retail jobs.

## Nike commits to better labour conditions

1 June 2007

With the release of its fiscal 2005 and 2006 Corporate Responsibility Report, Nike, Inc. has announced a series of business targets for 2011 that integrate corporate responsibility goals into the company's long-term growth and innovation business strategies more effectively.

The targets set benchmarks to improve labour conditions in contract factories (including reducing excessive overtime), create a climate neutral company, drive sustainable product design and innovation and provide youth with greater access to the benefits of sport.

President and CEO Mark Parker said, "We see corporate responsibility as a catalyst for growth and innovation."

## IFAI Expo 2008 receives IBP designation

1 June 2007

A large number of international visitors are expected at the IFAI (Industrial Fabrics Association International) Expo, to be held in Charlotte, North Carolina, in October 2008, after the show received International Buyer's Program (IBP) designation from the US Department of Commerce for the second time.

The IBP was created by the Department of Commerce to bring international delegations to American tradeshows in order to assist US companies and encourage both global trade and business partnerships. The department is now working on promotional strategies as part of the programme.

IFAI Expo first received the designation for the 2006 show which was held as part of the Megatex event in Atlanta. The event welcomed participants from 81 countries and attracted a record 8,122 participants.

## Lenzing chairman elected as president of CIRFS

1 June 2007

Thomas Feynman, chairman of Austrian producer of cellulose fibres Lenzing AG, has been elected president of CIRFS (Comité International de Rayon et des Fibres Synthéthiques), the association representing the European man-made fibres industry. He succeeds Omer Sabanci, who has served as president of CIRFS since 2004, and will hold the position for the next three years.

Speaking after his election, Mr Fahnemann stated, "I am convinced that CIRFS can play an even greater role in the future, in helping European man-made fibre producers to raise the share of value-added products

and to gain easier access to the global market-place. CIRFS should be a real cutting-edge organisation with an international focus, that helps shape and develop markets in the interest of the European man-made fibres industry. I look forward to working with the members and staff of CIRFS to develop these objectives."

CIRFS, whose members cover over 90% of European man-made fibre output, offers a range of services to the €13 billion industry and represents the sector in dealings with European authorities.

## Arc'Teryx names new VP

1 June 2007

Canadian developer and manufacturer of outdoor equipment and apparel Arc'Teryx Equipment Inc. has named Gary Bryant, European brand manager at the company, as vice president of Sales. He replaces Bob Holding, who will assist in the transition of his duties, following Mr Bryant's relocation to Vancouver in August, until the end of the year.

## Wolverine appoints new president at Merrell

1 June 2007

US casual, active, work, outdoor sport and uniform footwear company Wolverine World Wide has named Scott Sible—currently vice president and general manager of its Merrell business—as president, Merrell. In his new capacity, Mr Sible will assume greater responsibility for the leadership, strategic direction and general management of Merrell Footwear and Merrell Apparel on a global basis. He will continue reporting to Jacques Lavertue, president of the Outdoor Group at Wolverine.

Wolverine's brands include Merrell, Bates, Hush Puppies, HYTEST, Sebago and Wolverine and holds exclusive footwear licences for brands such as Harley-Davidson and Patagonia.